



Acronis

Acronis Partner Day at MSP Global 2024

Time to Go Native.

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**Making
margin magic:
Driving business
by the numbers**

#CyberFit



Shachar Rabbe

Chief Financial Officer,
Acronis

Acronis

The MSP golden ratios

Guidelines for managed services



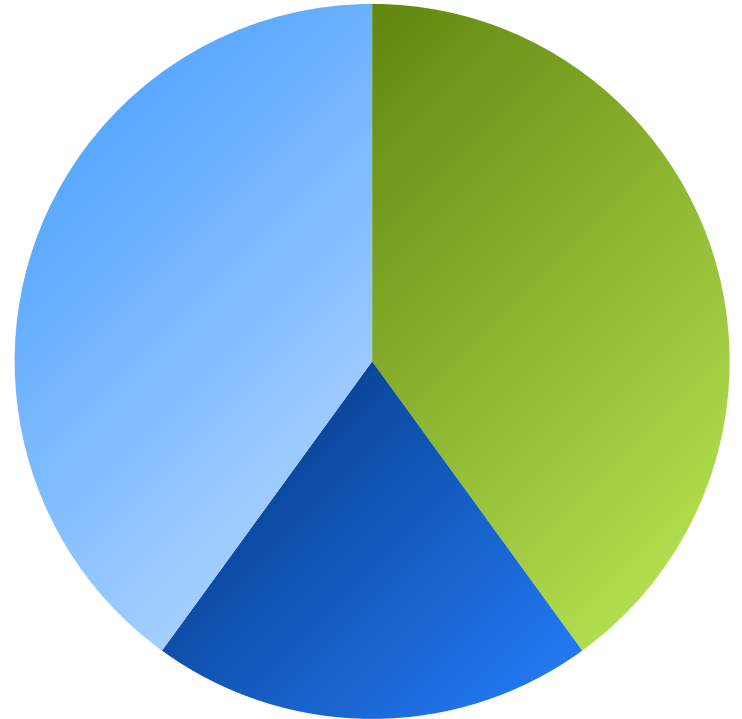
What is the golden ratio for MSP managed services?

40/20/40

40% Overhead / internal tech

20% External tech

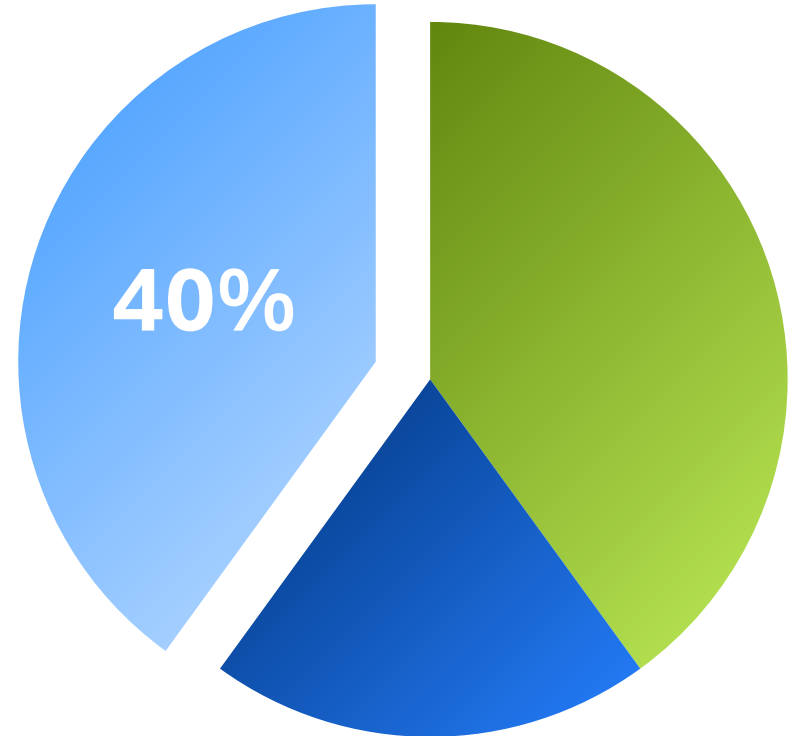
40% Services gross margin



What is the golden ratio for MSP managed services?

