



Free resource kit for MSP owners

# The MSP Growth & Profitability Kit

Grow revenue. Improve profitability. Build a more valuable MSP.

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## Checklist

# 10 Reasons Growing MSPs Join TAG National

Check every statement that sounds like your business.

- ☐ **1 You want to grow without guessing.**  
Proven best practices replace trial and error with plays that already work in other MSPs.
- ☐ **2 Your margins aren't where they should be.**  
Financial analysis and benchmarking show where you stand and where profit is slipping.
- ☐ **3 You're the bottleneck for big decisions.**  
Peer owners help you think through hiring, pricing, and acquisitions before you commit.
- ☐ **4 You want someone to hold you accountable.**  
Professionally led peer groups turn good intentions into executed plans.
- ☐ **5 Your sales results are inconsistent.**  
Advanced sales training and repeatable processes build predictable recurring revenue.
- ☐ **6 Your pipeline depends on referrals.**  
Marketing and lead generation programs add a steadier flow of new opportunities.
- ☐ **7 You're adding new service lines.**  
Guidance and manufacturer partnerships make it easier to bring cloud, security, telecom, AV, and more to market.
- ☐ **8 You want better buying power.**  
Members leverage combined purchasing power with technology manufacturers.
- ☐ **9 Your leadership team needs to step up.**  
Management practices and leadership development help you build a team that runs without you.
- ☐ **10 You're thinking about what your business is worth.**  
Stronger margins, recurring revenue, and less owner dependency all raise valuation.

**Your total:** \_\_\_\_\_ of 10. Checked three or more? TAG membership could make a real difference to your MSP.

**Discover what TAG membership can do for your MSP**

**Book a no-obligation discovery meeting with TAG National.**

## Self-assessment scorecard

# How Profitable Is Your MSP?

Six questions. Four minutes. Circle the answer closest to your last 12 months.

Each answer is worth 0 to 3 points, shown beside each option. Add up your points and use the key at the end to see where your MSP stands.

### 1. What is your blended gross margin?

|                                 |       |                                     |       |
|---------------------------------|-------|-------------------------------------|-------|
| <input type="radio"/> Under 35% | 0 pts | <input type="radio"/> 35 to 44%     | 1 pt  |
| <input type="radio"/> 45 to 54% | 2 pts | <input type="radio"/> 55% or higher | 3 pts |

Gross margin score: \_\_\_\_\_

### 2. What is your EBITDA margin?

|                                            |       |                                     |       |
|--------------------------------------------|-------|-------------------------------------|-------|
| <input type="radio"/> Under 5% or not sure | 0 pts | <input type="radio"/> 5 to 9%       | 1 pt  |
| <input type="radio"/> 10 to 14%            | 2 pts | <input type="radio"/> 15% or higher | 3 pts |

EBITDA score: \_\_\_\_\_

### 3. What share of revenue is recurring (contracted, monthly)?

|                                 |       |                                     |       |
|---------------------------------|-------|-------------------------------------|-------|
| <input type="radio"/> Under 30% | 0 pts | <input type="radio"/> 30 to 49%     | 1 pt  |
| <input type="radio"/> 50 to 69% | 2 pts | <input type="radio"/> 70% or higher | 3 pts |

Recurring revenue score: \_\_\_\_\_

### 4. What is your average technician utilization?

Billable or contract-covered hours as a share of available hours.

|                                         |       |                                     |       |
|-----------------------------------------|-------|-------------------------------------|-------|
| <input type="radio"/> We don't track it | 0 pts | <input type="radio"/> Under 55%     | 1 pt  |
| <input type="radio"/> 55 to 69%         | 2 pts | <input type="radio"/> 70% or higher | 3 pts |

Technician utilization score: \_\_\_\_\_

**5. What is your annual customer retention rate?**

|                                             |       |                                     |       |
|---------------------------------------------|-------|-------------------------------------|-------|
| <input type="radio"/> Under 80% or not sure | 0 pts | <input type="radio"/> 80 to 89%     | 1 pt  |
| <input type="radio"/> 90 to 94%             | 2 pts | <input type="radio"/> 95% or higher | 3 pts |

Customer retention score: \_\_\_\_\_

**6. How dependent is the business on you day to day?**

|                                               |       |                                                          |       |
|-----------------------------------------------|-------|----------------------------------------------------------|-------|
| <input type="radio"/> It stops if I step away | 0 pts | <input type="radio"/> Most decisions still go through me | 1 pt  |
| <input type="radio"/> Leaders run most areas  | 2 pts | <input type="radio"/> Documented processes run it        | 3 pts |

