A CFOFORIT WHITEPAPER

What $100M MSPs Do Differently

6 Execution Disciplines That Drive Scale and Profit

CFOforIT

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After scaling three IT service firms beyond $130M in revenue, one truth stands out: the difference is disciplined execution.

Executive Summary

After scaling three IT service firms beyond $130M in revenue, one truth stands out: the difference isn't the product, talent, or market. The difference is disciplined execution. This white paper breaks down the six organizational practices common to every firm I've seen succeed at scale. These are not theoretical, they are real-world principles implemented with rigor. CEOs who embed these disciplines early outperform their peers in margin, growth, and enterprise value.

Introduction: Beyond the Plateau

Founders often ask: why do some MSPs grow beyond $100M while others stall at $10M to $30M? It's not luck. It's not just great sales. It's operational maturity, the ability to scale execution. In this paper, I outline six execution disciplines that every $100M+ firm I've worked with had in place. These aren't just best practices; they are minimum requirements for scale.

1. Strategy Execution Framework

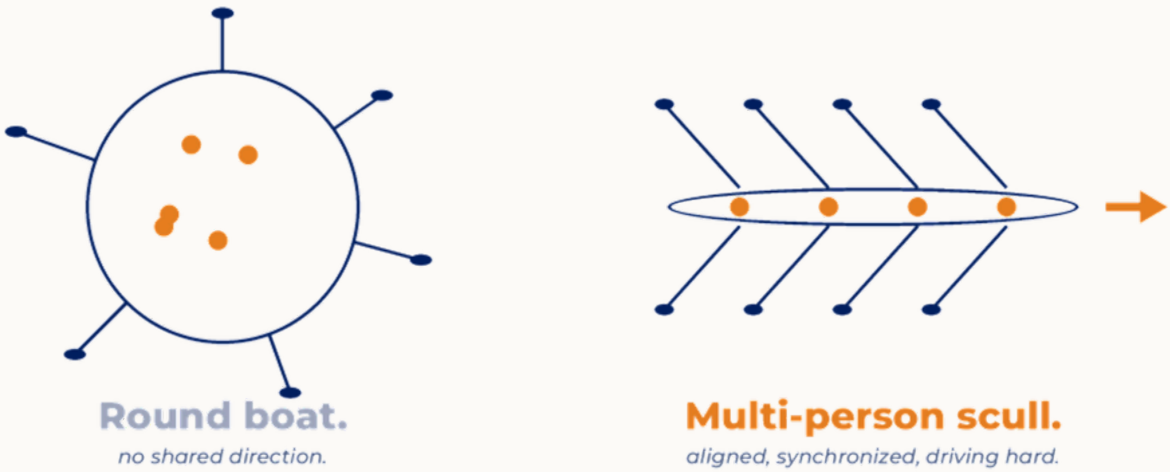
Each $100M+ MSP had a strategy execution framework in place: EOS, OKRs, Balanced Scorecard, RED, or MIG. Without one, even strong teams row hard in circles. Imagine a team rowing at full strength in a round boat. They're exerting effort but going nowhere.

I once asked a CEO: "If I asked each of your executives the company's top three strategic goals, would they all answer the same?" He said no.

Another CEO, who didn't yet have an execution framework in place, told me he was 95% confident his executive team understood the strategy. I bet him $100 he was wrong. During a session with his leadership team, I asked each member to write down the top three strategic goals. Not one could do it. Only two could even name a single strategic objective. Yes, this was an easy bet to win.

That's the problem. Your team may be talented, hardworking, and committed, but if they aren't aligned to the same destination, you won't scale. High-performing MSPs align departments to top-level priorities with visible ownership and timelines.

So instead of misaligned individuals rowing in a round boat with no shared direction, equip your team with a multi-person scull: everyone aligned, synchronized, and driving hard toward a clear strategic objective.



2. Metrics-Driven Culture

All three $100M+ MSPs I worked with were obsessive about metrics. But let me be clear: more metrics do not equal better management.

Jeff Rumberg of MetricNet drove this point home. I hired Jeff's firm to help elevate our service delivery team to world-class. Early on, I told him I wanted to track 15 specific KPIs.