40 Overhead /
internal tech

- Amortized space and logistics costs
- Management / administration
- Technician salary and benefits
(75% of overhead, **30% of revenue**)*
- Internal Tech
 - PSA
 - ERP
 - ITSM
 - Internal infrastructure
 - CRM



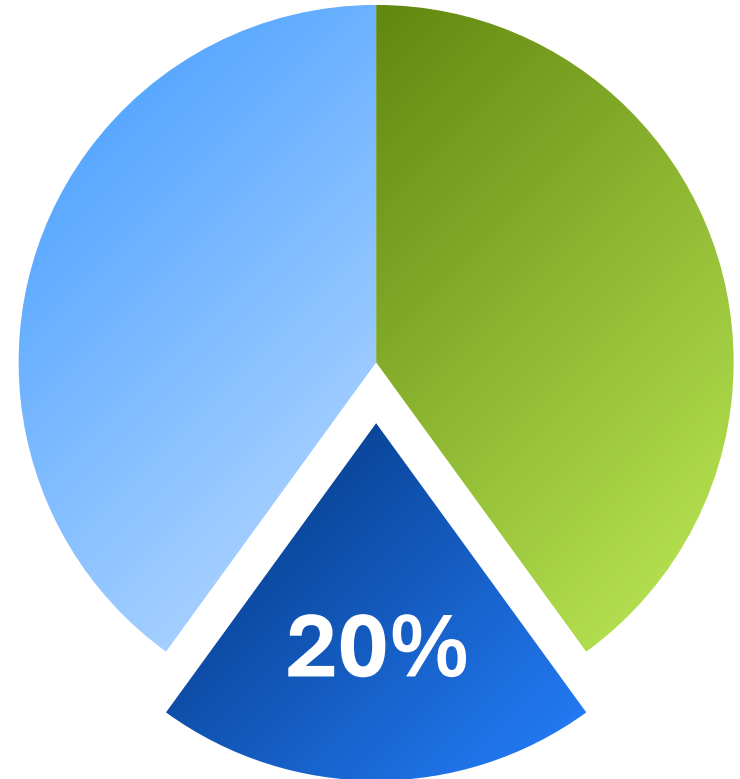
* This is a baseline for NAM, for example. Technician costs vary widely based upon experience and specific region from 25% to 35%. 30% is used as a median example.

What is the golden ratio for MSP managed services?

20 External
tech

Used in the delivery of your services
Not including direct pass-through costs
(e.g., storage)

- RMM (usually most expensive)
- BC / DR (business continuity)
- EDR / XDR
- Email Security
- Email backup



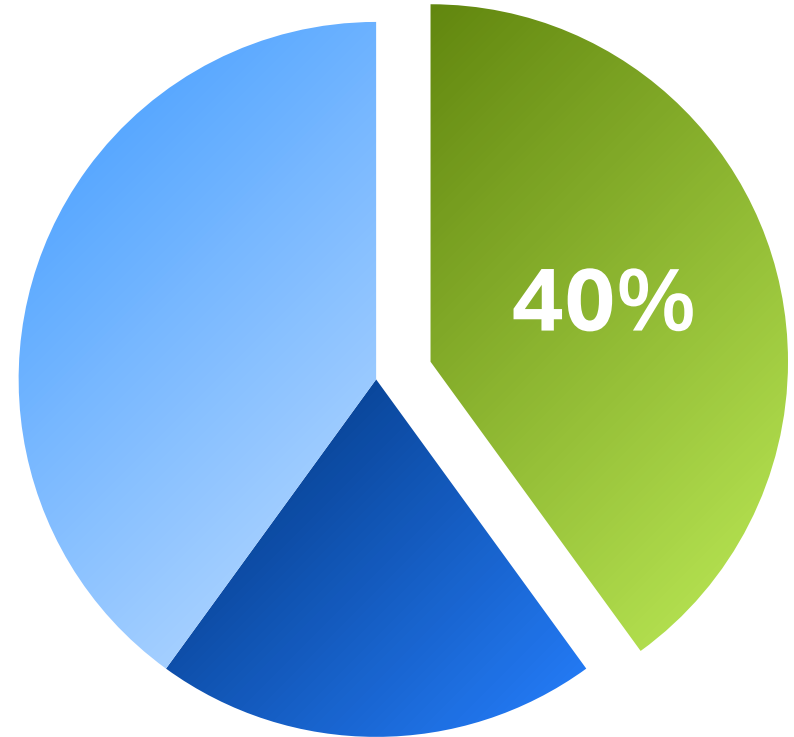
What is the golden ratio for MSP managed services?

40 Services
gross margin

Gross margin = the amount of money left after costs of service delivery. From gross margin, MSPs allocate:

- Sales
- Marketing
- Employee retention
- Debt service

What's left = profit



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The magic calculation

Setting a price while maintaining
business health

They said you'd never use algebra in real life ...

Start with something you know

- Identify the costs you can and pull calculations from there.
- Work forward and backward
 - Perform the calculation from all perspectives and look for alignment.
 - When you achieve alignment, you are arriving at an answer.
- Then optimize, optimize, optimize.



