



# MSP Pricing Playbook

Strategies for Sustainable Growth and Profitability



# Introduction: Why MSP Pricing Matters



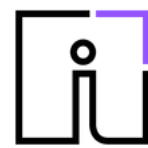
Pricing is not just about setting rates. It determines:

- How prospects perceive your value
- How consistently you can invest in tools and talent
- Whether your revenue model supports scale

As emphasized in this guide, pricing defines how you communicate value, fund growth, and earn client trust.

A strong pricing strategy ensures:

- Long-term recurring revenue
- Operational stability
- Competitive differentiation
- Stronger financial forecasting



*Important Note:*

*The examples and margin guidance in this playbook are for educational purposes only. They are not financial, legal, or tax advice. Always consult with a qualified professional before making pricing or financial decisions for your business.*

# The MSP Pricing Landscape



MSPs operate in a crowded, fast-changing market with increasing pressure to prove value beyond “keeping the lights on”. Here are some key market challenges facing MSPs:

Increased competition

Higher client expectations

Technology complexity

Greater demand for measurable ROI

To stand out, MSPs must shift from reactive service models to proactive partnership models.

# Transitioning from Break-Fix to Managed Services

To make the move from break-fix, start by bundling recurring elements, like patching or backups, into small, monthly flat fees. Use that as your foundation to convert break/fix clients into managed contracts gradually.

## 1 Start Strategically

Identify steady clients who call frequently—they'll appreciate proactive coverage. You can also offer hybrid contracts to make the transition.

## 3 Commit to the Model

Once you've decided to make the shift, stick to it. All new clients will be signed onto your new model!

## 2 Demonstrate Value

Demonstrate value by showing reduced downtime or consistent performance under contract.

## 4 Solidify Messaging

Work on framing your services and offerings positively, with the value prop baked in. "We're shifting to proactive services to improve reliability and control IT costs".

# Pricing Methods Overview

Let's take a quick look at the common MSP pricing models before we dive deeper:

- 1 Per-Device Pricing**  
Charge customers based on the amount of devices you manage.
- 2 Per-User Pricing**  
Charge customers based on the amount of users you support.
- 3 Tiered / Bundled Packages**  
Offer customers different level of contracts, and base pricing on what is included.
- 4 All Inclusive Pricing**  
Set a blanket billing price that is all-inclusive of the services they sign up for.
- 5 Value Based Pricing**  
Base pricing on the value you provide - consider value-adds like uptime, compliance, audit prep and pass, etc.

The right pricing model is the foundation of a successful MSP - it defines how you deliver value, stay profitable, and scale with confidence.

# Per-Device Pricing

Let's explore per-device pricing, a simple model that can scale with you.

Charge a fixed monthly fee for each managed device. It's transparent, easy to quote, and scales with growth. This structure is best when clients have a predictable number of endpoints and you can easily tie costs to support.

Don't forget device complexity—servers and IoT should be premium add-ons. Always include a clear definition of what's covered.



## Example

If your RMM + MDM stack costs you around \$4–\$6 per device per month, and tech labor averages \$8–\$10 per device, build a 25–35% margin for overhead and profit.

# Per-User Pricing

Per-user pricing aligns with modern work patterns, where one user may operate **multiple devices**. This model simplifies billing and supports hybrid and mobile teams.

Keep margin discipline—if labor averages \$40/user and tools average \$15, calculate a reasonable markup to sustain profit. As you grow, consider volume discounts (e.g., 5–10% cost reduction for 100+ users).

## Example Structure

If its costs \$40/user and \$15/devices per month, charge \$75 per user monthly, to account for a 35% markup.



# Tiered and Bundled Pricing

MSPs often use tiered contracts to explain value and protect healthy margins. Clear tiers give customers simple choices and can encourage them to move into more advanced options. Check out an example below:

## Good

- RMM for workstations/servers
- Essential AV
- Patching
- Remote help desk support
- Standard SLA

## Better

- All 'good' features +
- EDR
  - Email Security
  - BCDR
  - Unlimited helpdesk support
  - Faster SLA

## Best

- All 'better' features +
- MDR
  - Security awareness training
  - Virtual CIO
  - Advanced compliance management
  - Fastest SLA

# Flat-Rate / All-Inclusive Pricing

A flat monthly fee gives clients predictable spend and simplifies internal billing. It works best when you know your average ticket volume per endpoint.

