



MSP Playbook: Pricing and Bundling Services, and Maximizing MRR

The **ChannelPro MSP Playbook of Pricing and Bundling Services** gives you real-world strategies to boost recurring revenue, sharpen your pricing, and strengthen client loyalty. Whether you're revamping your model or tightening up your bundles, this guide helps you build a smarter, more profitable MSP.

Pricing and Bundling MSP Services to Maximize MRR

Pricing your services effectively is one of the most critical aspects of running a successful MSP. It impacts everything from your ability to attract and retain clients to scaling your business and maximizing profitability.

In an industry where every dollar matters, understanding how to price and bundle services strategically can give you a competitive edge while growing your recurring revenue.

This playbook combines four essential resources designed to help you master the art of pricing and bundling:

- **Page 3: How Do I Bundle Services to Maximize Recurring Revenue?**
 - Learn how to design bundles that align with client needs while maximizing your MSP's profitability, using actionable steps and examples.
- **Page 7: How Do I Create Pricing Tiers That Attract and Retain Clients?**
 - Learn how to design Basic, Standard, and Premium service tiers that offer flexibility for your clients while boosting your overall revenue.
- **Page 12: How Do I Increase My Monthly Recurring Revenue Without Losing Clients?**
 - Discover practical strategies for growing MRR through upselling, cross-selling, and value-driven pricing models that resonate with your clients.
- **Page 16: MSP Checklist: How Do I Know When to Raise My Rates?**
 - Use this checklist to understand the key indicators that signal it's time for a price increase, along with strategies to communicate changes effectively and retain your clients' trust.

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How Do I Bundle Services to Maximize Recurring Revenue?

Bundling services strategically can address client pain points, encourage long-term contracts, and increase recurring revenue. This guide explains how to design bundles that align with client needs while maximizing your MSP's profitability, using actionable steps and examples.

Key Steps to Designing Profitable Service Bundles

1. Identify Common Client Pain Points

- **Actionable Tips**
 - Review client feedback, support tickets, and recurring issues to identify frequently requested services.
 - Focus on [universal needs like cybersecurity](#), backups, and helpdesk support.
- **Key Insights**
 - **Client Value:** Bundling solutions for common problems simplifies decision-making for clients.
 - **MSP Benefit:** Consolidating services minimizes administrative overhead and encourages upselling.
- **Next Steps**
 - Survey existing clients to validate the most in-demand services.
 - Use historical data to identify which services generate the most client inquiries or support requests.

2. Group Complementary Services Together

- **Actionable Tips**
 - Pair services that naturally work well together. Examples include cybersecurity monitoring with disaster recovery or VoIP with network management.
 - Avoid creating bundles with unrelated services, which can confuse clients and devalue the offering.
- **Key Insights**
 - **Client Value:** Integrated solutions enhance performance and reduce downtime.
 - **MSP Benefit:** Clients are more likely to perceive bundled services as essential and will upgrade to comprehensive packages.

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- **Next Steps**

- Test different combinations with a small client subset to identify which bundles resonate most.
- Adjust bundled services periodically based on new technologies or changing client needs.

3. Create Tiered Bundles

- **Actionable Tips**

- Offer Basic, Standard, and Premium tiers to cater to clients with varying budgets and needs.
- Include a mix of must-have services (including monitoring or patch management) and high-value add-ons (like compliance management or VoIP) in higher tiers.

- **Key Insights**

- **Client Value:** Tiers provide flexibility for clients to choose what fits their business needs.
- **MSP Benefit:** High-tier bundles increase average revenue per client without additional sales efforts.

- **Next Steps**

- Clearly define the features and benefits of each tier with a comparison chart.
- Position the mid-tier as the best value to attract the most clients.

4. Price Bundles Strategically

- **Actionable Tips**

- Use a pricing model that offers discounts for bundled services when compared to purchasing them individually.
- Set higher margins for premium bundles that include advanced or resource-intensive services.

- **Key Insights**

- **Client Value:** Clients perceive bundled services as cost effective, increasing satisfaction.
- **MSP Benefit:** Bundles encourage long-term contracts and predictable revenue.

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- **Next Steps**

- Analyze the profitability of each bundle to ensure that margins meet your financial goals.
- Adjust pricing annually to reflect cost changes and market trends.

5. Emphasize the Value of Bundles in Marketing and Sales

- **Actionable Tips**

- Showcase the benefits of bundled services, such as cost savings, streamlined support, and comprehensive coverage.
- Use testimonials or case studies to demonstrate real-world success with bundled solutions.

