

## THE MSPmentor 100

### Identifying the world's top managed service providers

Kaseya customers represented 52 companies on the final MSPmentor 100 list (2007-2008 edition).

The MSPmentor 100 is an annual survey conducted by MSPmentor and its owner, Nine Lives Media Inc. Instead of ranking MSPs merely by total revenue, MSPmentor calculates an index measurement. This index approach ensures small, midsize and large MSPs from around the world are recognized on the MSPmentor 100.

The MSPmentor 100 considers such variables as:

- Total managed services revenue (in U.S. dollars, 2007)
- Managed services revenue growth (in U.S. dollars, 2007 vs. 2006)
- Managed services revenue growth (percentage, 2007 vs. 2006)
- Managed services revenue per employee (in U.S. dollars, 2007)
- Number of devices managed (2007)
- Other data points comparing fiscal 2007 to fiscal 2006

In order to be considered for the MSPmentor 100, managed service providers had to complete a comprehensive online survey, which MSPmentor and Nine Lives Media Inc. conducted from October 2007 until December 28, 2007. MSPmentor received 512 completed surveys from managed service providers across the globe.

**For additional information about the MSPmentor 100 and the next edition of the report, please visit**

[www.mspmentor.net/top-100-msps](http://www.mspmentor.net/top-100-msps)



# Kaseya Takes Top MSPs From Good to Great

**More than half of the world's top 100 managed service providers run Kaseya's software, according to the MSPmentor 100 research study (2007-2008 edition). Here are five secrets to Kaseya customers' success.**

As CEO of TechAssist LLC, Nicholas Vossburg runs the most successful managed service provider (MSP) business in the Washington, D.C. area.

TechAssist was ranked No. 20 in the 2007-2008 MSPmentor 100, an annual global study that identifies top managed service providers based on revenue growth, devices managed and other key factors (see sidebar, "The MSPmentor 100"). In fact, TechAssist was the only MSP in the Washington, D.C. area to land on the MSPmentor 100 list.

"We're always striving to do better," says Vossburg. "But from our business strategy to our marketing efforts to our technology choices, we've done a lot of things right – including choosing the right managed services platform."

Indeed, TechAssist has standardized on Kaseya's IT automation software to remotely manage desktop computers, data and computing environments.

## Familiar Trend

TechAssist's commitment to Kaseya's software isn't unique. In fact, 52 companies from the MSPmentor 100 ([www.mspmentor.net/top-100-msps](http://www.mspmentor.net/top-100-msps)) leverage Kaseya to help automate their businesses and to generate dependable, high-margin recurring monthly revenue.

And in many cases, Kaseya customers outperform their MSP-mentor 100 rivals in such areas as:

- Annual revenue growth rates
- Average number of managed devices per technician (see charts below)

At TechAssist, for instance, the company's annual managed services revenue more than doubled in 2007 compared to 2006, and business growth has remained strong in 2008. "I've heard quite a lot about the weak economy," says Vossburg. "And I don't want to sound arrogant, but we're holding up well and continuing to generate new business while traditional VARs are seeing their margins contract."

## Around the Globe

The situation for savvy Kaseya customers is similar across the globe. Sentry Networks of Australia, for instance, was ranked No. 47 on the MSPmentor 100. Sentry dove into the managed service market in 2003 and accelerated its business by embracing Kaseya in 2007. The company has grown rapidly to manage more than 25,000 customer devices, according to Sentry Networks managing director Steven Begley.

Why are so many Kaseya customers thriving and landing on the annual MSPmentor 100 list? To find some answers, we took a closer look at the MSPmentor 100 report and searched for common best practices among the top Kaseya customers. We've boiled our findings down to five key secrets to success in the managed services market.

## Secret 1: Find Your Platform

Of course, savvy MSPs will need a dependable, scalable managed services architecture to automate their business and drive accruing revenue higher.

