



Common Pricing Mistakes



Pricing Mistakes **Holding You Back**

Top 5 pricing mistakes MSPs make
whether they are brand new or Azure
veterans

01

Incorrect Identity Management

Identity management has a huge impact to pricing, especially in the SMB

02

Not Over Spec'ing

Over spec and reap the rewards

03

Instance Sizes

Selecting the correct instance size for the correct workload

04

Licensing

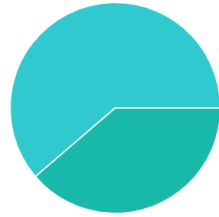
Selecting the correct license and way to purchase

05

Fear of Reserved Instances

Worrying about lock in and early termination fees

\$31
per user per month
- one-time upfront
average across 5 user(s)



▲ Azure: \$95/month
■ O365: -
■ M365: Own
■ W10: -
● Nerdio: \$60/month
\$ Total: \$155/month
■ AHB: - one-time upfront

Estimate only. Actual costs may vary depending on usage, price changes and other factors.
All costs listed on this page are rounded up. [Turn off rounding](#)

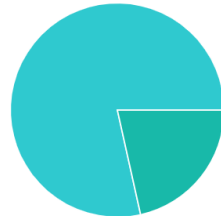
Back

RESOURCES

5 desktop(s)

VS

\$56
per user per month
\$291 one-time upfront
average across 5 user(s)



▲ Azure: \$219/month
■ O365: -
■ M365: Own
■ W10: -
● Nerdio: \$60/month
\$ Total: \$279/month
■ AHB: \$291 one-time upfront

Estimate only. Actual costs may vary depending on usage, price changes and other factors.
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Back

RESOURCES

5 desktop(s)

Pricing Mistakes

Identity Options

Two different identity options equal two different costs, but the same customer experience. As a MSP you should drive your costs down and margins up.

Azure AD Join

VS.

Azure Active Directory Domain Services

VS.

Active Directory Domain Services (VM)

"My first invoice for Azure
is a lot more than what
was quoted, why?"

VM and Disk sizing is different than what was spec'd out in the quote

Reserved Instances/Azure Hybrid Benefits/Auto-scale were never applied

You spent a lot longer than expected to go live with this customer at the PAYG rate

“Where can the process
break down that leads to
higher Azure spend?”

Common Billing Mistakes

Sales Team

- Forget to request for Reserved Instances and Azure Hybrid Benefits
- Reserve the wrong VM SKUs; just because the VM size looks similar, it is NOT
- Forget to APPLY Azure Hybrid Benefits after purchasing them