Example 1: Calculating from technician cost

Technician cost benchmark

30%

If we follow the example

- $\$39.27 \times 2,000$ hours per year = **\$78,540.**
- Divided by 30% implies **\$261,800** in associated services revenue.
- Divided by 12 months = **\$21,817.**
- Divided by **250** fully supported seats / devices implies:

\$87.27 rev / seat / mo

When multiple perspectives yield similar results, you are more likely to be approaching alignment.

Example

Average hourly pay for MSP technician = **\$27.49 per hour.***

Taxes and benefits average **~30% of total compensation.****

Total compensation

\$39.27 /hour

* [Ziprecruiter salary survey](#), USA nationwide, September 2024

**[U.S. Bureau of Labor Statistics](#), September 2024

Example 2: Calculating from external technology cost

External tech benchmark

20%

If we follow the example

- \$17.60 divided by 20% implies:

\$88.00 rev / seat / mo

When multiple perspectives yield similar results, you are more likely to be approaching alignment.

Example

Services included, MSP price points:*

XDR — \$4.20 /mo

DLP — \$2.50 /mo

Email Security — \$2.60 /mo

Device backup (w/o storage) — \$4.50 /mo

Microsoft 365 (including storage) — \$2.50 /mo

Security Awareness Training — \$1.30 /mo

Total external technology

\$17.60 /mo

* Industry normalized average price estimates per device / user / endpoint before incentive or discounts. NOT representative of Acronis product and service pricing.

The results are similar ... ratios are in alignment

Technician cost method

\$87.27

target rev / seat / mo

External tech cost method

\$88.00

target rev / seat / mo

Do not stop here. Alignment is not enough. Top performing MSPs optimize to be more competitive while pushing profitability up toward the top end of the range.

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A digital tree with glowing blue and purple leaves and branches, set against a dark blue background with circuit-like patterns. The tree's trunk and branches are composed of glowing blue lines, and the leaves are represented by numerous small, glowing blue and purple rectangular shapes. The background features faint, glowing circuit patterns and a dark blue gradient.

Changing the outcomes

Increasing competitiveness,
improving profitability, or both

Example 3: Recalculating from efficient technician cost

Technician cost benchmark

30%

If we follow the example

- $\$39.27 \times 2,000$ hours per year = **\$78,540.**
- Divided by 30% implies **\$261,800** in associated services revenue.
- Divided by 12 months = **\$21,817.**
- Divided by **350** fully-supported seats/devices implies:

\$62.33 rev/seat/mo

When multiple perspectives yield similar results, you are more likely to be approaching alignment.

Example

Average hourly pay for MSP technician = **\$27.49 per hour.***

Taxes and benefits average **~30% of total compensation.****

Total compensation

\$39.27 /hour

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Total compensation

\$39.27 /hour

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**[U.S. Bureau of Labor Statistics](#), September 2024

Example 4: Recalculating from Acronis technology cost

External tech benchmark

20%

If we follow the example:

- \$13.60 divided by 20% implies:

\$68.00 rev / seat / mo

When multiple perspectives yield similar results, you are more likely to be approaching alignment.

Acronis cost savings example

Services, Acronis partner price points:*

XDR — \$1.70 /mo

DLP — \$2.50 /mo

Email Security — \$1.90 /mo

Device backup (w/o storage) — \$3.90 /mo

Microsoft 365 b/u (including storage) — \$2.20 /mo

Security Awareness Training — \$1.40 /mo

Total external technology

\$13.60 /mo

* Reflects Acronis current level 1 commitment pricing model. Additional discounts available via promotions and higher commitment levels.

Progress: fully supported and more profitable alignment

Technician cost method

\$61.22

target rev / seat / mo

External tech cost method

\$68.00

target rev / seat / mo

In this two-step optimization series of examples, ~\$20 rev / seat / mo has been freed up to offer a more competitive pricepoint, bolster profitability, or both.

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Unbreak your business model: Benchmarks and tools for MSPs

Tomorrow, October 9
11:30 a.m. through 12:30 p.m.

MSP Global Masterclass No. 1
Shachar Rabbe and Ronan McCurtin

Global MSP best-in-class benchmarks:

- Users / endpoints per technician
- Revenue by seat / endpoint ... segmented by region!
- Profitability
- Client and staff churn rates
- Managed services as percentage of revenue

And much more.



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Acronis Partner Day at MSP Global 2024

Time to Go Native.

Thank you, Ecosystem partners!





in association with

Acronis

Join us in 2025!

Acronis Partner Day at MSP Global
October 20-21 | PortAventura, Spain



Register today:

go.acronis.com/MSPGlobal2025

