



MODES THEORY™ ASSESSMENT

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Note: The Modes Theory™ Assessment and Report are designed to be shared as specified in the opt-in question (see Appendix). Aggregate responses may be used by ConnectWise to profile and improve the Modes Theory.

ASSESSMENT OVERVIEW

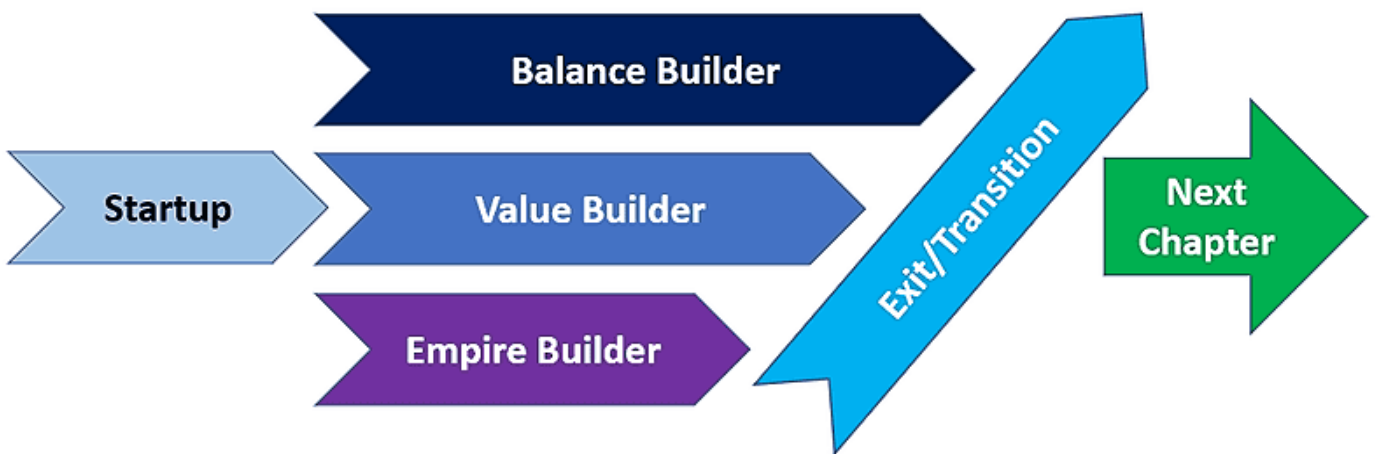
"If partners know where they want to go, and they have a plan and will execute it, the odds of getting there are high."

- Arlin Sorensen, VP of Brand and Ecosystem Evangelism, ConnectWise

Congratulations for completing the ConnectWise *Mode Theory Assessment*, your first step in a new discovery process. The Assessment offers Technology Solution Providers (TSPs) the opportunity to learn, think, and act differently to achieve their vision of success.

This *Assessment* is the start of a collaboration with yourself, your peers, your team, and with others who can help you succeed. You've seen some of these concepts before, while others are new. The intent is for you to better decide what's right for you, then build an action plan customized to you and your destination.

The Assessment you completed addresses attributes we call your Modes Mindset. We'll go deeper later, but for now you should know you have a choice. You may use the *Assessment* as a self-guided tool, or you may use the Assessment by engaging with a resource to help guide your path. It's your decision about how you prefer to start...but you must start.



YOUR RESULTS

Your Mode Mindset and Partner Journey responses are shown below and will be discussed in the sections that follow.



Definition of Value Builder: The Value Builder is focused on creating consistent increases in value over time. It is growth-based but is run with profitability in mind. A focused commitment to intentionality about creating that consistent up-and-to the right value proposition.

Mode Indicators: In addition to the Modes Mindset you selected, here is a breakdown of your responses which predict each of the four Modes. You may see responses indicating Modes other than the one you selected. If so, consider reevaluating your Mode against the **Modes Profile** table below. Also consider including input from people you trust. Multiple Modes are common as most business leaders display traits from more than one Modes and may change Modes over time.

Mode	Your Response Count
Startup	0
Balance Builder	3
Value Builder	5
Empire Builder	0

Attributes	Partner Journey Responses
Where are you going? (Where; Why)	To get to retirement and enjoy the fruits of many years of labor. To sell my business after developing a strong team of leaders, valued clients and friends, and contributing to my community.
What's your journey? (How)	Use a life of giving back and helping others achieve their version of success. Grow organically and through small acquisitions in our region led by a team we respect and trust.
What's your timeline? (When)	Long term (3-10 years)

Mode Profile: Value Builder

Value Builder Positives

- Consistent growth brings stability and positive “up and to the right” direction
- The culture is developed and becoming structured; thus people understand the norms of behavior.
- You and your team share the load of managing and leading.