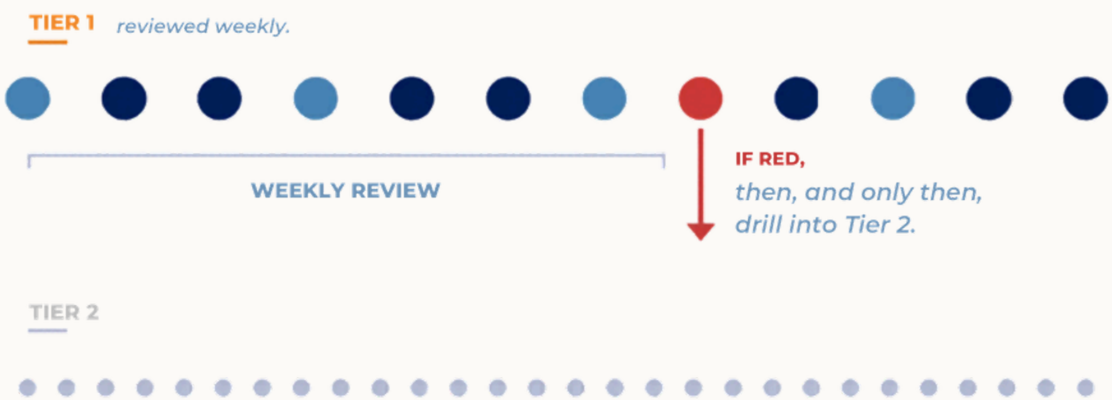
He pushed back. "I'm not giving you 15," he said. "I'm giving you 7, the right 7."

That moment stuck with me.

Clarity drives action.

As a leadership team, you should have 10 to 15 Tier 1 KPIs. These are your North Star metrics, the ones you review weekly. If one of them turns red, then and only then do you drill deeper into Tier 2 metrics.

10 to 15 Tier 1 KPIs.



Each KPI must have a single owner. Shared ownership = no ownership.

That one person should have the authority and responsibility to act.

Just as important: don't benchmark against yourself alone. If you grew 8% last year, is that good? Maybe. But if your market grew 20%, then you're lagging.

Benchmark against market averages and best-in-class.

And make sure your KPIs are balanced between leading indicators and historical results. Lagging KPIs tell you what happened; leading KPIs show you what's coming.

CEOs need over-the-horizon visibility, not just a rear-view mirror.

Field-Tested KPI Alignment Exercise.

Here's the exact process I recommend for aligning your leadership team around Tier 1 and Tier 2 KPIs.

1. Distribute Sharpies and 3x5 Post-its to your leadership team. Ask: “What are the most important metrics for this company?” Each person writes their top 5 KPIs on separate Post-its.

2. One by one, each person presents their KPIs and explains why they chose them. As you go around, no duplicates allowed, later presenters must avoid repeating KPIs already posted.

3. After all KPIs are on the board, have each person score the posted metrics 1 to 5, with 5 being most important. Everyone must vote before leaving the room.

4. While the team breaks, someone tallies the scores and ranks the KPIs from highest to lowest.

5. When the team returns, review the ranked list together. Validate! Do you have a balance of leading and lagging indicators?

6. This becomes your Tier 1 KPI list (usually 10-15).

7. Then define 2-3 Tier 2 KPIs that underpin each Tier 1 metric.

8. Assign owners to each Tier 1 and Tier 2 KPI. Decide the cadence of review and reporting.

Once this system is in place, be relentless. Measure weekly. Make it visible. Discuss it. Drive accountability.

This kind of disciplined, data-driven management culture is what separates companies that grow, from companies that scale with profit and clarity.

3. CRM Discipline

In all three firms, CRM discipline was non-negotiable. Sales reps were required to use the system. No exceptions. Was there pushback? Of course. But strong sales leadership enforced the discipline because they understood what was at stake.

CRM isn't just about compliance. It's about visibility. Without clean data, you're flying blind.

You can't diagnose where sales are breaking down, whether it's MQL conversion, SQL quality, rep activity levels, or win rates. With consistent CRM usage, however, you can isolate the exact weak link in the revenue chain and fix what's broken, instead of guessing.

The revenue chain.

Getting reps to follow CRM processes can be especially difficult with top performers. To address this, we assigned a shared assistant to high-producing reps. That assistant ensured all activities, opportunities, and forecasted bookings were accurately entered. For new reps, the rule was simple: no exceptions. They learned to sell with CRM discipline from day one and that became the only way they knew how to operate.

One of the firms had what we believed was a solid CRM process and reliable telemetry across the sales funnel. Our growth had historically been strong, but we hit a period where results were coming in below expectations.

Our Tier 1 sales metrics, pipeline coverage and bookings made it clear we had a problem. However, when we dug into the Tier 2 metrics, they looked good, yet, bookings lagged.

Then we realized we were missing a critical Tier 2 metric: average call time.

We had long measured call volume, but not quality. When we added "average call time" to our dashboard, the insight was immediate. Reps were making enough calls, but they were short and shallow. The real issue? Lack of confidence and fluency in our expanded service portfolio.

