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Microsoft Licenses:

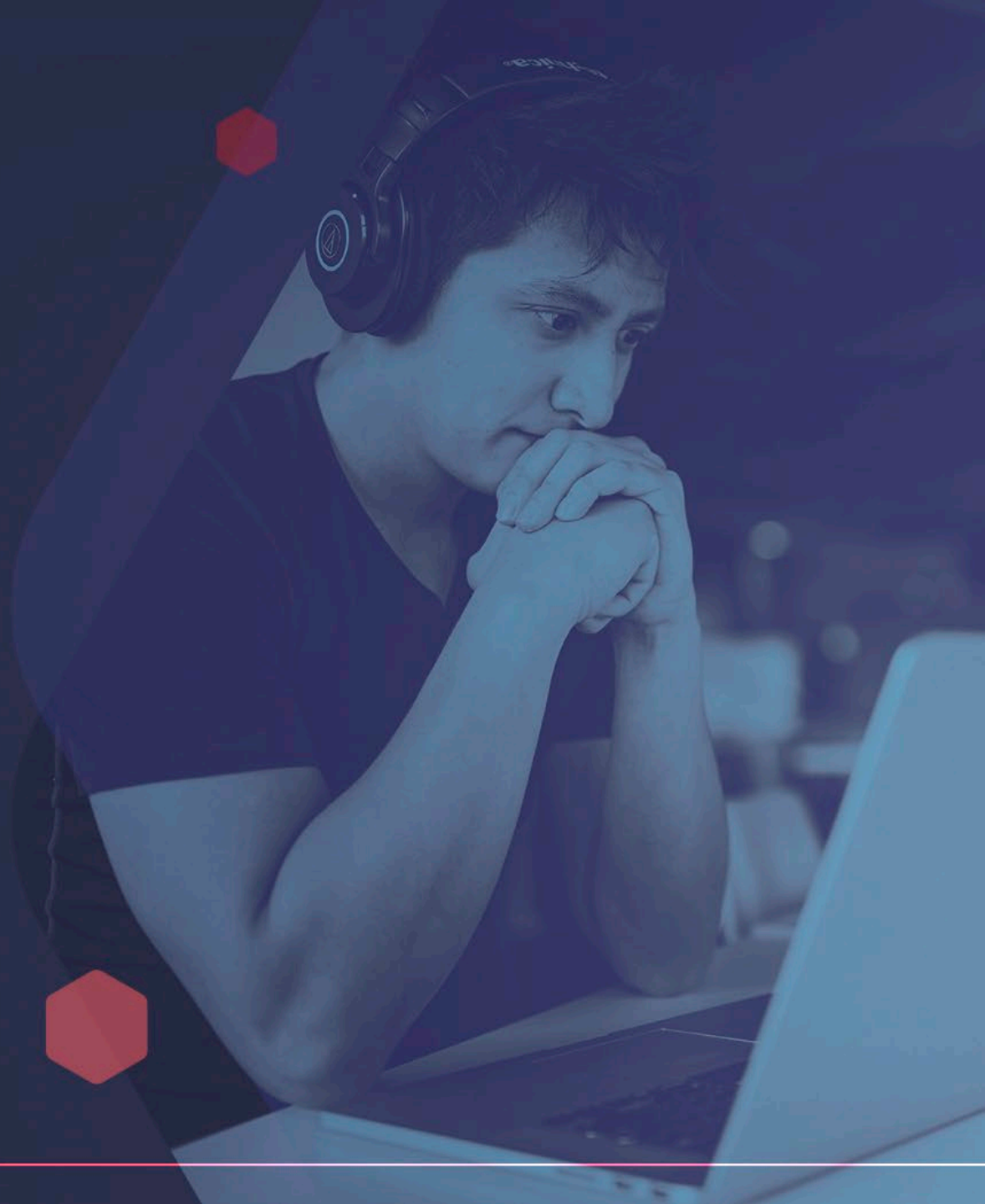
The MSP playbook for enhanced Microsoft 365 security

By making use of the lesser-known Azure AD Premium P1 licenses, MSPs can offer small-business customers a comprehensive level of protection with only a modest fee increase.

Microsoft 365 is vulnerable.

Microsoft is highly targeted and does not come configured out-of-the-box. For many small businesses, deciding how to protect their Microsoft 365 infrastructure comes down to a cost-benefit analysis.

Their key question: Should they stick with the Business Basic or Business Standard plan (more affordable but less secure) or upgrade to the Premium license (more security but far less affordable).



The problem:

The cost increase from the Standard plan ($12.50/user) to the Premium plan ($22/user) is often hard to justify.

For a business with 50 employees, it's an increase of $500/month or $6k/year, in exchange for a hard-to-quantify increase in M365 security.

Standard Plan

$12.50

→ **Costly upgrade for questionable value**

Premium Plan

$22

Although Microsoft only advertises its popular license plans, there's a more affordable middle ground for small businesses to consider.

The solution:

The Azure AD Premium P1 licenses that cost only $6 more plus your security services compared to the Business Standard plan.

1) Premium Plan
$22

Still requires time & effort to make it secure

2) Standard Plan $12.50 + Azure AD Premium +$6 + Security Services +$3.50

Same price as a premium plan but has security added

And the *affordability* of the Azure upgrade is not even the best part.

The best part is that it's actually a better way for MSPs to keep customers safe.

When it comes to cyber crime, Microsoft 365 is the most targeted SaaS platform in the world.

In mid-2021, an Egress report titled Outbound Email: Microsoft 365's Security Blind Spot revealed that 85% of organizations using Microsoft 365 had suffered email data breaches in the last 12 months.

Cybersecurity insurance companies think M365 security is critical.

Their premiums are increasing from 50% to 100% because businesses are not investing enough in the right kind of M365 security.