Value Builder Challenges

- The expectation of accountability has increased, both for you and for your team.
- The chaos and excitement of growing a business may transition to busyness and repeatability.
- Knowing what good looks like and Best In Class performance may create a bar that is difficult to achieve.

Common Mistakes

- Pursuing financial and operational goals at the expense of health, family, and friends.
- Failing to zoom out to understand and plan according to the destination, journey and time horizon.
- Choosing to rely on future value creation to provide finances for the next chapter or retirement without accepting the reality of the financial picture.

Mentor/Guidance

- Build a team with leadership skills to execute responsibilities, grow according to plan, and position you to pursue your next chapter.
- Discipline yourself to define the end you're looking for financially and establish related time horizons.
- Educate yourself about exiting the business for when the time is right. (Succession in operations, due diligence, tax planning, and proactive deal conversations)

Commonly Heard Things You May Regret Later

- "I'm working long and hard hours, but we're doing OK. At some point we'll be rewarded by cutting for the situations everyone else is getting today!"
- "As the principal, I lead our company and our sales team. We've struggled somewhat keeping leaders and principals as our growth has become steady but I don't see a reason to change how I'm involved!"
- "I hear about companies adopting L1's and developing plans. We didn't need those to get where we are, so you know, it's not for us."
- "Best in Class metrics and practices are for larger companies in bigger cities and don't apply to us. We don't need to keep score in terms of our performance."

MODE ASSESSMENT

What is a Mode?

A Mode is the success outcome you are looking for. The Mode combines how you define success, manage your service delivery offerings, lead your teams, build systems, and develop partnerships.

A Mode reflects a way of business thinking and acting. It's qualitative, quantitative, and more than an unchanging label. Company owners change Modes over time and experience different needs. Modes are not determined by maturity or size. Modes Mindsets influence and inform the thought process, vision setting, behaviors, and outcomes of owners, leaders, and teams.

Why are Modes important?

Clearly understanding your Mode helps you understand where you and your business are today. This understanding brings clarity to where you want to go and how best to get there. Additionally, the Modes conversation may validate or challenge mindsets, decisions, and plans with your team, peers, customers, and ConnectWise colleagues. Something as simple as aligning your destination and your time horizon may have a significant impact on how you lead future years.

What are the Modes?

Today we categorize TSPs into four Modes: **Startup, Balance Builder, Value Builder, and Empire Builder**. Each Mode exhibits a unique purpose, strategies, and vision of success, as well as commonality in how people, productivity, and profits are utilized.

Review the **Modes Profile** table below for characteristics of **Value Builder**. Ask yourself and your team questions such as:

1. Does the Mode I'm in reflect the mindset I have today? If not, what needs to adjust or change?
2. Will the Mode I'm in allow me to achieve my destination with my required time horizon? If not, what needs to adjust or change?
3. What one or two decisions do I need to make to increase my chances of reaching my desired destination?

PROFILES OF MODES

Partner Mode Interview Videos (See [Modes website](#) for full list.)

Startup: [Build the right foundation](#) (3:29); [Full interview with Partner](#) (42:08)

Balance Builder: [Is there another path?](#) (1:05); [What's most important?](#)(1:49); [Full interview with Partners](#) (47:36)

Value Builder: [Building value in the company](#) (3:46); [Journey: Start Up, Value Builder, Empire Builder](#) (3:40); [Full interview with Partners](#) (59:55)

Empire Builder: [Importance of velocity](#) (1:14); [Innovating for faster acquisition](#) (1:01); [Full interview with Partner](#) (38:34)

View a higher resolution version of the [Modes Mindset Profile here](#).