Consider the situation at Sentry. "Having tested a number of products, we found Kaseya produced the best overall features, plus allowed us to payoff the software over a number of years, spreading the investment costs," recalls Begley. "I realized that using Kaseya, we could manage

### BEST OF THE BUNCH

Here's how Kaseya's customers are outperforming members of the MSPmentor 100

Average Annual Revenue Growth (%)

127%

MSPmentor 100

158%

Kaseya Customers

Average # Devices Managed Per Technician

157

MSPmentor 100

248

Kaseya Customers\*

\*Some Kaseya customers manage 500 or more devices per technician

more users and clients per technician. Plus, I could ensure basic jobs such as patching, software updates and installs are carried out by scripts—not people—again saving time and money. We started using Kaseya after a trial period in 2007 and it was one of the best decisions I have made in the MSP journey."

### Who Has Momentum?

Plenty of MSPs across the world echo Begley's strong commitment to Kaseya. Other true believers include:

- **Craig Guice**, president and EO of outsourceIT Corp. of LaPlata, Maryland (Ranked #23)
- **Scott Goemmel**, co-founder and partner at PMV Technologies of Troy, Michigan (Ranked #25)
- **Simon Albert**, director and co-founder, The PC Support Group of Liverpool, United Kingdom (Ranked #91)
- **Albert Smit**, co-founder of LANtrust B.V. in the Netherlands (Ranked #82)

At outsourceIT, the company has leveraged Kaseya's software to average a stunning 130 percent annual revenue growth for the past four years, according to CEO Craig Guice. Similarly, The PC Support Group uses Kaseya and emerged as one of Europe's first companies to debut on the MSPmentor 100.

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“Our business was based on an MSP model from the start and so Kaseya was part of that from day one,” says The PC Support Group’s Simon Albert. “We evaluated all the options and found Kaseya to be the best all-round solution that would enable us to deliver a first class service to our customers.”

The situation was similar at LANtrust, which now leverages Kaseya to automate manual tasks that had been holding the company back. “Three years ago we lost the ‘fun factor’ in our small company,” recalls LANtrust’s Albert Smit. “We were always very busy driving around or on our mobile phones. We finally created an Excel list and wrote down all the things we did for a week. When we put the sheets together and gave “fun-numbers” to all the things we did, we concluded that the business wasn’t fun. And we asked ourselves: Why do we perform so many updates at night by hand? And why are we always late to notice capacity problems.”

LANtrust discovered Kaseya as a possible solution, and “within a month our Kaseya server was running in our datacenter and we were able to connect all the servers—50 at that time—to Kaseya,” recalls Smit. It took roughly four to eight months for LANtrust’s customers to become comfortable with the managed services mindset. But once a few customers made the move to managed services, LANtrust’s recurring revenue business snowballed.

Within three short years, LANtrust grew its Kaseya deployment to manage more than 400 customer servers (running a mix of Windows Server 2003 and Windows Server 2008) and more than 800 desktops (running Windows XP and Windows Vista), says Smith.

## Keep An Open Mind

Still, choosing the right MSP platform involves careful consideration. Savvy MSPs are seeking options that include open APIs (application programming interfaces). Through these APIs, managed service providers can more easily snap multiple MSP platforms together.

Kaseya has APIs that allow the company’s software to work closely with professional services automation (PSA) platforms from Autotask and ConnectWise. As a result, Kaseya is positioned to become the central star in a tightly connected managed services universe, analysts say.

“The availability of APIs from MSP platform providers certainly is a good thing,” says Erick Simpson, vice president and CIO of MSP University. “APIs will allow MSPs to maximize efficiencies and reduce duplication of effort from staff entering data into disparate systems. You’ll be able to manage, collate and report from one view.”

### AT A GLANCE

**Company:**  
**PMV Technologies**

**HQ:** Madison Heights, Mich.

**Web:** <http://www.pmvtech.com>

**Key Leader:** Scott Goemmel, Co-founder and Partner

**Fast Fact:** Leveraging Kaseya’s software, PMV’s managed services revenue grew nearly 150 percent from 2006 to 2007. That growth rate was among the top 25 companies ranked on the MSPmentor 100.