Make sure to outline what falls outside the plan, like projects, hardware, and after-hours help. Clear exceptions help avoid confusion about what's covered and what is billed separately.

This model appeals to clients wanting financial predictability but can strain margins if scope isn't controlled.



# Value-Based Pricing

This model links pricing to tangible results—compliance success, uptime, or cost savings. Use metrics like downtime reduction, ticket volume drops, or audit pass rates to quantify value.

Regularly report efficiency gains to justify higher rates. This works best when your MSP has measurable impact or deep industry specialization. Pair it with quarterly business reviews to validate ongoing worth and introduce new service opportunities.



# Cost Considerations



## Labor Costs

Consider costs for all labor using metrics like average ticket volume per client, time spent per user or per device, skill level required and coverage requirements.



## Technology Stack

Consider the cost of all solutions to support customers: RMM, MDM, PSA, backup solutions, security, and more! Think through minimum commitments, add-ons, integration costs, and annual increases from vendors.



## Infrastructure and Hosting

Factor in costs for cloud platforms, datacenters, backup storage and more for what you host. Consider storage growth over time, bandwidth consumption, etc.



## Security and Compliance

Advanced security tooling, SIEM or SOC partnerships, audit preparation support, and staff certifications and training costs should all be factored in.



## Onboarding and Transition Costs

Don't ignore onboarding costs! Determine if these costs should be a one-time fee, amortized into a long-term contract, or bundled into premium tiers.



## Sales and Marketing Expenses

Account for sales commissions, marketing, proposal creation, and CRM costs. Make sure pricing offsets high customer acquisition costs.



## Administrative and Overhead Costs

Include costs around office space, insurance, HR & payroll services, leadership salaries, and any other indirect costs that keep your business running.



## Risk and Variability

Factor in variables because not all clients consume equally. Think through high-ticket-volume clients, emergency incidents, security breaches, and scope creep.

# MSP Expert Advice: Positioning your Services

Pricing is a core element of how you go to market, but ensuring that your value is communicated and your expertise is understood can't be ignored. Check out these tips from MSP experts, and dive deeper with the webinar below!

## 1 Own a Clear Niche

Don't try to be everything to everyone. Specializing in a specific industry or strength lets you stand out, speak your client's language, and ultimately charge premium prices.

## 3 Price for Profit

Set pricing based on your costs and desired margins - don't get trapped by your competition. Confident, profitable pricing reinforces your value and expertise.

## 2 Sell Business Outcomes

Don't lead with technology. Focus on your client's business challenges and position yourself as a strategic partner, not just an IT provider.



Watch LogMeIn's '[Positioning your MSP Services to Close More Deals](#)' webinar to hear from MSP experts and authors of 'The Pumpkin Plan for MSPs'.

# Profitability Red Flags

Watch for signs a client is costing more than they pay:

- Ticket volume spikes without increased fees.
- Frequent after-hours requests.
- Hardware/software outside standard stack.

When these patterns persist, either restructure their contract or raise their rates. Use cost-per-ticket and device-based reporting to justify adjustments—it reframes the discussion around fairness and sustainability.



# Conclusion

Pricing isn't the final step in building your MSP—it's the foundation. It defines how you communicate value, fund growth, and earn client trust, while shaping predictable revenue, healthy margins, and long-term scalability.

In today's competitive market, moving from reactive, break/fix billing to proactive, recurring revenue is essential. Recurring models stabilize cash flow and position you as a strategic partner—but they require consistent delivery and clear ROI.

Ultimately, pricing is a message. It signals whether you're a one-off provider or a trusted advisor invested in client success. Design pricing that drives predictable revenue, protects margins, aligns with your value, and reinforces your role as a proactive partner. Done well, pricing becomes your most **powerful growth strategy**.



## Ready to modernize your MSP's operations?

LogMeIn Resolve is a unified endpoint management (UEM) that brings together critical IT management solutions into a modern, secure platform.

[Start a trial](#)