We launched a targeted sales enablement initiative. Over several months, average call times increased and so did bookings.

CRM usage isn't just a reporting discipline, it's a revenue optimization engine. But only when enforced, supported, and aligned to both Tier 1 and Tier 2 metrics that matter.

4. Standardized Offerings

In all three $100M+ MSPs I helped scale, standardizing the service offering was one of the most impactful turning points and one of the most difficult to get right.

Early on, each of these organizations struggled with delivery inconsistency, bloated scoping processes, margin leakage, and overloaded service teams. Why? Because they were trying to be all things to all customers. Every solution was custom. Every proposal was different. Every implementation felt like a one-off.

Customization kills scale.

The turning point came when each organization made the decision to intentionally define and productize their offerings. That didn't mean eliminating flexibility, it meant structuring 80 to 90% of their delivery around clearly scoped packages with fixed definitions, pricing, and expected outcomes.

This shift didn't happen overnight. It required collaboration across sales, engineering, delivery, and finance. But once the standard offerings were defined, everything changed:

- Sales cycles shortened dramatically. Reps knew what to sell. Customers saw clear options.
- Margins improved because delivery teams weren't reinventing the wheel on every engagement.
- Onboarding became predictable. Implementation timelines and resource allocations could be modeled accurately.
- Proposals got faster. No more three-week pricing exercises or last-minute scoping calls.

A sales leader at one of the firms put it best: "Once we standardized, we went from selling whatever the client asked for to confidently leading with what we know we can deliver well and profitably."

The data backs it up. According to research by TSIA:

- Companies with standardized offerings grow twice as fast as those without.
- Their gross margins are 2x higher.
- Their sales cycles are 33% shorter

Those stats match my lived experience almost exactly.

Importantly, standardization doesn't mean rigidity. The top firms left room for customization, but only on top of a defined base offering. They adopted a modular delivery model: clear core packages with optional add-ons.

That model gave clients choice without compromising delivery efficiency.

If you're building a scalable MSP, standardizing your offerings isn't a "someday" project, it's a profitability and growth imperative. Without it, you'll burn out your delivery team, choke your sales pipeline, and miss margin targets month after month.

5. Decisiveness + Agile Velocity

The next discipline shared across all three $100M+ MSPs was this: they made decisions quickly and they weren't afraid to change them.

These organizations weren't reckless. They welcomed healthy debate. Leadership teams pushed back on ideas, asked tough questions, and challenged assumptions. But once a decision was made, they moved.

There was clarity on who owned the decision, who was responsible for execution, and how updates flowed across the org.

What enabled this decisiveness was their second muscle: agile velocity. Every company I worked with had the ability to adjust course quickly when reality changed.

Here's a real example: At one firm, we launched a major internal initiative to expand a specialized services team. We believed the right move was to build the capability organically.

We began hiring, onboarding, and training team members. But within one quarter, it became clear that demand was outpacing our ability to staff and train. The market was moving faster than we could.

Rather than cling to the original plan, we pivoted. Fast.

We shifted to an acquisition strategy, identified targets, and ultimately acquired a competitor that already had the mature capability set we needed. Within months, we had a high-performing practice ready to meet demand and our customers got what they needed without disruption or delay.

That's the power of agile velocity: we didn't wait to fail slowly. We changed direction early, and executed quickly.

In high-performing MSPs, this mindset is cultural:

- Teams don’t wait for perfect data to make a call.
- Leaders aren’t afraid to admit something isn’t working.
- Execution isn’t delayed by indecision or ego.

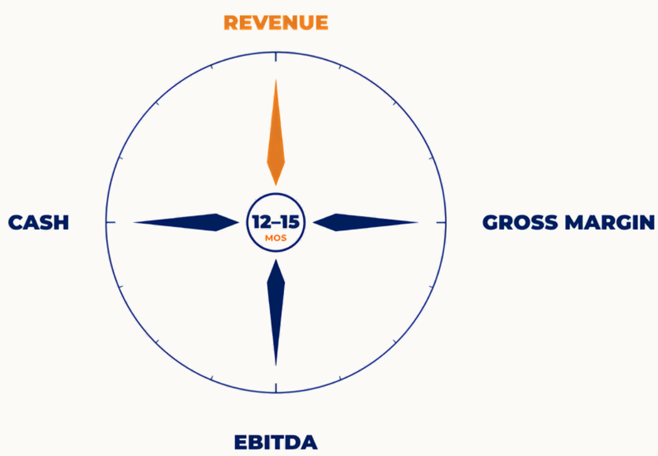
This allows the entire organization to move faster, learn faster, and build momentum with confidence, not consensus. If you're stuck waiting for certainty, you're already behind. The best companies make thoughtful decisions, and adapt with speed.

