CompTIA

Spotlight on Success

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Brendan Howe

A Successful Leap From Marketing Professional to MSP

You don't have to be an IT savant to build a successful managed services organization. In fact, a few of the industry's most respected MSPs got their start in the business world, with little if any computer or network technology skills at all. Among those who followed the latter career route is Brendan Howe, President and CEO of Techify, a managed services firm located in Toronto (Ontario, Canada).

How did someone with admittedly little previous industry experience end up developing and managing a lucrative IT business? Howe's story is not only quite interesting; it's this month's CompTIA Spotlight on Success:

CompTIA: What career did you envision for yourself back in high school?

Brendan: I always envisioned myself owning my own business. My dad ran his own business and I recall seeing his P&L (Profit & Loss) when I was in high school. I would ask him all sorts of questions about how he ran his company, how it operated and many similar things. He oversaw a public relations firm and it was fascinating to me. I may have been the only one in my high school class interested in looking at P&Ls and balance sheets. So, in a way, I always knew I would own a business of some sort - I just didn't know what exactly what it would be.

CompTIA: I understand you have a rather unique background for an MSP. How did you get your start in the tech industry?

Brendan: I'm not techie and never had been a tech professional before joining my current company. My education and first professional experiences were in business and marketing communications. I began my career in journalism and communications in Europe, helping run a small newspaper, got the bug then wanted to get into business for myself. Upon returning to Canada, I took a detour into politics.

In 2007, I made the decision to leave politics and try something new. My brother, who does have a significant technical background, was running TDCNet, a small IT services firm, and was looking for a partner to help run the business and marketing side of the operation. Soon after I joined, we decided to turn it from a break fix/ ISP/ VAR firm into a pure MSP business. Unfortunately, that was right around the time the entire business community imploded (the 2008 recession). The economic conditions created a challenge for our transition, but we stuck to the plan and were able to weather the storm.

My role changed again about three years ago when my brother moved into development and programming under a separate business. I decided to continue on with our core business and have been running it myself ever since. That's how I got so involved in the IT community.

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CompTIA: What challenges did you have to overcome during the transition to managed services?

Brendan: Focus was difficult. When I joined what was then TDCNet, there were three employees: an office administrator, my brother as the technician and myself as the sales and marketing lead. We had everything from an enterprise-size customer driving a lot of |hardware sales to small businesses utilizing a variety of services. Being so small with limited resources, we needed to focus more on our best customers. That meant building out an offering to better suit small business , which was a better fit for us as well.

One of the first things I did was hire a help desk technician so my brother could focus more on the higher-level technical needs and strategy. Then we used our recurring revenue to hire additional technical resources and build out our sales and marketing teams. One of the major early challenges of building an MSP is developing key processes. You have to develop predictable procedures, and continually improve them over time to continue delivering great results. That has probably been our largest challenge over the years and we keep going deeper and deeper to build them out.

The other major challenge is sales. From Day One, we've had a consistent focus on sales and marketing, but it still isn't easy. One of the benefits of me not being a tech is if someone's server did go down, it didn't stop me from selling and prospecting new clients. I knew I couldn't fix the technical issues, so my job was to get out and sell more.

CompTIA: How did you convert past break/fix customers into managed services clients?

Brendan: We started with anyone who would sign a recurring revenue contract. I'd love to say it was rocket science but I went out and visited with every single customer with whom we had a relationship. I told them we had a new model, were adding a number of proactive services and that we wanted to put them on a flat-rate recurring contract. Many said yes. And, because they did, we felt confident enough to add our first help desk position.

From there, we started adding new customers and ramped up our marketing to bring on new clients. We tapped out the existing base pretty quickly, so we began pursuing prospects and figuring out ways to get them in the door, and we've been building the business ever since.

CompTIA: What types of businesses does Techify support?

Brendan: Our client base is approximately two thirds professional services companies. That includes architects, engineers, construction companies, developers and a lot of others who provide brainpower for money. Many of our other clients are non-profit organizations.

CompTIA: Why professional services?