MODE MINDSET™ PROFILES

CHARACTERISTIC	STARTUP	BALANCE BUILDER	VALUE BUILDER	EMPIRE BUILDER
High Level				
Purpose	Start something	Support their lifestyle	Consistent growth	Exponential growth
Life Focus	Live to work	Work to live	Work to build value (and increase income year over year)	Optimize enterprise value – shareholders and stakeholders
Time	Consumed	Freedom	Busy	Focused
Business Atmosphere	Chaos	Status quo	Structured improvement	Rapid change
Worry / Risk	Something happens to owner	Interruption in spinning off cash	Missing growth targets (losing clients and/or key staff)	M&A or stretch targets aren't hit
Money				
Money	Tight	Consistent	Building	Required to continue
Finance	Personal, friends and family	Personal / company debt	Company debt	Outside investors
Budget	None	Personal only	One year view at best	Detailed and multi-year
Profitability	Minimal	Lifestyle driven	Steady improvement toward BIC	Driving to high profit
Valuation	Low	Low	Medium	High
People				
Family	Ignored	Priority	Partial focus	Paused
Operator	Founder	Founder(s)	Founders/Team	Mostly external team that includes investors, board, managing partners, etc.
Customer Relationships	Starting	Deep and static	Increasing	Evolving
Culture	Undefined	Lifestyle	Developing	Structured
Accountability	Inconsistent	Loose	Expected	Enforced
Sales/Marketing				
Sales Approach	Technically led	Principal led	Trying to implement	Sales led
Business Model	Sell anything people will pay for	Sell high margin opportunities	Standards and process	Repeatable and scalable
Source of New Business	Friends, friends, and neighbors	Referrals	Referrals and marketing	Disciplined marketing and vendors
Marketing Investment	Sporadic	Minimal	Growing	Significant
Future				
Growth	Evasive	Controlled	Planned	Strategic and focused
Timeline until transition	Long	Long	Medium	Short
M&A	Wishful thinking	Little interest	Opportunistic	Strategic plan
Change	Resist	Small changes	Want to improve towards BIC	Drive rapid and radical change
Scalability	None	Not a focus	Beginning to focus	Focal point
Planning	Limited	Tied to lifestyle	Consistent but limited accountability	Disciplined

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Your OML Score	3.17
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OPERATIONAL MATURITY LEVEL™ (OML™)

"Regardless of what Mode you are in, knowing your Operational Maturity Level and increasing your Operational Maturity Level will help you get to the destination for that Mode. And it will even help you more easily move from Mode to Mode as your goals change over time."

- Paul Dippell, VP, Ecosystem Evangelism, ConnectWise

What is Operational Maturity Level™ (OML™)?

In the Service Leadership Index® Operational Maturity Level™, Technology Solution Providers (TSPs) exist in five levels of ability to create and execute a business plan, as shown in the Figure 1 below.



Firms who are at OML 1 or 2 most often are delivering below-quartile profitability and inconsistent growth, and also struggle to grow and scale, provide a great customer experience and differentiate themselves positively in the marketplace.

Firms at OML 3 most often are delivering median profit and moderate growth, and are starting to be more visible, and deliver a higher-quality, better-differentiated customer experience.

Firms who are at OML 4 or 5 most often are delivering top-quartile profitability and strong growth, have a visible business model, deliver a great customer experience and are positively differentiated in the marketplace.

Why is OML important?

The Service Leadership Index shows that top quartile, median and bottom quartile performing TSPs exist in every market worldwide, regardless of where that market is, or how large or small it is. It also shows that there are top and bottom quartile performers of all company sizes and ages, pursuing every target customer segment, using various tool vendors and representing various product vendors.

In other words, while these factors have some effect on financial and operational performance, even combined they have little effect in comparison to the degree to which a TSP management identifies the best practices for their specific business model, and puts them to work.

This is good news, because it means that – to reach top quartile profitability and strong growth – a TSP doesn’t need to move, say, from a big city to a small town, or vice versa. They do not need to move from, say, the United States to Australia. They do not need to drop one vendor’s products and choose another’s.

They do need to identify the best practices which apply to their specific TSP business model and put them into action. Otherwise, it’s not easy, it is easier than making the (unintentional and often all) changes noted above.

To drive up your financial performance, stability and customer experience:

- The first step is to identify your TSP business model precisely, that is, your **Proven Best Business Model™ (PBB)**, so that you will know the specific economic drivers you must optimize.
- Knowing your PBB will then allow you to correctly pick from the array of TSP best practices, those which apply to your economic drivers.

Service Leadership categorizes the TSP community into [four business models \(PBBs\)](#), each PBB – such as **WFO, WFL, Project Center, etc.** – has a number of different economic models and, while some best practices are shared by all, each in addition has other best practices specific to it. [Learn more about PBBs and how to use them \(PBB\)](#)

Here are some examples of the differences in economic drivers between TSPs in different business models:

Best Practice Area	One PBB Focus	... Different PBB
How to approach a client proposal/contract	With cost transparency TSPs approach as often as possible. “I make more money when the customer buys and implements everything we’ve”	With cost on the WFO, TSPs approach as infrequently as possible. “I make more money when there is the least change to the contract (ie. managing)”
How to structure business-related service requests	Clearly suggest TSPs have work broken per customer request into profit. “When they open a ticket, get to do work earned by it”	With less work broken per customer request more profit. “I prioritize time to reduce the amount of work while we have the least cost spent by that request”

Obviously, the best practices to achieve these different outcomes are different. Thus, knowing your PBB is a prerequisite to knowing which best practices to adopt. We call these best practices, **OML “Chips”**.