*Scott Goemmel*

MSPs agree with Simpson’s strong views. In fact, the typical managed service provider already leverages at least two automation platforms to handle everything from storage to patch management, security and help desk services, according to the MSPmentor 100 report.

### Secret 2: Consider Your NOCs Carefully

As MSPs weigh their platform options, they must also consider their network operation center (NOC) strategies.

Generally speaking, the vast majority of MSPmentor 100 companies have their own NOCs for hosting software and remotely managing customer environments. However, a hybrid NOC model is emerging within the MSPmentor 100 universe.

In recent months, more and more managed service providers have evaluated – or embraced – so-called master MSP services. VARs that don’t have the budget, time or expertise to build their own NOCs can turn to a master MSP for hosting services.

Even MSPs with their own NOCs are evaluating additional third-party hosted services to extend their own NOC services into new areas. For instance, Kaseya has introduced a series of complementary NOC services (including outsourced help desk support) to help MSPs round out their services.

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Kaseya's NOC Assist offering enables IT solution providers to leverage the expertise of the global Kaseya team to expand their services without adding additional staff or overhead, notes Tim McMullen, chief operations officer at Kaseya.

Specifically, Kaseya NOC Assist gives MSPs the ability to extend their staff by bundling private labeled NOC services for basic remediation, routine preventive maintenance and pro-active monitoring of servers. Kaseya provides these services —ensuring MSPs maintain complete control over usage, data collection and all end user interaction.

### Secret 3: Develop Your Brand and Business Model

At first glance, the managed services market is all about technology. But take a closer look and you'll discover that the best MSPs spend considerable time building and polishing their corporate brands, as well as promoting their unique selling propositions.

Gone are the days when VARs polluted their web site home pages with third-party logos and certification information. "In the 1990s, VARs were proud to display their allegiance to specific software and hardware companies," recalls Ed Golod, president of Revenue Accelerators Inc., a technology consulting firm in New York. "But these days, the emphasis for VARs and MSPs is their own brand differentiation."

### Keep It Simple

For Sentry's Steven Begley, that meant clearly communicating the company's business focus to customers. When Sentry moved from break-fix to managed services, Begley focused on a single pricing and support model that included unlimited support for a fixed monthly fee. Sentry's business model is built around per user and per server unlimited support.

"We do not have Bronze, Silver or Gold plans as I believe this gives the impression that some clients are more important than others," says Begley "We treat all clients as premier clients, from a two-user network to a network with 100 users."

Now for the really tricky part of Sentry's business transformation. Rather than grabbing every IT dollar on the table, Sentry actually walked away from clients that didn't buy into the MSP concept. "That mindset includes NOT selling a server or hardware device to any business that is not a managed services client of Sentry Networks," asserts Begley.

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## FIVE SECRETS TO MANAGED SERVICES SUCCESS

1. Stick with scalable MSP platforms that allow your company to remotely manage 500 or more devices per technician. Also, make sure the MSP platform has open APIs (application programming interfaces) that allow you to plug third-party applications into the system.
2. Consider your NOC (network operations center) options carefully. Consider hybrid approaches, where you host some of your services but partner for third-party services such as Kaseya NOC Assist.
3. Develop your brand and business model. Make sure your web site evangelizes your company's brand identity rather than technology partner logos. Make sure you have a clear, concise value proposition (five sentences or less) that describes why customers should do business with you.
4. Rethink what you measure. Don't get overly distracted by service level agreements. Many MSPs are deemphasizing SLAs. Instead, they are measuring customer satisfaction on a quarterly basis, and then striving to improve those results every 90 days.
5. Stick with innovative standards. As your business grows you can get bogged down in legacy systems. But standards-driven technologies, such as the Intel vPro, allow MSPs to easily plug new innovations into their product portfolios.

### AT A GLANCE

**Company:** **outsourcIT Corp.**

**HQ:** Roanoke, Va.

**Web:** <http://www.outsourcITcorp.com>

**Key Leader:** Craig Guice, president and CEO

**Fast Fact:** Under Craig's leadership, outsourceIT has averaged 130 percent annual revenue growth each year for the past four years.