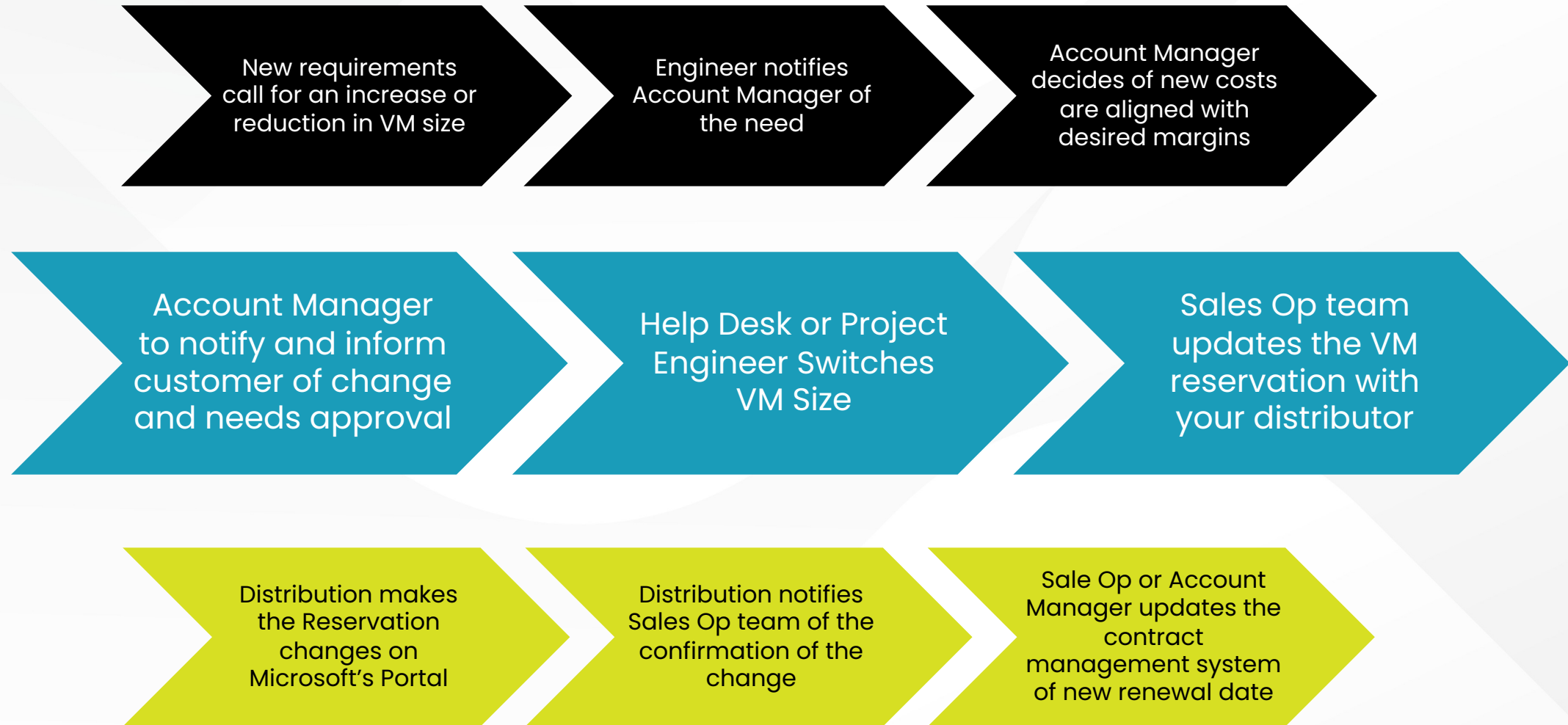
Technical Team

- VM sizes are changed but no one notifies the sales team to make changes to the RI or pricing
- Increasing the size of a disk much higher than what was originally quoted
- Leaving an extra AVD session running
- Leaving the Golden Image running

Sales Ops Team

- Assuming your distributor locked in your Reservation and Azure Hybrid Benefit after you've made the request. Mistakes happen, double check their work
- Not putting in for the exchange of a RI once a VM size change is made
- Forgetting to renew your RI and AHB at the end of every term

Implement Change Management System



Tips & Tricks to Success

Ongoing Management **QBR's/vCIO**



One of the great benefits of Azure is the ability to continuously upgrade and optimize.

Schedule an Azure Business Review with your Nerdio Partner Success Manager!

Ongoing Management

Instance Optimization

New versions are 30% faster and generally the same cost

Old versions start costing more as Microsoft disincentivizes you from using older machines



<u>Instance Type</u>	<u>200 Hour</u>	<u>RI</u>	<u>PAYG</u>
E4s_v3	\$53.20	\$73.00	\$194.18
E4as_v4	\$50.40	\$72.61	\$183.96
E4s_v5	\$50.40	\$69.92	\$183.96

Ongoing Management

Other Optimizations

A little time can deliver huge results to both you and your customers.



