



THE 6.5X PROFIT PLAYBOOK FOR MICROSOFT PARTNERS

The MSP/CSP Guide to High Azure Margins



WHAT YOU
CAN EXPECT

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Chapter 1

THE 6.5X PROFIT MULTIPLIER

As a Cloud Partner, you are likely accustomed to the "volume trap" of selling licenses. While essential, products like Microsoft 365 often offer thin margins, requiring massive volume to generate significant profit.

Managed Azure Essentials (MAE) flips this dynamic. By attaching high-margin automated operations to your Azure environments, **you can generate the same profit with a fraction of the revenue—and zero additional headcount.**

The Profit Equation

Let's look at the reality of license reselling. **To generate \$6,000 in pure annual profit from M365 licenses, you typically need to sell around \$200,000 in contract value.** That requires managing hundreds of users, endless billing queries, and significant administrative overhead.

Now, look at the MAE alternative: you earn the exact same profit (\$6,000) from one \$30,000 MAE contract as you would from \$200,000 in M365 sales. You have effectively achieved a **6.5x efficiency multiplier on your profit generation.**

Same
profit,
85% lower
contract
value!

	M365 Subscription Reselling	Managed Azure Essentials
Annual Profit	\$6,000/year	\$6,000/year
Contract value required	\$200,000/year	\$30,000/year
Operational Requirements	- Managing hundreds of users - Endless billing queries - Significant admin overhead	None

Chapter 1

THE 6.5X PROFIT MULTIPLIER



The Multiplier Effect

If you sell MAE to 10 average customers (50 VMs each), you're generating **\$60,000 in annual recurring profit—the equivalent of selling \$2 million in standard M365 licenses.**

Most importantly, because MAE is automated, this revenue does not require you to hire more engineers. It flows directly to your bottom line.

Scenario	Monthly fee	Annual Revenue	Profit per client	Profit per 10 clients
A Client with 10 VMs	\$600 month	\$7,200 year	\$1,400 year	\$14,000 year
A Client with 100 VMs	\$5,000 month	\$60,000 year	\$12,000 year	\$120,000 year

Chapter 2

MANAGED AZURE ESSENTIALS (MAE)

What is Managed Azure Essentials?

MAE is your comprehensive, **fixed-cost answer to Azure complexity**. It is an AI- and human-driven, automated service that manages your customer's entire Azure environment applications, VMs, containers, data, and security—as one unified service.

Instead of piecing together disparate tools, and adding lots of people to operate or burning billable hours on routine maintenance, **MAE delivers a complete operational baseline**.

The “SleepWell” Standard

We call our reliability commitment the “SleepWell SLA” because it allows both you and your customers to rest easy, knowing the environment is under vigilant oversight.

MAE includes the essential core services required to keep an Azure environment safe and optimized, delivered at a predictable fixed monthly cost:

- **24x7 Proactive Monitoring:**
Constant oversight of the environment to detect anomalies before they become outages.
- **Patch Management:**
Automated handling of critical updates to ensure security and compliance.
- **Incident Management (12x5):**
Professional handling of issues when they arise.
- **Single Point of Contact (SPOC):**
Streamlined communication for all operational needs.

Chapter 2

MANAGED AZURE ESSENTIALS (MAE)

Solving the Talent Gap

The IT industry currently faces a massive shortage of skilled professionals, with estimates of over 5 million open job requisitions globally. As a partner, finding and retaining Azure experts is expensive and difficult.

MAE solves this by leveraging automation and Idenxt's own team of seasoned and highly skilled Azure experts. You do not need to recruit, hire, or train new staff to sell MAE. You simply deploy the service, and Idenxt handles the operational heavy lifting-optimizing the customer's investment while reducing your own operating costs.

The Bottom Line: MAE allows you to provide "Reliable, Protected, Safe Azure Operations" without increasing your payroll, turning what used to be a cost center into a high-margin profit center.



Chapter 3

THE ASSUMPTIVE SALES STRATEGY

You now know why you should sell Managed Azure Essentials and what it is. The final piece of the puzzle is how to sell it. The secret is that **you don't need to "sell" it at all-you just need to include it.**

Assumptive Positioning by Default

Experienced MSPs know that customers often don't know what they need until you tell them. Given the complexity and risk associated with operating modern Azure environments, every customer needs operational protection.

Therefore, adopt Assumptive Sales Positioning. Simply assume the customer needs operational oversight and risk protection along with their Azure subscription.