Craig Guice

Sentry's reasoning is simple but important to understand: It could damage the company's brand if they can't proactively manage a customer's server and the server goes onto suffer a failure. "Our aim is long term-relationships, not short term cash," says Begley.

So far that strategy is working, Sentry had 15 employees in July 2008 and expects that figure to grow to 25 or 30 employees by July 2009.

### Secret 4: Rethink What You Measure

During MSPmentor events and industry conferences, managed service providers spend considerable time discussing service level agreements (SLAs). Most MSPs work overtime to design flexible SLAs that ensure customer value within reasonable service levels.

Instead of reinventing the wheel, many MSPmentor 100 companies track down template SLAs and make minor tweaks, based on guidance from legal counsel, corporate accountants and customers.

The template SLAs are easy to find. Kaseya provides customers with free SLA templates through the company's Empower Marketing Toolkit. And CompTIA (the Computing Technology Industry Association) offers a template SLA that MSPs can leverage and refine on their own. The SLA template, available from CompTIA's Focus On MSP site ([www.FocusOnMSP.com](http://www.FocusOnMSP.com)), is easily customized to reflect a specific managed services practice.

### New Paths Forward

Still, there are signs that top Kaseya customers and MSPmentor 100 members are rethinking their approach to SLAs. Sentry, for instance, does not have firm customer contracts in place. Instead, the company has open-ended agreements in place for customers. "At anytime the client is free to leave our service with just four weeks notice," says Begley.

At first glance, that approach may appear risky. But Sentry has never lost a network client over the past five years. "Why enforce a contract on a client if they are not happy?" asks Begley. "That client would tell others [about their displeasure], which would affect our brand name."

And in the MSP space, branding remains the key to success. In order to strengthen their brands, many top Kaseya customers in the MSPmentor 100 measure their quarterly performance with customers. The goal is to identify customer satisfaction levels through online surveys four times a year—and then improve on those levels every quarter, notes MSP University's Simpson.

#### AT A GLANCE

**Company:**  
TechAssist LLC

**HQ:** Pittsburgh, Pa.

**Web:** <http://www.techassistllc.com>

**Key Leader:** Nicholas Vossburg, CEO

**Fast Fact:** Working closely with Kaseya, TechAssist has thrived in multiple regions and is the most successful MSP in the Washington, D.C., area, according to the MSPmentor 100 research report.



Nicholas Vossburg

### Secret 5: Drive Standards-Based Innovations

As MSPs manage more and more devices; it sometimes becomes difficult for the MSP to embrace innovations.

To combat this inertia, top Kaseya customers in the MSPmentor 100 typically embrace emerging but standardized technologies. For instance, Sentry has been leveraging Intel Corp.'s vPro technology to improve the remote manageability, security and energy efficiency of customer PCs.

Not by coincidence, Kaseya has a close working relationship with Intel, and also works with the chip giant on advanced initiatives such as the Kaseya User State Management Modile (KUSM).

Even as he looks ahead, Begley also finds time to look back and reflect on some of Sentry's key learnings. "Not streamlining our accounts and CRM sooner to work with one another would be one learning," says Begley. "Not moving to an application like Kaseya sooner would be another of the key lessons."

Sentry—and 51 other companies in the MSPmentor 100—have learned that lesson well, and continue to move forward with Kaseya.

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## KASEYA AT A GLANCE

**Web:** [www.kaseya.com](http://www.kaseya.com)

**Fast Facts:** Kaseya is a global provider of IT automation software for IT Solution Providers and Public and Private Sector IT organizations. Kaseya's IT Automation Framework allows IT Professionals to proactively monitor, manage and maintain distributed IT infrastructure remotely, easily and efficiently with one integrated Web based platform. Kaseya's technology is licensed on over three million machines worldwide.

**For more information please contact:** [sales@kaseya.com](mailto:sales@kaseya.com)

**For a free 30 day trial please visit** <http://www.kaseya.com/>

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