What are Some Examples of OML Traits, and How is a TSP Scored on Them?

There are 18 OML Traits that NPDs who deliver top quartile financial performance, have largely mastered, which enables them to perform the way that the NPDs in the bottom quartile have largely not mastered, and may not be aware of, most or all of them. Likewise, for 18 OML Traits, some are shared with NPDs, and some are unique to the NPD.

Here are some examples of OML Traits shared across all NPDs, and their low and high OML characteristics. These are simplified. In an actual OML assessment, numerous more detail and precision are included, such that one of the levels of mastery and guidance or improvement, can be assigned.

Threshold Area	OML Trait	Low OML Traits	High OML Traits	Why
Finance	Use of Budgets in Managing the Company	We bring an old financial reporting system to getting better than our competitors year over year in a great shape. We do performance in the end of the year.	Each year we set a budget for all our financial and costs, and we use the company to obtain those numbers to compare to other goals, revenues and expenses for the whole period.	Planning your financial and costs is critical to your results in a tight market and in hitting those goals. It becomes used to make investments and track their returns, to mitigate risks, and to measure individual and team performance. Being accountable based on the budget is what budget goals are about. Best single measure, manager and individual behavior and performance is accountable goals.
Sales	Cost-Setting Practices	We set whatever we can offer to our customers, to win the sale.	Costs of doing big parts of our offerings.	The goal is to create low high capability and low costs with the goal is to create a low customer price. The top performance about that is getting every customer to get the costs, and meet the cost in 1 by getting to every 10% of that, every 10% of what they offer.
Sales	Marketing Strategy and Execution	We have a simple marketing strategy, and we hope they show enough leads by year end.	We set goals for the number of leads we want each quarter to make our growth goals, revenue marketing spend, marketing and other marketing.	Marketing is not often a problem a problem when the desired return, and the volume of activities needed to produce it, are understood in advance. Top performing have budget marketing spending and the number of leads to be produced, and as they budget across various activities, and also set and production. Marketing people are paid on achieving that budgeted number in the target quarter.

Service	Quarterly Business Reviews	We have periodic, strategic meetings with our managed customers, either quarterly, twice-annually or once a year, depending on their size, complexity and their desire to meet.	We have four strategic meetings each year with each managed customer, with an emphasis on:	When management is getting well, the customer often experiences that the MIP is doing little. In addition, customer can forget that the MIP provides more than just technical advice, early in deployment and continue an effective technology stack, and regularly after the project launch month. The MIP team continues to get you engaged to assist with ongoing budget. It is quality in absence of security. Acquisition of customer can be achieved. These customer can be accomplished with their MIP meeting per year, or, the per quarter.
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These are determined through years of experience building and running our own best-in-class TSPs, through consulting with thousands of them to improve their businesses (drive up their OML), and by analyzing which management methods are used by the high performers in the S-L Index™ and which by the low performers.

How Does OML Improvement Align with Modes Mindset to Benefit Partners?

Your Mode defines what your goal or purpose is, in running a TSP company. Are you just starting out? Are you seeking a steady work/life balance? Are you trying to build stock value over time? Are you trying to drive high growth on stock value over a shorter period of time?

Any of these are valid reasons to serve a TSP. And, from time to time, owners may switch Modes as their goals change.

The benefit of OML improvement is that advancing your OML makes it more likely that you will reach the goal of your mode, with fewer blind alleys, in less time and with less resource and risk.

None of the Modes are easy paths to traverse – the nature of running a TSP business makes this so – but they are all made easier and less risky by finding and adopting the proven best practices for your TSP, and doing so more quickly. That is the purpose of the OML approach.

- OML Assessment to what extent do your management methods resemble the high performers or low performers in your TSP, and
- OML Diagnostic to, for your specific OML, what are the specific steps you can take, in order of likely return on invested effort, to drive up your OML, and do things more like the top performers do.

Regardless of which Mode you are in, or seeking to transition to, driving up your OML will make it more likely that you will secure your goal, and do so in a meaningfully short period of time.

What can I do to improve my OML within my Mode?

Engage, join or lead a group and/or work with one of the Service Leadership Certified consultants and peer group operators worldwide.

"The key here is the Modes aspect. You have to know where you are going, just the fact that you know where you are going, you're defined where you are going, your people know, your planning is pointed that way, your attainment tracking is pointed at that, your ConnectWise resources are pointed at where you want to go, then you are much more likely to get there. Operational Maturity Level is the step-by-step way to do it."