Owner dependency score: \_\_\_\_\_

**Your total score: \_\_\_\_\_ / 18**

| Score    | Stage             | What it means                                                                                                                                       |
|----------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| 0 to 6   | Foundation stage  | Your MSP has real upside. Pricing, recurring revenue, and financial tracking are where the fastest profit gains usually come from.                  |
| 7 to 12  | Growth stage      | You have a solid base, with clear opportunities to lift margins and reduce your day-to-day load. Focused improvements can move EBITDA meaningfully. |
| 13 to 18 | Performance stage | You're running a strong business. The next gains come from fine-tuning, leadership depth, and building enterprise value.                            |

## Where to focus first

Look at your lowest-scoring areas. These are usually your biggest profit opportunities.

| Low score in           | Where to start                                                              |
|------------------------|-----------------------------------------------------------------------------|
| Gross margin           | Review pricing, standardize your stack, and fix unprofitable agreements.    |
| EBITDA                 | Benchmark operating expenses and track profitability monthly, not yearly.   |
| Recurring revenue      | Move project and break-fix clients onto managed service agreements.         |
| Technician utilization | Start measuring it, then tighten dispatch and automate repeat work.         |
| Customer retention     | Add regular business reviews and watch for at-risk accounts early.          |
| Owner dependency       | Document processes and build a leadership team that can decide without you. |

Ranges are general guidance for self-assessment, not formal industry benchmarks. A TAG financial review compares your numbers against peer data.

### Review your results with TAG National

Find out how your numbers compare and where your next gains will come from.

Book a no-obligation discovery meeting with TAG National.

## Article

# Why High-Performing MSPs Invest in Peer Group Membership

What MSP owners gain by learning alongside other business leaders.

Running an MSP is lonely at the top. You're the one who decides on pricing, hiring, new service lines, and when to say no to a client. Most owners make those calls alone, with whatever information they have on hand. The best-performing owners don't.

They borrow the experience of people who have already made the same decisions and learned what works the hard way. That's the real value of a peer group.

## The cost of figuring it out alone

Every MSP eventually hits the same walls: margins that shrink as you add clients, technicians who are busy but not profitable, a sales process that depends on the owner, and a business that can't run without you in the room.

None of these problems are unique. Thousands of MSP owners have faced them. The difference is how long it takes to solve them, and how much it costs along the way. Learning through trial and error means paying for every mistake yourself.

## What peer collaboration actually gives you

**Proven strategies.** Instead of designing a pricing model or service bundle from scratch, you can see what's working in businesses like yours and adapt it.

**Benchmarking you can act on.** Knowing your gross margin is useful. Knowing how it compares to similar MSPs, and which levers they pulled to improve it, is far more useful. Benchmarking turns your financials into a to-do list.

**Better decisions, made faster.** Before you hire a sales leader, sign a new vendor, or acquire a competitor, you can pressure-test the plan with owners who have done it. That kind of input is hard to get from employees and expensive to get from consultants.

**Accountability.** Most owners know what they should be doing. A peer group meets regularly and asks whether you did it. That simple rhythm is often what turns a plan into results.

**Mistakes you never have to make.** Some of the most valuable advice in a peer group is a warning. Hearing how another owner lost a key client or overextended on a new line of business can save you a year of pain.

The question isn't whether you can solve these problems on your own. It's how much time and margin you're willing to spend doing it.

## Why the source of the advice matters

Not every peer group is built the same. Look for one led by people who run a technology services business themselves. Technology Assurance Group owns and operates a managed technology services provider in Southern California and applies its own best practices there first. As TAG puts it: "We do what we teach, and we teach what we do."

Since 1998, TAG has brought together leading managed technology services providers across the U.S. and Canada. Members integrate IT, cloud, cybersecurity, telecom, AV, video surveillance, access control, and managed print, so the conversations reflect how modern providers actually grow.

## What to look for in a peer group

- Professionally led sessions, not unstructured networking
- Financial analysis and benchmarking against real peer data
- Sales, marketing, and lead generation programs you can put to work
- Leadership and management development for you and your team
- Strategic partnerships that improve buying power

## The bottom line

High-performing MSP owners treat peer group membership as an investment, not an expense. The payoff shows up in faster decisions, healthier margins, and a business that's worth more because it doesn't depend on one person to run it.

### Learn how TAG National supports MSP growth

See how TAG members learn from each other and grow faster.

Book a no-obligation discovery meeting with TAG National.

## White paper

# How TAG Membership Can Impact Your MSP's Bottom Line

How small improvements in operating performance add up to meaningful EBITDA gains.

Revenue growth gets the headlines. EBITDA decides what your business is worth. This paper looks at how small improvements in operating performance add up to meaningful profit, and where peer group membership fits in.

