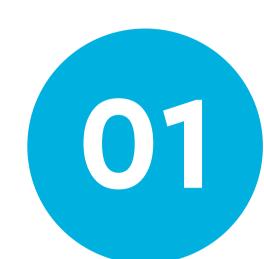




TSP Compensation and Profitability: Key Insights and Trends

Hallmarks of TSPs with best-in-class profitability

The most profitable IT solution providers (TSPs) typically:



Have a narrow range of technologies that are marketed and sold.



Cater to a specific target customer profile.



Prioritise hiring, training, and mentoring Level 1 employees.



Pay less in total annual earnings (TAE) for staff and managerial positions.

Leverage profitability insights from the <u>ANZ Executive Summary</u> to improve your bottom line

Insight How to leverage As you grow, utilise variable compensation, like incentives, Owner compensation for AU and NZ is **higher on average** than in other commission, etc., for staff, managers, and business owners to regions. control TAE costs. Recognise that the most profitable Best-in-class profitability TSPs pay TSPs pay their employees an average of 9-17% less TAE for staff and managers less and adjust and management positions. accordingly. Prioritise hiring and training Level 1 technicians. Stick to a single target The average TAE for a Level 3 service customer profile and implement desk specialist was, on average, regimented technology standards 43.5% higher than a Level 1. to utilise lower-skilled, lower-paid employees.

Additional tips for increasing profitability



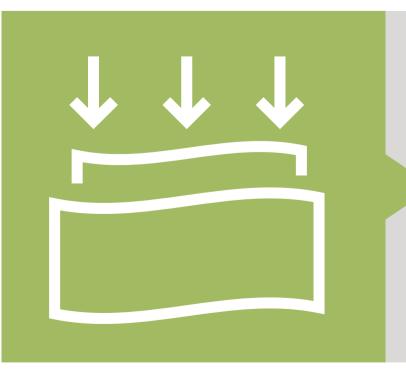
Focus on your core competencies.

Don't try to be everything to everyone—focus on the products and services you do best.



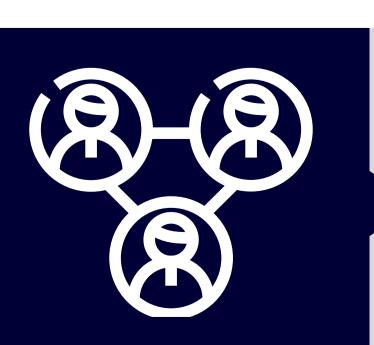
Invest in your employees.

Your employees are your most valuable asset—ensure they're well-trained and motivated.



Manage your costs.

Carefully track your expenses to avoid overspending.



Market your services effectively.

Spread the word about your products and services to attract new customers.



Provide excellent customer service.

Quality service helps retain clients and keep them happy.