6. Budgeting Discipline

In the latest Service Leadership Annual Report, the number one correlator to high-performing MSPs wasn't technology, vertical focus, or sales strategy, it was budgeting discipline.

Most firms treat the annual budget as a financial exercise. $100M+ firms treat it as a leadership alignment exercise. By the time a budget is finalized, it's already partially obsolete. Markets shift. Customers delay projects. Hiring plans evolve. But that's not the point.

The real value of budgeting is forcing the leadership team to look 12 to 15 months over the horizon, align on financial targets, and connect those targets directly to the operating plan.



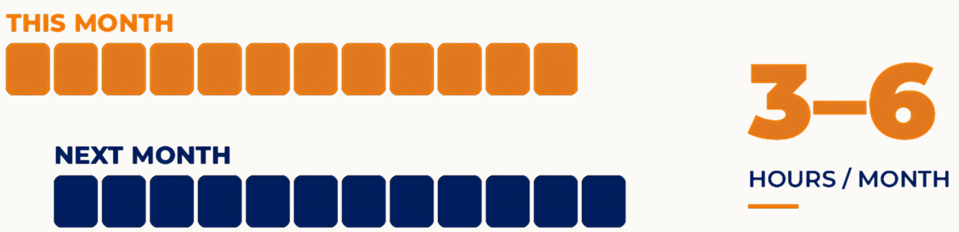
It defines what success looks like, in revenue, gross margin, EBITDA, and cash, before the year begins.

Where true maturity shows up is in the rolling forecast. High-performing MSPs don't build a budget and file it away. They update a 12-month rolling forecast every month. This process typically takes three to six hours, no more.

It recalibrates expectations based on current revenue trends, pipeline health, hiring realities, margin performance, and shifting market conditions. Think of it as agile methodology applied to finance: set direction annually, iterate monthly.

While monthly forecasting is ideal, updating your forecast one a quarter is nearly as effective. If you go with a quarterly update, I recommend you do this by the middle of the 2nd month of the quarter.

The rolling forecast.



Agile methodology, applied to finance.

SET DIRECTION ANNUALLY | **ITERATE MONTHLY**

This discipline creates early warning visibility into cash flow risk, margin compression, and growth gaps, allowing leadership to act before problems become emergencies.It also enables faster strategic decisions because the team can see the financial impact of choices in near real time.

Most MSPs that surpass $100M have institutionalized this process. Finance becomes a forward-looking management tool, not a backward-looking report. Without budgeting and forecast discipline, growth creates chaos. With it, growth becomes controlled, predictable, and scalable.

Mini Case: The Power of Execution Discipline

Across three scaled firms, I watched the same pattern. In contrast, none of the companies we acquired had these six disciplines in place.

Were they bad companies? No. But they had plateaued.

Execution was ad hoc, CRM was neglected, and strategy was opaque. Once we implemented these six principles (strategy alignment, dashboards, CRM hygiene, standardization, and fast iteration) performance changed.

Margins improved. Teams aligned. CEOs got their time back.

Conclusion & Recommendations

Scaling isn't just about ambition, it's about architecture. These 6 execution disciplines are foundational. They help you grow with confidence, clarity, and control.

- Implement a strategy framework - EOS, OKR, RED, Balance Scorecard, etc.
- Focus on 10-15 core KPIs and assign ONE owner to each
- Enfore CRM usage
- Standardize offerings
- Build agile decision velocity
- Use a rolling forecast

Want help benchmarking your current discipline? Let's talk.

About CFOforIT

CFOforIT is a finance-first advisory built exclusively for MSPs, VARs, and IT services firms that want to scale profitably, operate with confidence, and maximize enterprise value.

Led by executives who have helped grow multiple IT services companies from under $20 million to over $130 million in revenue and executed more than 20 acquisitions, CFOforIT combines deep industry insight with proven financial architecture.

Our approach turns finance into a strategic operating system, integrating cash management, pricing discipline, forecasting, and KPI governance into the daily rhythm of leadership. Whether preparing for growth, pursuing acquisitions, or positioning for exit, we help founders and CFOs build data-driven visibility, optimize EBITDA, and unlock valuation multiples that reflect the true strength of their business.

CFOforIT partners with leadership teams to build the systems, metrics, and cadence that drive operational maturity and value creation, because in IT services, sustainable profitability isn't a mystery; it's a discipline.

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