- **Key Insights**

- **Client Value:** Highlighting value over cost builds trust and reduces price objections.
- **MSP Benefit:** Effective marketing shortens the sales cycle and boosts client conversion rates.

- **Next Steps**

- Train your sales team to communicate the long-term benefits of bundling.
- Include visual aids like ROI calculators in your sales presentations.

Companion Checklist: Designing and Selling Service Bundles

1. Have You Identified Your Clients' Most Common Pain Points?

- **If Yes:** Validate these pain points through client surveys and support data analysis.
- **If No:** Schedule client interviews or analyze support logs to uncover recurring needs.

2. Are Your Bundles Designed Around Complementary Services?

- **If Yes:** Test client adoption and adjust combinations to maximize appeal.
- **If No:** Map out which services naturally align, such as backups with disaster recovery.

3. Have You Created Tiered Bundles with Clear Distinctions between Basic, Standard, and Premium?

- **If Yes:** Highlight the middle tier as the best value and promote it in marketing materials.
- **If No:** Design tiers that cater to a range of budgets and IT needs.

4. Are Your Bundles Priced to Reflect Value and Profitability?

- **If Yes:** Regularly review pricing and margins to stay competitive.

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- **If No:** Audit individual service costs and offer bundle discounts that still meet profitability goals.
 - 5. Do Your Sales and Marketing Efforts Effectively Communicate the Value of Bundling?**
 - **If Yes:** Expand campaigns to highlight bundle success stories and client testimonials.
 - **If No:** Develop case studies and ROI comparisons to support your sales pitches.
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Conclusion

Bundling services effectively can transform your pricing strategy by addressing client pain points, simplifying decisions, and increasing recurring revenue. Use this guide and companion checklist to design and market bundles that resonate with your clients and drive sustainable business growth.

How Do I Create Pricing Tiers That Attract and Retain Clients?

Structuring Basic, Standard, and Premium pricing tiers allows MSPs to cater to diverse client needs while maximizing revenue. This guide outlines how to design tiers that provide flexibility, highlight your value, and encourage clients to choose higher-tier packages.

Key Steps to Creating Effective Pricing Tiers

1. Define Your Target Client Segments

- **Actionable Tips**
 - Identify client types based on size, budget, and IT needs — such as small businesses, midsize firms, or enterprise clients.
 - Map common pain points or service requirements for each segment, such as compliance needs or advanced security.
- **Key Insights**
 - **MSP Benefit:** Understanding client segments helps you customize tiers to client expectations.
 - **Client Value:** Clients feel confident choosing a package aligned with their specific needs and goals.
- **Next Steps**
 - Segment your current client base and note each client's service usage patterns.
 - Survey prospective clients to understand their IT priorities and budget constraints.

2. Design Your Basic, Standard, and Premium Tiers

- **Actionable Tips**
 - **Basic Tier:** Include essential services like monitoring, basic support, and patch management.
 - **Standard Tier:** Add value with features like data backups, antivirus solutions, and remote support.
 - **Premium Tier:** Offer advanced capabilities such as disaster recovery, compliance management, and 24/7 support.
- **Key Insights**
 - **MSP Benefit:** Differentiating tiers ensures clients can upgrade as their needs grow.
 - **Client Value:** Clear service distinctions make it easy for clients to choose the best fit for their business.

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- **Next Steps**

- Create a tier comparison chart highlighting features and benefits.
- Test the tiers with select clients to validate pricing and service combinations.

3. Focus on Value at Every Tier

- **Actionable Tips**

- Emphasize ROI by showing how each tier saves time, reduces downtime, or enhances productivity.
- Include premium features — like compliance audits or VoIP services — as options in higher tiers.

- **Key Insights**

- **MSP Benefit:** Clients see the tangible value of upgrading to a higher tier.
- **Client Value:** Flexibility in packages ensures clients don't overpay for unnecessary services.

- **Next Steps**

- Develop case studies that demonstrate the value of higher-tier services.
- Train sales teams to explain the long-term benefits of each package.

4. Price Tiers Strategically

- **Actionable Tips**

- Use psychological pricing, such as \$499 instead of \$500, to make packages appear more appealing.
- Position your Standard tier as the "sweet spot" to encourage most clients to choose it.

- **Key Insights**

- **MSP Benefit:** Strategic pricing increases conversions while maximizing profit margins.
- **Client Value:** Clients feel like they're getting value for money with the most popular tier.