Small businesses are saying to MSPs:

“Keep me comprehensively safe.”

MSPs are responding:

“Without better preventative security settings and better security alerts in M365, we can’t keep you fully safe.”

Of course, it's entirely up to the customer to purchase licensing or any other security service.

This means the MSP should clarify:

1) Customers are not currently paying MSPs to protect M365
2) M365 doesn't come configured out of box ready to monitor and secure itself.

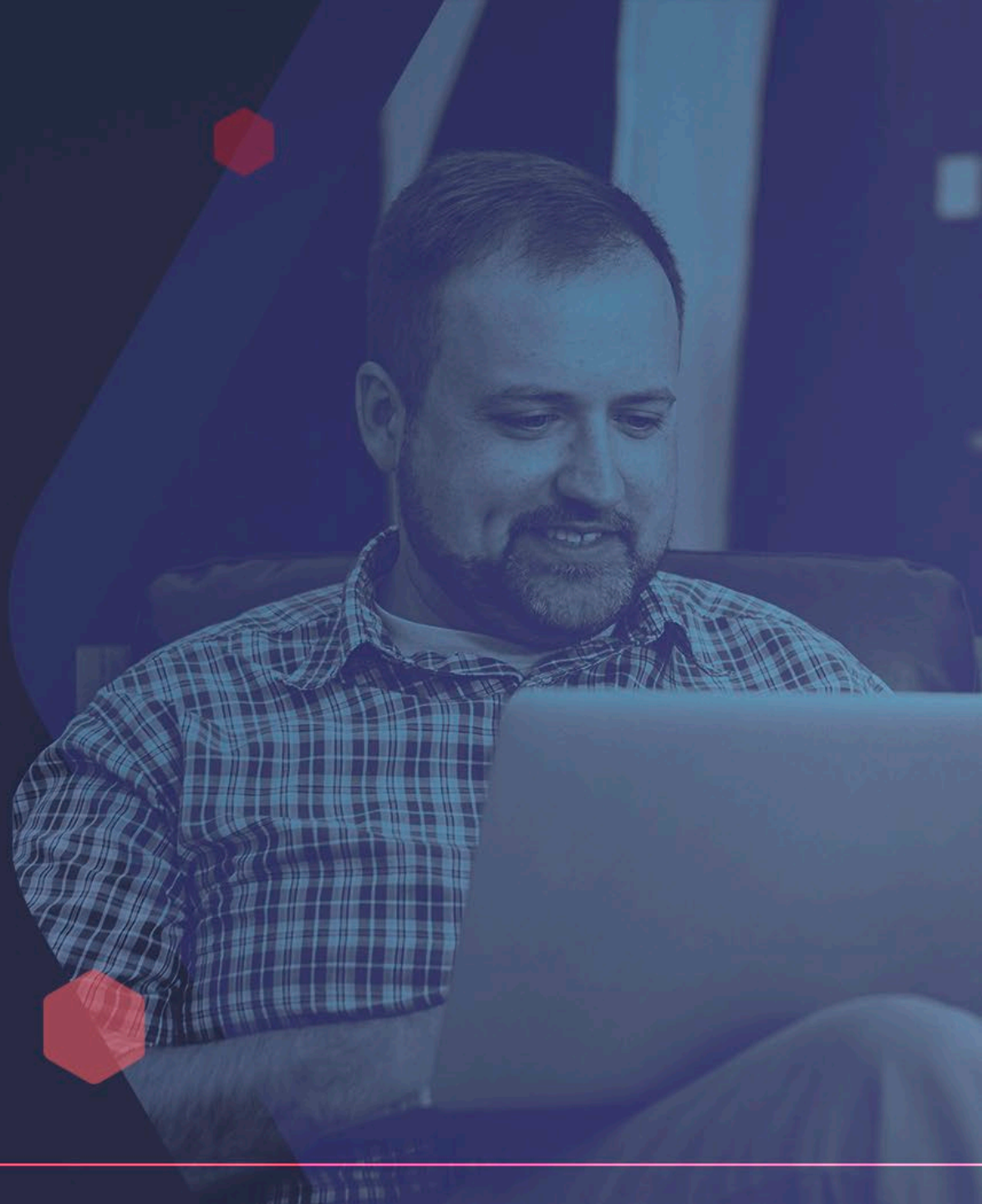
And then, once the realities of M365 security are clarified ...

The MSP playbook

Offer an enhanced level of service with Azure licensing to fully protect customers' M365.

Pitching to a Business Standard customer:
"For the price of Business Premium we can delivery a safer M365 environment."

Pitching to a Business Premium customer:
"For only $4 extra (18% increase) we can secure your M365 environment."



Customer's pay the same but get more value & MSPs make more revenue

Offer	Price	Margin ($)	Margin (%)
Microsoft 365 Premium	$22	**$3.96**	18%

Shift customer spend towards your services to increase revenue

Offer	Price	Margin ($)	Margin (%)
Microsoft 365 Standard	$12.50	$2.25	18%
Azure AD Premium P1	+$6.00	$1.08	18%
M365 Security Services	+$3.50	$3.40	97%
Total Package	$22	**$6.73**	31%

Earn 70% more revenue by selling M365 Security Services offering

If customers decline

MSPs can simply carry on with regular services but make sure to get it in writing that

1) The customer declined security services, and
2) You are therefore not liable for any M365 breaches.

Not all customers are created equal

MSPs should prioritize pitching to the customers most likely to purchase and then continue on through the customer base.

Firms in finance, healthcare, and legal services are more likely to pay for added M365 security because are 1) higher revenue (on average), and 2) have more sensitive data they need to protect.

Questions about this game plan?

Get in touch with your Augmentt representative.

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