

Business Solutions

Growth Strategies For The IT Channel

**FIELD
SERVICE**
TCO DRIVES
SALES,
p. 46

Tell & Sell Your Managed Services Story

This MSP credits its 35% revenue growth to consistent and creative marketing of its suite of IT offerings, p. 22

*TOM FOX, CEO,
TECHNOLOGY EXPERTS CORP.*



Maintaining networks top to bottom helped this MSP achieve 100% growth, p. 30

PREVENT DATA
LOSS BY
INTEGRATING
SECURITY WITH
ECM,
p. 16

Have You Marketed Your IT Company Today?

This managed services provider (MSP) is adding three new clients a quarter and keeps growth hovering near 35%.

BY GENNIFER BIGGS

I always ask VARs what they think is fueling their growth. The typical answers include a new technology, vertical market, or vendor partner. But in the case of Tom Fox, CEO of Technology Experts Corp., the answer was different — marketing. Not only does Fox credit marketing with the 40% growth his managed services company achieved last year, he says that without marketing, Tech Experts would not be looking at nearly 36% growth already this year. Yes, I said “growth this year.”

Fox is quick to share his marketing tips and admits that he was once a business owner who didn't put much thought into a marketing plan. “Until about three years ago, our marketing was scattered. Our sales would get slow, and I'd freak out and shoot out some marketing pieces. Then we'd get busy, and I'd stop again,” explains Fox. “It was a revenue roller coaster; we had no plan.” Today, Fox constructs a full marketing plan each year and works with his entire staff to make it a reality.

ROI On MSP Marketing Must Be Trackable

Fox has found direct mail works best for his company and his location (a small city in southern Michigan). But that doesn't mean he mails out boring postcards once a quarter. Rather, he tries various approaches (some serious, some humorous), but always follows one rule: The effort must be measurable. For example, when Fox bought a Smart car (the small, “ultra urban” Smart Fortwo vehicle is produced by Daimler-Benz AG) to serve as the company's new service vehicle, he had it painted with the Tech Experts logo and contact info so the car would serve as a moving billboard. “Everyone has a service van, but most are boring,” says Fox. “The Smart car is unusual, and it gets a lot of attention.” But being cute wasn't enough for Fox to make the investment in the Smart car. Instead, the car has its own website and telephone number (he also uses unique phone numbers in print advertising and other campaigns), which means leads generated by the car are measurable. “I can track through Google website analytics and my phone bill exactly what leads come from that car,” explains Fox. While the car's website sees about 40 to 50 visitors each month, Tech Experts secures a couple of solid leads from the car's phone number each month.

Fox also has a \$1,000 threshold for marketing. Anything less than that is usually a go; anything more than \$1,000 involves him more closely weighing the potential outcome against the cost. Last year, Tech Experts invested \$36,000 in marketing projects, including direct mail campaigns, the company newsletter, and promotional items for thank you gifts. To justify that

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TOM FOX, CEO, TECHNOLOGY EXPERTS CORP.

Automate Your Marketing Efforts With PSA Software

As CEO of managed services company Technology Experts Corp., Tom Fox urges his entire staff to actively look for opportunities every time they interact with a client. "When any of our guys completes a service call or a project, they ask if the customer knows anyone else that might be having a similar problem," says Fox. He also asks those same engineers to watch for future opportunities, such as a server nearing capacity, or a workstation that is constantly in need of attention. It is a clearly articulated part of an engineer's job responsibility to record such opportunities directly into the company's professional services automation (PSA) tool, ConnectWise. Then, when Fox visits a customer for its quarterly review, he prints those notes and uses them to start a conversation about next-step projects.

The use of ConnectWise doesn't stop there. Fox depends on the Marketing Manager module within the software to streamline his marketing tasks. "We rely heavily on 'tracks' in ConnectWise, a feature that allows you to automate future actions with a client," says Fox. That feature allows you to build a custom track

that can then be applied to any client, automating reminders for emails, phone calls, inclusion in particular direct mail campaigns, etc. "You still have to make the call or write the letter, but the system keeps it on your mind, and those task reminders show up every day until they are completed," he says. For example, Tech Experts uses a 'thank-you' track for clients that refer a potential new customer —

they get an immediate email thank-you, followed by a thank-you gift (a mug or gift certificate to a local restaurant), and the next quarter a new email asking if they have run into any new potential customers. All those actions are assigned to someone in the company, and reminders go out automatically.