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- **Next Steps**

- Benchmark your pricing against competitors and adjust for your unique value.
- Run A/B pricing tests to optimize your revenue and client acquisition rates.

5. Offer Flexible Add-Ons

- **Actionable Tips**

- Provide standalone options — like VoIP, compliance services, or cybersecurity upgrades — that clients can add to any tier.
- Allow for seasonal or project-based upgrades, such as temporary disaster recovery coverage.

- **Key Insights**

- **MSP Benefit:** Add-ons generate additional revenue without complicating core pricing structures.
- **Client Value:** Clients appreciate the ability to customize services as needed.

- **Next Steps**

- Highlight add-ons during sales conversations to encourage incremental purchases.
- Use client data to identify the most in-demand add-on services and prioritize those.

6. Transition Existing Clients to the New Pricing Tiers

- **Actionable Tips**

- **Segment Your Current Clients:** Categorize existing clients based on the services they currently use and map those services to the new tiers. Identify whether their current plan aligns more closely with Basic, Standard, or Premium.
- **Communicate Early and Transparently:** Notify clients well in advance about the new pricing structure. Emphasize the benefits they will gain, such as additional features, better service levels, or improved security.
- **Offer Grandfathered Rates or Transition Incentives:** To ease the transition, offer existing clients discounted pricing for the first few months of the new plan or allow them to keep their existing rate with reduced features.
- **Provide Personalized Proposals:** Share customized proposals showing how the new tier aligns with their business needs and any upgrades they will receive. Use ROI calculators to demonstrate the value of transitioning to a higher tier.

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- **Train Your Sales and Account Teams:** Equip your team with talking points and FAQs to handle client concerns and objections. Focus on communicating on how the new tiers will better meet their needs.
- **Key Insights**
 - **MSP Benefit:** A smooth transition minimizes churn and boosts revenue potential while maintaining trust with existing clients.
 - **Client Value:** Clients see the new pricing as a logical, value-driven improvement rather than a sudden cost increase.
- **Next Steps**
 - Create a communication plan that includes emails, calls, and QBR discussions about the new tiers.
 - Offer exclusive early access to the new pricing model for select clients as a way to gather feedback and refine your approach.
 - Use client feedback during the transition to adjust the rollout process for maximum acceptance.

Additional Insights for Transitioning Clients

- **If existing clients are hesitant:**
 - Highlight the cost of maintaining legacy plans and explain that the new structure promises long-term quality and support.
 - Offer a phased migration plan where clients can gradually move to the new tiers over time.
- **If existing clients are eager to upgrade:**
 - Leverage their enthusiasm to upsell them to Premium or Standard tiers.
 - Share testimonials or case studies showing how other clients have benefited from the new tiers.

Example Transition Script for Account Managers:

- *“Hi [Client Name], we’re excited to introduce our new service packages designed to provide even greater value and flexibility. Based on your current services, we recommend the [Tier Name], which includes [list key benefits]. This plan not only addresses your needs but also introduces [highlight added features]. We’re offering an exclusive transition incentive for our loyal clients, and I’d love to walk you through the details.”*

Companion Checklist: Building Pricing Tiers That Work

1. Have You Identified the Client Segments You Want to Target with Each Pricing Tier?

- **If Yes:** Refine your packages based on feedback from existing clients in those segments.
- **If No:** Analyze your client base and research target demographics for service alignment.

2. Does Each Tier Provide Clear, Differentiated Value to the Client?

- **If Yes:** Focus on upselling clients to higher tiers using examples of added benefits.
- **If No:** Revise your tiers to add unique, high-value features at each level.

3. Are Your Pricing Tiers Aligned with Client Expectations and Market Benchmarks?

- **If Yes:** Monitor client feedback to ensure ongoing alignment with their needs.
- **If No:** Compare your tiers to competitors and emphasize your differentiators.

4. Have You Created Compelling Marketing Materials to Showcase your Tiers?

- **If Yes:** Use tier comparison charts in your proposals to simplify the decision-making process.
- **If No:** Develop one-pagers or online visuals that clearly outline the benefits of each tier.

5. Do You Offer Add-ons for Further Customization for Clients?

- **If Yes:** Regularly review add-on popularity and introduce new ones based on demand.
- **If No:** Create a list of potential add-ons, such as enhanced security or compliance services, and test them with clients.

Conclusion

Creating pricing tiers that attract and retain clients requires careful planning and a clear focus on value. By structuring Basic, Standard, and Premium options, MSPs can cater to diverse client needs, encourage upgrades, and maximize recurring revenue. Use this guide and companion checklist to build tiers that align with your clients' goals and your profitability objectives.