## Why EBITDA is the number that matters

EBITDA (earnings before interest, taxes, depreciation, and amortization) shows how much profit your operations actually produce. Lenders use it. Buyers use it. And because MSPs are typically valued as a multiple of EBITDA, every dollar you add to it can be worth several dollars in business value.

That's why two MSPs with the same revenue can be worth very different amounts. The one that converts more of each dollar into profit wins.

## An illustrative example

Consider an MSP with \$5 million in annual revenue and a 10% EBITDA margin. Now assume revenue stays flat, but the business improves its EBITDA margin by five percentage points.

|                    | Today       | After +5 points | Change       |
|--------------------|-------------|-----------------|--------------|
| Annual revenue     | \$5,000,000 | \$5,000,000     | No change    |
| EBITDA margin      | 10%         | 15%             | +5 pts       |
| Annual EBITDA      | \$500,000   | \$750,000       | +\$250,000   |
| Value at 6x EBITDA | \$3,000,000 | \$4,500,000     | +\$1,500,000 |

Illustrative scenario, not an actual or guaranteed TAG member result. Assumes constant revenue and a five-percentage-point increase in EBITDA margin. Valuation multiples vary by market, size, and business quality.

Same revenue. An extra \$250,000 in profit every year, and up to \$1.5 million in added value at sale. What would an additional 5 percentage points of EBITDA mean to your MSP?

## Where five points can come from

Five points can sound like a lot. In practice, it usually comes from several modest gains rather than one big change.

**Stronger gross margins.** Pricing services on value instead of hours, standardizing stacks, and cleaning up unprofitable agreements can lift gross margin across the whole client base.

**Lower operating expenses.** Benchmarking your spend against peers often reveals overspending on tools, overlapping vendors, or overhead that grew faster than revenue.

**More recurring revenue.** Moving clients from project and break-fix work to contracted managed services makes revenue more predictable and usually more profitable.

**Better technician utilization.** Standard processes, better dispatch, and automation mean the same team can support more clients without adding headcount.

**Financial discipline.** Reviewing the right KPIs every month, not just at tax time, helps owners catch problems while they're still small.

## How TAG membership supports each lever

| Profit lever                  | How TAG helps                                                                |
|-------------------------------|------------------------------------------------------------------------------|
| Gross margin                  | Best practices from a working MTSP and peer insight on pricing and packaging |
| Operating expense             | In-depth financial analysis and industry benchmarking                        |
| Recurring revenue             | Advanced sales training, marketing, and lead generation programs             |
| Purchasing                    | Strategic manufacturer partnerships and combined purchasing power            |
| Discipline and follow-through | Professionally led peer groups that create accountability                    |

## Questions to ask about your own business

- Do you know your EBITDA margin today, and how it compares to similar MSPs?
- Which clients or service lines are quietly losing money?
- What share of your revenue is recurring, and how fast is it growing?
- How much of your business depends on you personally?
- What would an extra five points of EBITDA allow you to do?

### Explore how TAG can help improve your MSP's profitability

Find out where your next five points could come from.

Book a no-obligation discovery meeting with TAG National.

## Executive guide

# 5 Ways MSP Peer Groups Help Owners Build More Valuable Businesses

Whether you plan to sell in three years or never, a more valuable MSP gives you options.

Here are five ways peer group membership helps MSP owners build a business that's more profitable, less dependent on them, and worth more.

- 1 Scale operations without scaling chaos**  
Growth exposes every weak process. Peer groups give you access to documented playbooks for onboarding, service delivery, and support that other owners have already refined, so you can add clients without adding confusion.
- 2 Develop leaders who can run the business**  
An MSP can only grow as far as its leadership team. Management practices and leadership development help you hire, coach, and trust the people who will run service, sales, and finance.
- 3 Improve profitability, not just revenue**  
Benchmarking shows where your margins trail similar businesses. Peers show you how they closed the gap. The result is more profit from the revenue you already have.
- 4 Reduce owner dependency**  
A business that stops when the owner steps away is worth less, and is exhausting to run. Peer accountability pushes owners to delegate, document, and step out of daily operations.
- 5 Increase business valuation**  
Buyers pay more for MSPs with strong EBITDA, high recurring revenue, loyal clients, and a team that runs without the founder. Every lever above feeds directly into what your business is worth.

**Value isn't created at the sale. It's built every month in how you run the business.**

## A quick self-check

Check each question you can answer “yes” to.

- ☐ Could your business run for 30 days without you?
- ☐ Do you have a leader for service, sales, and finance?
- ☐ Is at least half of your revenue recurring?
- ☐ Do you review profitability by client every month?
- ☐ Do you know what your business would be worth today?

If you left two or more unchecked, a peer group can help you close those gaps faster.

### Start building a more valuable MSP with TAG National

Learn from peers who have already done it.

Book a no-obligation discovery meeting with TAG National.