Brendan: That has a lot to do with my experience and background. I worked for professional services firms in the past and have a pretty good understanding of how those types of businesses work. In our market, we found that prospect base easier to grow. Professional services firms put an increased value on technology. When you use applications and systems all day, you tend to be more open to investing in it.

CompTIA: Your website notes you require clients to commit to four hours of strategy discussions each year. How does that help Techify and your clients?

Brendan: We're appealing to clients and prospects that don't have an IT staff but do put a value on their technology working properly. They probably don't have a lot of time to spare. Chances are, they want somebody to come in and do everything from developing a roadmap and budgeting right down to day-to-day execution of those plans. Four hours per year requires they spend one hour per quarter sitting down with our team. We discuss the issues, things that need to be addressed, the risks, the cost and sign off process. Then they can go back to their "c-level" activities and we will execute the plan. That is our ideal client relationship and how we deliver the best results.

We also offer a five-minute response time guarantee. If they call into our help desk with a critical issue, we can have someone working on it that quickly. That's a big plus for companies that have dealt with poor support or slow response times. After years of process improvement, we can offer that type of service...and guarantee it to our customers.

The other differentiator of what we call the "Techify way." We developed and honed a number of techniques over the past 8+ years that customers come to expect. These are the standards and the processes we put in place, the details we cover and the discipline we instill in our team. The biggest challenge with technology is taking the complexity out of it for our clients.

Using an old analogy, I don't want to know how my sausages are made. I just want to buy it and throw it on the barbecue, and then, when it's done, enjoy it. It's the same with technology. At the end of the day, your customers simply want to turn on their computers and have them work. That's our job...to make the sausages so they can enjoy them.

CompTIA: How has the managed services model helped your business and your clients?

Brendan: I love being an MSP because the service is completely aligned with our clients' needs. The better we are at preventing problems for our customers, the less they call our helpdesk and the more successful we are as a business. That's the managed services model. But it's also 100% aligned with our clients' needs. They don't want to have to call into our helpdesk or have computer problems. They want to hire us and have everything work well.

CompTIA: What lessons can you share with others looking to transition to an MSP?

Brendan: It's important to understand the value you are trying to achieve for your clients and that they understand the results you are looking to deliver. If your client is only interested in how quickly your team responds to an issue, you either need to show them the value of prevention or they may not be a good fit for managed services. At the end of the day, no one should be hiring an MSP for reactive support at a flat rate, but to reduce the number of issues, overcome productivity challenges and to prevent frustrating computer issues. MSPs have to commit to that. One of the biggest challenges with managed services, especially early on in that transition, is committing resources to proactive services.

CompTIA: What was the biggest challenge you've had to overcome in your time at Techify?

Brendan: Profitable growth. When you are expanding, especially when it's happening quickly, it's difficult to provide a great level of service and also be profitable. When your growing fast, it's easy to say "we need more people." But you have all the challenges of recruiting, onboarding and bringing them up to speed on processes and the systems. Meanwhile, you have to keep expenses in line with revenue. It's easy to lose sight of that when you're busy and managing a number of issues.

CompTIA: What advice do have for those trying to find that "balance?"

Brendan: First of all, decide what you are going to achieve and commit to it. There will be those who tell you it can't be done. A prime example is you will always be told you need more people. I could hire five technicians right now and still hear we need more. There are never enough resources to go around. You have to be 100% committed to what you want to accomplish, and how you're going to do it. Sometimes it may take longer than you expect or hope, but if you're focused on the end strategy, you'll find a way to get it done.

That goes for Techify, too. I'm still not where I'd like is to be, but I am 100% committed to our goals and keep focused on the path we need to follow to get there.

CompTIA: Any other words of advice to MSPs?

Brendan: I've been lucky over the past eight years to receive a lot of great advice from people who have been in the industry for a long time. So I'm always willing to help answer questions, provide guidance to anybody who asks because I've had so many people in so many different organizations, whether members of CompTIA or part of other groups, who have helped me deal with issues and develop my business acumen. A key part of growing and maturing is listening to and taking the advice of great people. I can't underestimate how valuable those discussions can be and how much I appreciate it. So reach out and listen, and always be open to feedback. That advice can be invaluable.