- Neil Duggan, VP, Corporate Development, ConnectWise

NEXT STEPS

Remember, there are two main options:

1. **Self-Guided Journey.** Use the resources in this report and on the [Modes Theory webpage](#) in a self-service approach to your journey as a business and within the ConnectWise ecosystem.
2. **Guided Journey.** Let us share and teach what we've learned working with partners. We'll match you with the colleagues, share our tools and frameworks, and provide decision support going forward.

In either case, you must decide to start. Here are key activities to help you take the next step and maximize your value:

1. Understand your Modes Theory Assessment
2. Discuss the results with your partners, team, and peers
3. Plan 12 Month activities for yourself and your team through 2021
 1. Conferences (TM Connect, Systems, Secure)
 2. Community Groups (Share and Mentor)
 3. Local Peer Groups (Network, Service Subscribers, NGA, ITO, other)
 4. Leadership Development (University, other resources)
4. Investigate opportunities with Service Leadership Inc.'s SLL and Support Bundles
5. Consider sharing parts of your Assessment with ConnectWise colleagues to improve understanding and guidance related to your Mode.

WHERE TO GO FROM HERE

The Modes Theory Assessment may expand your awareness of the uniqueness, health, and future of your mindset and your business. We're helping you understand yourself better through your eyes and through those of your partners, team, and peers. We know you have many reasons to be proud of your accomplishments.

We also know the world has changed and continues to change rapidly. The agility of ITPs is being tested. In the past you moved a few key levers to run your business. Today you're more like a sound engineer adjusting the many channels on the equalizer to produce the quality experience people expect.

We know business models change, and superior business models win. You, your team, your peers, and ConnectWise can help you determine what success looks like and plan a path to get there. We encourage you to choose the best journey to your destination.

"Dream big, start small, but most of all, start."

– Simon Sinek

RESOURCES TO HELP YOU SUCCEED

Available Now

- Mode Theory Assessment
- [Modes Theory resources](#)
- [Modes Theory Partner videos](#) (showcasing all Modes)
- Service Leadership Index 2021® Annual Report Bundles ([Download](#) a 10-page excerpt from the Annual Report.)
- IT Nation [Evolve](#) (designed for all Modes)
- ITN [Share](#) Groups
- IT Nation [Connect](#), [Explore](#), and [Secure](#) Events (designed for all Modes)
- [ConnectWise Partner Program](#) for Cybersecurity
- [IT Nation Certify](#) Cybersecurity Training
- University Partner Kits ([Security](#), [Operational Maturity](#), [Mergers & Acquisitions](#))

In Development

- Modes Webinars and University content
- Engage with ConnectWise Account Managers
- Engage with ConnectWise Business Consultants
- Engage with ConnectWise Partner Success Managers
- Align with Strategic Planning Methodologies (EOS, StratOp, Strategyzer)

12. Which system below best describes your connectivity in your culture?

Answer: Connected to all

13. Which system below best describes your self-management?

Answer: Through self

14. Which system below best describes your competitive advantage?

Answer: Through

15. What Model best describes your most likely future Model?

Answer: My future Model will mix or change to become better

PART 3: OPERATIONAL MATURITY LEVEL

16. What year describes the structure of your Team of Accounts for Service Delivery and CRM?

Answer: 1. Separate business systems for each service offering, all staff used to service personnel in CRM, though not assigned to individual service offering

17. What system method for managing cross selling is being practiced?

Answer: 1. Cross selling is implemented as separate but efforts are linked to number of accounts and to personnel

18. How would you describe your current delivery methodology?

Answer: 1. Highly complex, used on over 75% of projects, the metrics reported by project

19. To what extent do you incorporate clients to comply with your technology standards?

Answer: 1. Standards enforced, compliance encouraged

20. How do you ensure that you stay with the client's age of operational maturity level?

Answer: 1. Some formal process performed frequently but not offered as a consulting engagement

21. What system adds management methodology?

Answer: 1. Best tools needed to capture, probability of how they affect our compliance to our efforts, also need to manage primary to production work

22. What system are you utilizing for sharing data from the assessment?

Answer: 1. get to help connect the world to manage partnership with us and our company - agree to share by assessment with ConnectWise

Best Practices Factor	One PBM Versus...	...a Different PBM
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How do you typically respond to conflict?	With calm and respect, I try to understand the other person's perspective. I make sure everyone's voice is heard and we find a solution that works for everyone.	With calm and respect, I try to understand the other person's perspective. I make sure everyone's voice is heard and we find a solution that works for everyone.
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