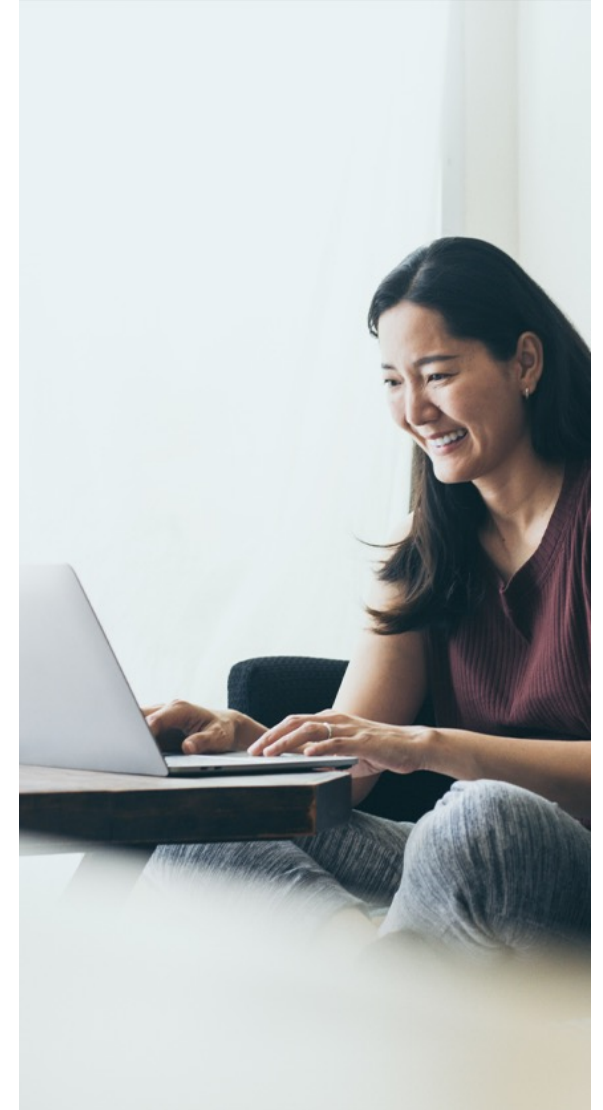
Auto-Scale

Review history and update scale-in/out processes to save money



New Features

Stay on top of new features available like wake on connect and AAD join with Kerberos support



Have a defined Azure SOP

Azure Project Management Best Practices



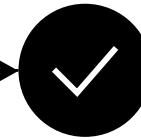
Sales

- Quote Azure based on exact needs
- Adequately mark up offerings and propose to customer
- Oversize the environment on purpose if you aren't sure



Technical

- Do not start until all unanswered questions are answered. Get ducks in a row
- Obtain all software licenses, downloads and arrange migration assistant needed from LOB vendors



Sales Ops

- Order Reserved Instances and Azure Hybrid Benefits immediately or ASAP
- Enter in RI and AHB expiration dates in contract renewal systems

Ask the right questions
early in the process

Qualifying Questions – Cost Estimator



This is a list of qualifying questions to allow for the most accurate selections in the Azure Cost Estimator tool. Not all are required but the more information you have, the more accurate your pricing and machine sizing can be. This reduces the chances of under sizing or oversizing an environment and having to make changes later.

- Do you currently have Office 365? If yes, what edition (Essentials, Business Premium, E3, etc.)?
- Is your email hosted?
 - If hosted, is it through Microsoft 365 or some other provider?
- Are you using Azure Active Directory, onsite AD, or no AD?
- How many computer users do you have?
- About how many concurrent users do you have?
- How many servers do you have?
- Can you provide a server list with details including role, RAM, CPU, and **USED Storage**?
- How many remote users and locations?
- What are your main applications used to run your business (Office, QuickBooks, etc.)?

Qualifying Questions – Cost Estimator



- What is your internet speed in the office?
- What operating systems do you have currently on your computers (Win7, 8, 10)?
- How much data do you have currently?
- Do you have a current backup system and how frequently are backups being taken?
- Do you do a lot of printing or scanning?
- What peripheral devices are used?
- How many hours is an average work week for your staff?
- Are you using any graphic intensive programs for design, 3D modeling, video creation/editing, etc.?
- Can you provide information on your users' web browsing habits (lots of tabs open, casual, watching videos, streaming music, etc.)?
- What are your biggest challenges today regarding IT?

"What is the average margin and
sell price per user per month?"

Average Markup


35%
80%

Average Sell Price

\$180 –
\$250

Includes Azure Infrastructure, Azure Backup, M365 Business Premium, Anti-virus, RMM Agent, vCIO Services, Unlimited Help Desk Support

"Is there someone I can
contact to get help with my
first couple of deals?"



Nerdio assists with
architecture and
quoting



MSP marks up
quote and
proposes to client



Nerdio assigns MSP a
dedicated Go Live
Engineer to assist with
project onboarding

Other Tips & Tricks



01

Remove Barriers

Discount/remove provisioning fee with longer contract terms

02

Consolidate Line Items

Bundle AHB licenses in provisioning fee

03

Always show a demo

Close more deals by putting AVD in their hands

04

Conditional Agreements

Offer a trial/POC/guarantee that they need to give written notice to cancel

05

Learn New Features

New features in AVD can lower costs or improve user experience

Q&A