

## LabTech Best Practices: Using RMM for Break-Fix Customers

*This is the first in a series of articles on best practices for managed service providers (MSPs) based on the topics discussed during the MSP:360 webinars sponsored by LabTech Software. Our objective is to educate, provide industry insight and help IT professionals grow their businesses through shared information, knowledge and expertise.*



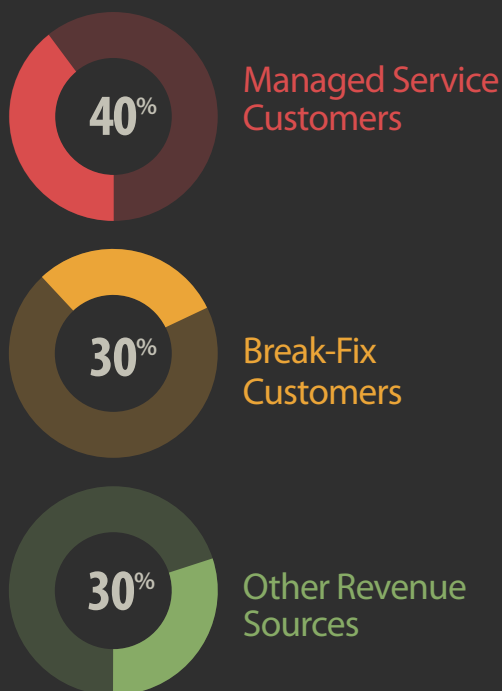
## Using a Remote Monitoring and Management (RMM) Tool to Support Break-Fix Customers

LabTech Software surveyed 1,200 MSPs and found that the average business generates 30% of total revenue from break-fix customers, 40% from managed service customers and 30% from other activities. In view of the current economic times, an MSP shop would almost surely have a hard time staying in business if any of these revenue sources were lost. So, the issue becomes how to generate more revenue and maximize the value of break-fix customers. In other words, how does an MSP introduce and show their value proposition to break-fix customers so they can gradually transition to managed services.

While many MSPs see break-fix customers as non-reliable sources of revenue that take up too much of their valuable time, Kevin Gibson, from Atlanta Technology Force (ATF), has developed a successful way to generate revenue from these customers while transitioning them from a reactionary model to the next level of service and eventually to a managed services contract. To accomplish this, ATF leverages the robust remote monitoring and automation features of LabTech RMM. This innovative thinking has allowed ATF to achieve a 60% margin rate compared to the industry average of 30%.

The policy at ATF is to install an RMM agent in every machine they service— whether it's a contract customer, a non-contract customer or a walk-in customer with a virus. Non-contract customers are notified that the agent is being installed and will generate free basic reporting for them based on 20 alerts overseeing system security, reliability and stability. Most customers are happy to get this information free of charge.

## Average MSP Revenue Sources



Using powerful scripting and monitors, the installed LabTech agent will automatically generate an alert when an issue is detected. LabTech creates a ticket and sends a customized email to the customer with very specific information about the problem. The responsibility is now on the customer who is encouraged to immediately contact the MSP to ensure their system's health and security. Customers are also advised that the alert messages will continue to appear until the problem

is resolved, so they either need to address the issue or expect to continue receiving alerts. Furthermore, customers are reminded that required repairs do not fall under a contract and that they will incur in an extra charge.

Kevin Gibson finds that the repetition of the alerts is really what gets the customer to fix the problem. It is a daily reminder that something is broken and their system is at risk of failure and it's giving them an opportunity to get the problem resolved. A customer will typically respond after the third or fourth alert, authorizing the MSP to repair the problem for a fee. After the first repair is authorized, the issue quickly resolved and the messages stop coming, customers begin to build confidence. Thus, the next time an alert is sent, the MSP can expect to receive customer approval to repair a problem much more quickly. These are the customers that are easy to convert to managed services, because you can detail their network issues and quantify the value you can provide under a managed contract.

What's more, of the 20 items that generate alerts, ATF has automated 14 of them where the technician simply runs a script to make the repair. It takes 20 seconds to fix the problem and the MSP can bill for 15 minutes. Not only does this generate additional revenue, but it gives an MPS the ability to go back to the customer in a few months with a detailed report of the issues detected and the cost of repair and say, "Here's what we would have fixed under our managed services contract and here's what it actually cost you. Let's talk about managed services."

This is all accomplished through the power of automation. The workflow can be streamlined even more in cases where LabTech is integrated with a professional services automation (PSA) platform. Also, alerts can be scheduled so they're not frequent enough to irritate the customer, but often enough to remind them that the problem exists so they can make a sound decision.

The searches, groups, scripts, templates, schedules and other LabTech components used by ATF are available in the LabTech Forum, where you can also find information about other best practices. For a detailed description of the process view Episode 1 of the MSP:360° Webinar Series at [www.LabTechSoftware.com/MSP360](http://www.LabTechSoftware.com/MSP360).