

Using Your Confidential S-L Index™ M.S. Comprehensive Diagnostic Report©

3 Analytical Views

- Compare Yourself by Profitability
- Compare Yourself by Revenue Size
- Compare Yourself by Revenue Growth

12 Operating Factors

- GM% of M.S. Offerings
- Contract Ts & Cs
- Org/Headcount Ratios
- Operational Maturity
- Resolution Methods
- Incident Priorities
- And Six More...

4 Comparison Groups

- All Solution Providers in the S-L Index™ (shown)
- Other SPs with *your predominant business model*
- Other SPs with the same predominant customer size
- All SPs in your community

3 Performance Groups

- Bottom 1/4 performers
- Median performer (i.e. better performance than half of the companies but not as good as the other half)
- Best in Class (top 1/4 performers)

By Profitability: Gross Margins of Managed Services Offerings

Compared to All Solution Providers

BY 2008 PRE-TAX NET INCOME %	You	Bucket: Pre-Tax Net Income %		
		Bottom 1/4 5.0%	Median 10.0%	Best In Class 15.0%
Performance by Pre-Tax Net Income				
2008 Pre-Tax Net Income %	5.0%	5.0%	10.0%	15.0%
48a. GM % of Revenue-Onsite Help Desk	0.0%	34.0%	33.9%	44.6%
48b. GM% of Revenue-Remote Desk	50.0%	38.1%	40.4%	35.3%
48c. GM% of Revenue-Onsite Support	37.0%	36.2%	38.7%	41.0%
48d. GM% of Revenue-Remote Monitoring & Mgmt	50.0%	46.2%	49.2%	38.7%
48e. GM% of Revenue-Onsite Monitoring & Mgmt	0.0%	36.0%	41.0%	30.5%
48f. GM% of Revenue-Remote Backup/DR	90.0%	45.8%	55.9%	37.1%
48g. GM% of Revenue-Managed Security	0.0%	46.5%	50.9%	30.8%
48h. GM% of Revenue-SaaS/Cloud	0.0%	33.8%	36.3%	47.8%
48i. GM% of Revenue-Vendor Management	50.0%	34.6%	36.5%	35.4%
48j. GM% of Revenue - HW/SW Leasing	5.0%	21.5%	19.1%	18.1%

Over 109 Individual Metrics

You!

This is the data you entered, or it is our analysis of your data.

- Best in Class (Top 1/4 of SPs)
- Between BIC and Bottom 1/4
- Bottom 1/4 of Solution Providers

Which Net Income Bucket Are You In?

Example: You had 5.0% net income. Your cell is shaded red because at or below the performance of the Bottom ¼ of Solution Providers. Net income of >15.0% would put you in the top 1/4 of Solution Providers. In between would put you in the Median bucket.

How Do You Compare?

- In 2008 MSPs in the Best in Class net income bucket:
- Attained 15.0% net income or higher
 - Averaged 44.6% GM for on-site help desk services
 - Averaged 35.3% GM for remote help desk services
 - Averaged 41.0% GM for on-site support services
 - Averaged 38.7% GM for RMM services
 - And over 100 more valuable metrics!

Definitions & Calculations

About the title bar on the report

Your Service Leadership Index™ ID is: 00000.

This is your unique ID in the S-L Index™ system, used here to protect your confidentiality.

Your predominant business model is:
Infrastructure-Managed Svcs.

Performance ratios are best compared between Solution Providers of like business models. Based on the different offerings that make up your revenue, we determine your predominant business model.

Your predominant customer size is: 26-100 Users.

Performance ratios are also influenced by the size of customer being served. You reported what portion of your revenue came from each size customer; the customer size from which you win most of your revenue, is your predominant customer size.

Your S-L Index™ license agreement

You may show the MS Comprehensive Diagnostic Report© itself to anyone, as long as it is not for the purpose of developing or improving a Solution Provider benchmarking offering or improving anyone's business other than your own. You may not put it or excerpts of it into the public domain for any reason, or sell the information.

The report prints best in color, on legal (8.5 x 14) paper.

These are averaged data points. Do not read as a "P&L" or income statement.

By Profitability: Gross Margins of Managed Services Offerings Compared to All Solution Providers

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How gross margins are compared

These instructions for best practice GM calculation for Managed Services were provided to you in the data collection form: "Generally speaking, gross margin should be calculated by subtracting the following costs of goods sold from your Managed Services revenue: your labor including benefits, training and direct management, others' labor, depreciated costs of your systems and tools, spare parts if provided under contract, facilities space allocated to your Managed Services, and unreimbursed travel costs." In addition, we analyzed all responses to ensure the data was fully normalized.