How Do I Increase My Monthly Recurring Revenue Without Losing Clients?

Boosting monthly recurring revenue (MRR) is a priority for MSPs seeking sustainable growth. However, if you want to retain existing clients, increasing prices or introducing new services requires a strategic approach.

MRR growth is vital for three reasons:

1. **Predictable Cash Flow:** Reliable MRR allows for better financial planning and investments.
2. **Business Scalability:** Higher revenue enables MSPs to expand their teams, tools, and services.
3. **Client Longevity:** Strategic revenue growth focuses on delivering more value, increasing retention.

This guide explores methods like pricing optimization, upselling, and service diversification to grow your recurring revenue while maintaining strong client relationships.

Key Strategies to Increase MRR

1. Optimize Your Pricing Model

- **Actionable Tips:**
 - Audit current pricing to ensure alignment with market rates and service value.
 - Introduce tiered pricing with clearly defined benefits to upsell premium services.
- **Key Insight:**
 - **Client Value:** Tiered options let clients choose packages that fit their budget and needs.
 - **MSP Benefit:** Better margins on premium tiers without losing cost-conscious clients.
- **Next Steps:**
 - Use a pricing calculator to evaluate profitability across tiers.
 - Test pricing changes on a subset of clients before a full rollout.

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2. Introduce Value-added Services

- **Actionable Tips:**
 - Expand your portfolio with services like advanced cybersecurity, VoIP, or compliance management.
 - Offer service bundles that combine existing offerings with new features for more value.
- **Key Insight:**
 - **Client Value:** Clients perceive additional services as enhancements to their operations.
 - **MSP Benefit:** Bundling increases revenue while strengthening client loyalty.
- **Next Steps:**
 - Survey clients to identify unmet needs and align new offerings accordingly.
 - Use vendor partnerships to minimize the cost of launching new services.

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3. Focus on Upselling Existing Clients

- **Actionable Tips:**
 - Use QBRs to review client needs and suggest upgrades to higher-tier packages or add-ons.
 - Highlight ROI from existing services to justify incremental upgrades.
- **Key Insight:**
 - **Client Value:** Clients receive services tailored to their evolving needs.
 - **MSP Benefit:** Incremental upgrades stabilize revenue without requiring new client acquisition.
- **Next Steps:**
 - Train account managers to identify upsell opportunities during regular client check-ins.
 - Prepare customized proposals to show how upgrades align with client goals.

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4. Reduce Churn by Strengthening Client Relationships

- **Actionable Tips:**
 - Proactively address client pain points with dedicated account management and faster support.
 - Offer loyalty incentives, such as discounts or exclusive access to new services.
- **Key Insight:**
 - **Client Value:** Strong relationships increase trust and satisfaction, reducing the likelihood of switching providers.
 - **MSP Benefit:** Retained clients stabilize revenue and reduce acquisition costs.
- **Next Steps:**
 - Monitor client satisfaction with regular surveys and NPS scores.
 - Develop a churn prevention plan that identifies and resolves early warning signs.

5. Target High-value Clients for Growth

- **Actionable Tips:**
 - Focus acquisition efforts on industries — like healthcare, finance, or manufacturing — or clients with higher revenue potential.
 - Tailor marketing campaigns to showcase your [expertise in specific verticals](#).
- **Key Insight:**
 - **Client Value:** High-value clients receive specialized services aligned with their industry needs.
 - **MSP Benefit:** Serving profitable verticals maximizes revenue without increasing operational strain.
- **Next Steps:**
 - Build industry-specific case studies to support marketing and sales efforts.
 - Use data analysis tools to identify trends in high-performing accounts.

Companion Checklist: Strategies to Grow MRR Without Losing Clients

1. Have You Reviewed and Optimized Your Pricing Model?

- **If Yes:** Monitor client feedback on new pricing and refine as needed.
- **If No:** Start with a pricing audit and introduce tiered options or premium add-ons.

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2. Have You Introduced Value-added Services to Your Portfolio?

- **If Yes:** Track adoption rates and gather client feedback to expand offerings.
- **If No:** Identify client pain points and partner with vendors to launch new services quickly.

3. Are You Consistently Upselling to Existing Clients?

- **If Yes:** Expand upsell efforts to underutilized services or underperforming client segments.
- **If No:** Train your team to identify upsell opportunities and present them during QBRs.