- **Don't Ask:** Do not present MAE as an optional line item they can cut to save money.
- **Just Bundle:** Include it by default in every proposal. When you explain the solution, present the operations component as a non-negotiable part of keeping their environment running.

The Opt-Out Statement

If a customer pushes back or tries to cut costs by removing the operations layer, do not simply remove it. Instead, require them to sign an Opt-Out Statement.

- This document should state clearly that you have recommended proper operational coverage and the customer has actively rejected it, accepting full liability for any downtime or security breaches.
- Most executives will hesitate to sign a document that specifically documents their negligence. If they do sign it, the document becomes very useful the moment they experience their first incident or financial loss.

Chapter 3

THE ASSUMPTIVE SALES STRATEGY

Bundling Prevents "Shopping"

When you bundle MAE with your other services and the Azure subscription itself, you shift the conversation from "price" to "value."

- **Stop Itemizing:** By not itemizing every service line-by-line, customers cannot "shop" your proposal against competitors or cut individual items to lower the price.
- **Focus on Outcomes:** Describing the value of a total solution (e.g., "Secure, Managed Cloud Infrastructure") is far faster and more compelling than trying to justify a list of separate products.

Start with Your Existing Base

The fastest path to the \$60,000 profit scenarios outlined in chapter 1 is not finding new clients—it's mining your existing ones. It's five times easier to sell more to an existing customer than to create a new one:

- Your existing customers already trust you.
- They already have Azure environments that need protecting.
- You don't need to "win" them; you just need to show them that you are now offering the operational security they have been missing.



Chapter 4

COMPOUND GROWTH & ORGANIC SCALING

The beauty of the Managed Azure Essentials model is that your revenue and profit do not stay stagnant. They grow in two distinct ways: through the organic growth of your customers and through the layering of your own high-value professional services.

Organic Growth: The "Ride Along" Revenue

MAE pricing is based on the size of the customer's environment. As your customers succeed and grow their Azure footprint expands and your **MRR expands with it**.

- A customer starting with 10 VMs might pay just \$600/month today.
- As they grow to 100 VMs over the next two years, that **same contract automatically scales to \$5,000/month**.
- You enjoy **increased revenue and profit every month** without having to resell the contract or increase your own labor costs.

Layering Your High-Value Services

While MAE handles the "blocking and tackling" of daily operations (monitoring, patching, Incident handling). It opens the door for you to sell high-margin professional services on top.

Because MAE provides the baseline data and visibility, you can easily identify opportunities for:

- **Consulting & Design:** Use the performance data to propose infrastructure redesigns or application modernization projects.
- **Security Assessments:** Offer deeper security consulting, using the "Managed Attack Surface" data as a starting point.
- **Remediation:** When threats are detected, offering paid remediation to root causes becomes a natural upsell.

Chapter 4

COMPOUND GROWTH & ORGANIC SCALING

Create Reusable Engagement Models (REM)

Once you have successfully deployed this solution for one customer, you have a **Reusable Engagement Model (REM)**.

- Find other customers in your market that resemble your successful case and offer the exact same proposal.
- The more frequently you deploy the same bundled solution, the faster and more profitable you become.
- **Profit Warning:** As you become more efficient, do not lower your prices. Customers pay for value, not hours. Keep the extra margin.

Chapter 5

CONCLUSION: YOUR NEXT STEPS

The goal of every Partner is to maximize monthly recurring revenue (MRR) while delivering the best possible customer experience. Managed Azure Essentials (MAE) is the tool that allows you to do exactly that without the bottleneck of hiring more staff.

Low-margin transactions into high-margin relationships. You provide the "SleepWell" confidence your customers desperately need, while securing the predictable profit you deserve.

Your Action Plan

To start realizing this revenue immediately, follow this simple checklist:

- 1. Identify Your Top 10:** Look at your existing customer base. Identify the top 10 Azure customers who currently lack 24/7 operational oversight.
- 2. Calculate the Lift:** Use the pricing model to calculate the immediate MRR increase if these 10 customers were moved to MAE.
- 3. Bundle & Renew:** For every upcoming renewal or business review, add MAE as a default line item using the Assumptive Sales approach.
- 4. Leverage Idenxt:** We are your partner in this. Lean on our team to help you maximize your return on every Azure project.

Stop leaving margin on the table. Start monetizing your Azure expertise today.

[Click here to schedule an intro call and learn more about the partnership.](#)