Fox is among the avid fans of the software that participate heavily in the ConnectWise online community in order to influence the product road map, particularly when it comes to marketing. With the availability of ConnectWise 8.1 in July, Fox got many of his wishes. The new version includes:

- Ability to send a service survey
- Ability to include attachments to emails
- Ability to add tracks within Marketing Manager
- Ability to include notes on activities
- Ability for recipient to unsubscribe to future emails
- An audit trail view to easily see what communications have been released to a customer

Fox says he is most pleased about the ability to do a mail merge marketing blast out of the Marketing Manager section of the software. In version 8.2, due this fall, ConnectWise is including several additional marketing functionalities within its tracks offering. "All these little steps allow us to scale out our marketing efforts as we grow," explains Fox. "We want to automate as much as possible to get more bang for our buck. It seems so simple, but I don't want to have to remember to do it. I don't want to have to cut and paste. I want a button and to have it happen. With these enhancements, now I can."

www.connectwise.com

investment, Fox says he can point to success from every single marketing activity. "I don't spend a nickel unless I can point to results," says Fox. For example, early this year, as part of its Super Bowl referral campaign, Tech Experts offered a chance to win a new TV to any client that submitted a referral. Fox spent about \$1,000 on the TV, and in return, got six managed services customers that he bills a total of \$48,000 a year. Or, in the case of the annual Valentine's Day referral campaign ("We love clients like you, and we'd like to have more" is the gist of the message), each client receives chocolates. The "A-list" customers, about 30 of them, receive a large chocolate sampler, which costs about \$25 each. The "B-list" customers receive a 16-piece sampler, which costs less to buy and mail. The "C-list" clients receive a 6-piece box that is easily sent in a bubble mailer envelope. "If they are spending thousands of dollars with us, they get the 'shock and awe' thank-you gift," explains Fox. "We do adjust the spend on thank-you gifts according to the volume of business we get from that client." These kinds of campaigns are successful, with nearly 50% of Tech Experts' customers coming from referrals.

Consistently Deliver Your Managed IT Message

The importance of a consistent marketing message is most clearly illustrated by the response to the monthly newsletter produced by Tech Experts. After randomly sending out a print newsletter for several years, Tech Experts committed to a monthly newsletter that features a current managed services customer on the front page and then articles written by employees inside. The piece, which is produced and printed in-house, is mailed to 1,000 current customers, plus top prospects in the pipeline. Another 2,000 copies are emailed out, and the newsletter is posted on its own website (and Fox tracks it, of course). The newsletter has evolved over the years, changing from a black-and-white publication to a full-color piece starting in July. "It was simple at first, just a template I did myself," says Fox. After hiring a graphic designer to put together a formal template, Fox has the four-page newsletter (it is printed on 11x17-inch paper and folded in half) ready for its full-color debut after investing in two color Xerox printers. (Fox uses a Phaser 7400 printer for the newsletter and a Phaser 8500 for 8.5x11 collateral.) Each page holds about 500 words and has space for plenty of photos and artwork, says Fox. The content is generated entirely by employees; each engineer on staff has one article due each month. "I hear all the excuses, but it is required," says Fox, who adds that the topics aren't highly technical. "One of my guys wrote about digital cameras and how to protect your digital photos, stuff our customers want to know more about. They don't care about managing Active Directory; they want to hear personal stories about our employees and about successful clients." In all, the monthly newsletter costs about \$400 a month for postage and printing. "We have readership, and we know we do because people comment on the content all the time," says Fox.

Invest In Vertically Targeted Campaigns

In addition to its routine marketing efforts, Tech Experts rolls out a targeted campaign to a particular vertical each quarter. For example, the fall push is focused on accounting, well before and building into that group's busy tax season. Tech Experts also focuses on legal offices and medical offices each year. The campaigns deliver a message honed for the vertical and include postcards, letters, and a website component. Fox prepares for each by purchasing a list narrowed by vertical and geography — only those matching business-

es within 30 miles of the Tech Experts office are targeted. Fox has had the most success with data from zapdata.com and INFOusa.com, with an “undeliverable” bounce-back rate of about 15%. But, for the \$200 to \$500 he invests, Fox then owns those lists and can use them repeatedly. For example, the list from his medical practices targeted campaign will be used again when he is ready for a campaign highlighting the new government mandates about electronic medical records. Again, for Fox, it is all about the outcome versus the cost. “The targeted campaigns are more of a gamble because we are doing a blind mailing, but even those are profitable,” he says.

newsletter. “Just do it consistently — that is what makes you stand apart.” ●



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For example, Tech Experts’ last targeted campaign was geared for insurance agents. After purchasing a list of 503 agents from zapdata.com

(cost \$221), Fox ended up mailing 416 pieces. The effort followed Fox’s standard three-step letter approach and cost about \$568, which includes producing the letters in-house and using bulk mail. That effort garnered 19 solid leads, which Fox estimates cost \$41.53 per lead. Of those 19 leads, two have converted to managed clients, with Tech Experts billing them just more than \$400/month. Three have used Tech Experts for project work, for a total of \$1,580.40. Overall, Fox estimates the first-year revenue from the campaign to be about \$5,180, which means a return on investment of 674%. Additionally, the other 16 leads are now part of an ongoing maintenance marketing program, and Tech Experts owns the list of insurance agents for use again in the future.

“There isn’t one thing that hasn’t at least paid for itself, and if it breaks even, I consider it a success,” says Fox. Plus, he has consistently met his goal of gaining three new clients each month, even in today’s slow economy. He stresses that regardless of the size of an IT business, marketing must be on the agenda, but it doesn’t have to break the bank. Just focus on consistent delivery of a unique message, even if all you can afford are email blasts or an online

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