4. Do You Monitor Client Satisfaction to Reduce Churn?

- **If Yes:** Enhance loyalty programs or exclusive perks to retain top clients.
- **If No:** Implement regular check-ins and satisfaction surveys to address concerns early.

5. Are You Targeting High-value Clients in Lucrative Verticals?

- **If Yes:** Expand your focus to adjacent industries with similar potential.
- **If No:** Develop marketing campaigns that highlight your expertise in high-value sectors.

Conclusion

Increasing MRR requires a strategic approach that combines pricing optimization, service expansion, and client retention efforts. By following this guide and using the companion checklist, MSPs can achieve sustainable revenue growth without jeopardizing client relationships or service quality.

MSP Checklist: How Do I Know When to Raise My Rates?

Knowing when and how to raise your rates is critical for staying profitable and maintaining client trust. By using this checklist, MSPs can identify the right timing, approach, and communication strategies to make rate adjustments a smooth and value-driven process.

1. Have Your Operating Costs Increased?

- **If Yes:**
 - Determine the specific cost increases — such as higher vendor fees, employee wages, or software licenses — and calculate how they affect your profit margins.
 - Plan to adjust rates incrementally to offset these costs without overwhelming your clients.
- **If No:**
 - Review upcoming expenses or planned investments, like hiring or new tools, to determine if proactive rate adjustments are necessary.
- **Next Steps**
 - Perform a cost audit every six months to ensure your rates reflect current expenses.

2. Are Your Margins Below Industry Standards?

- **If Yes:**
 - Compare your profit margins to industry benchmarks. It typically is 30%-50% for MSPs.
 - Prioritize raising rates for low-margin services or clients.
- **If No:**
 - Evaluate whether higher margins could support [growth initiatives](#), such as expanding your team or services.
- **Next Steps:**
 - Track margins by service category to identify underperforming areas that may need a pricing review.

3. Has It Been Over a Year Since Your Last Price Adjustment?

- **If Yes:**
 - Review your historical pricing adjustments and consider small annual increases to avoid large, disruptive hikes.

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- **If No:**

- Set a recurring schedule for rate reviews, such as annually or biannually, to keep your pricing aligned with market trends.

Next Steps:

- Notify clients well in advance of planned adjustments, emphasizing the added value you provide.

4. Are You Adding New Services or Enhancements?

- **If Yes:**

- Justify rate increases by highlighting new features, improved support, or enhanced security measures.

- **If No:**

- Consider bundling additional services or upgrading current offerings to provide more value with the price increase.

- **Next Steps:**

- Use client education materials to showcase the benefits of new services included in the rate adjustment.

5. Are Your Competitors Charging Significantly More?

- **If Yes:**

- Benchmark your pricing against competitors in your region or [vertical to identify gaps and opportunities](#).
- Highlight your unique value proposition to justify aligning with market rates.

- **If No:**

- Evaluate whether your lower pricing is attracting clients who undervalue your services.

- **Next Steps:**

- Regularly research competitor pricing and adjust your rates to reflect your expertise and service quality.

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6. Are Clients Frequently Exceeding the Scope of Their Agreements?

- **If Yes:**
 - Monitor clients consistently requiring extra services beyond their contracts. Adjust rates to cover the additional workload.
- **If No:**
 - Ensure that current contracts clearly define service limits to prevent scope creep.
- **Next Steps:**
 - Introduce policies for out-of-scope work with hourly or project-based rates.

Additional Insights for Rate Adjustments

- **How to Communicate Rate Increases to Clients:**
 - **Be Transparent:** Share the reasons for the increase, such as rising costs or new value-added services.
 - **Focus on Value:** Emphasize how your services continue to meet or exceed client expectations.
 - **Provide Advance Notice:** Notify clients 60-90 days before the rate adjustment takes effect.
 - **Offer Alternatives:** Present options for adjusting service levels or exploring add-ons to fit their budgets.
- **How to Minimize Client Resistance:**
 - **Incremental Increases:** Instead of large jumps, apply smaller, regular adjustments annually.
 - **Loyalty Incentives:** Offer discounts or perks to long-term clients to maintain goodwill.
 - **ROI Examples:** Use case studies or reports to demonstrate how your services have improved the client's business.



The Channel**Pro** Network

The ChannelPro Network has created this resource to help busy MSPs streamline their decision-making process. This resource offers a starting point for evaluating key business choices, saving time and providing clarity.

While this resource is designed to guide you through important considerations, we encourage you to seek more references and professional advice to ensure fully informed decisions.

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