BitTitan MigrationWiz

WHITE PAPER

How to Find, Bid, and Profit from M&A Migrations: A Guide for MSPs

FREE TRIAL

Document Overview

Mergers and acquisitions (M&A) and their close cousins, divestitures, are a primary driver of migration projects where users, mailboxes, and files need to be moved between tenants. For MSPs, these are prime opportunities to expand your scope of services, land new customers, and deepen your relationships with existing customers. If you're looking to take on one of these projects for the first time, the information in this paper will help you put together a winning proposal that leads to a profitable project. If you already have a few of these projects under your belt, this is your guide to putting more of them in your pipeline, as well as a set of best practices for handling the business side of things to ensure each project concludes with a boost to your bottom line.

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Finding the opportunities

At BitTitan, we're seeing more and more mergers in the smaller and mid-size market segments where companies are seeking to grow by acquisition. Deal-making activity is especially active right now in health care, financial services, and technology. Right-sized MSPs that are staffed to handle these migrations, or better still, are staffed or can hire out more-specialized services to support the overall migration, are in a great position to win these projects. Broadly speaking, there are two ways to uncover these opportunities: you can hunt for them, or grow them out of an existing customer relationship. Let's start with the first approach.

You can monitor the newswires for word of recently announced M&As. Also, there are online sites that gather information about M&As and aggregate it; most of these are subscription services and some of the names to search for include Mergermarket, S&P Capital IQ, Pitchbook, and FactSet. In addition, Benzinga, a research platform for investors, has an M&A tracker at www.benzinga.com/calendars/m-a and as of the time this paper is published, access is free.

Searches such as "M&A tracker" will uncover other tracking services, while "M&A activity" will lead you to sources for reports or insights that can help you strategize and focus your efforts.

Reaching out to the parties on either end of the transaction can lead to an opportunity to respond to an RFP, but you won't be the only MSP who sniffed out the opportunity. Your win rate won't be as good when you prospect using this route, and you'll likely need to demonstrate your track record of success with similar migration projects through case studies and other proof of your capabilities.

Your win rate is going to be better when you nurture a migration project out of a relationship with an existing customer or one for whom you have done projects in the past. They're likely to turn first to a known, trusted MSP partner who has worked with them side-by-side and delivered consistent results on multiple projects over time. Stay engaged with past and current customers to keep the conversations going so if they drop the word about a potential merger, acquisition, or divestiture, you'll already have your foot in the door.

You might combine a bit of both routes by nurturing relationships while keeping an eye on the newswires. If you read online that a customer who already knows you has announced an upcoming M&A, that's your ticket to a winnable migration project.

Here's another reason to keep the conversations going with customers both present and past. Sometimes M&As are executed entirely in stealth mode — no public announcement. The employees impacted don't even know about it until they show for work on Monday morning, their mailboxes, data and files have already been migrated, and they're working for a new owner. Behind the scenes, an MSP had known about and been working on the migration for months. If you already have a trusted relationship, have the right level of NDAs in place, and have the customer's trust that you will adhere to them, you might be the first and best choice for handling one of these stealth projects.

Thinking outside the mailbox

M&As are complex undertakings with many moving parts, and migrating the impacted employees between tenants is just a small part of the overall project. For moving user mailboxes, files and data between the acquiree's Source and acquirer's Destination environment, MigrationWiz is your built-for-purpose automated tool of choice. Past papers have covered the reasons why and shared tips and best practices for using MigrationWiz in various M&A scenarios.

However, the pieces of the project that MigrationWiz is built to handle are likely just a piece of the overall effort. There may be other applications and systems that need to be moved, along with their related data. Among the issues that might need to be addressed are workstation and laptop setup, Active Directory changes, end-user training, end-user communication, planning for organizational change management, help-desk staffing, and many others. Local IT is going to have their hands full — that's why they turned to an MSP, and they well may look to you to offload some of the work for them. These are opportunities for you, if you're staffed to handle them or can tap into outside resources that you can bring into the project.

Another opportunity is around simplifying the computing environment for the customer as part of the migration. Undoubtedly there will be extraneous data that isn't needed, old applications that are no longer being used, and user accounts that have gone dormant but were never removed. Another common issue is sprawl in Microsoft Teams. Customers often initially favor a migrate-everything approach, but might come around if you start conversations early-on around the potential for tidying up the environment. You could pitch it as a separate line-item, but a lot of the simplification is naturally integrated into the discovery and planning process so you can also position it as a value-add and a reason to work with you.

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Bidding and the importance of a detailed SOW

When putting a proposal together for handling an M&A project, the first principle is this: scope creep is inevitable and a fact of life in migrations. Only extremely thorough discovery of the Source environment (and the Destination, unless you're migrating to an all-new, greenfield environment) can keep scope creep to a minimum. Customers generally don't have the full picture of what they have, because the Google and M365 administrative consoles require someone with the knowledge and the time to drill down deeply into the interfaces to extract the information that's essential to accurately scoping a migration. In addition, customers are unlikely to allow you access to their IT environment unless you have a signed contract and NDAs in place. You'll likely be asked to submit a proposal before you've had a chance to do full and proper discovery, and your chance to do pre-proposal discovery will be either minimal or more likely none at all. You'll be submitting a proposal based on the information that the customer supplies.

Structuring the proposal

Most of the time your pricing proposal will be tied to a statement of work — one that, of necessity, reflects your understanding of the project before full discovery. Time-and-expenses and flat-rate bid arrangements are a rarity and you shouldn't even consider submitting a flat-rate bid unless you've had the chance to do extremely thorough, no-stone-unturned discovery up-front.

You have to be very prescriptive in the statement of work as to what you're migrating and handling — the number of users and mailboxes, the amount of data, and the workloads including specific SharePoint and Teams sites. Anything not specifically defined is out of scope.

If you've read any of our previous papers, you know that migration projects are 80% planning, and only 20% of the time is spent pushing the buttons and actually migrating the data. Since you'll be asked to supply a timeline, here is a very basic one to illustrate. It assumes a fairly straightforward migration of mailboxes, data and documents for 1000 users that can be executed using MigrationWiz by a four-person team that might include a project manager, Microsoft 365 architect and two migration engineers.

- Discovery: 2–3 weeks
- Devising the migration plan, documenting and securing approvals: 2 weeks
- Tool setup, provisioning and proof of concept: 2 weeks
- Piloting to test, adjust and validate the migration plan: 3 weeks
- Executing the migration: 4 weeks
- Followup with users and remediation as necessary: 2 weeks

Make it clear that after the discovery phase, you'll share the discovery report and findings with the customer and revisit the scope of the migration. This is also an opportunity for the customer to clarify the items that need to be migrated.

Guidance for thorough discovery

Accurately determining the time and costs of migrating users, mailboxes and data requires an accurate scoping of the items to be moved, including:

- Full user count and count by department or business unit
- Quantity of data associated with each of the containers including mailboxes, SharePoint, and Teams, and how they will align with the containers on the Destination
- Folder count, hierarchy complexity, and overall item counts

Guidance for thorough discovery, Cont...

A second layer of discovery is around security parameters, group policies, workflows, permissions, and the other considerations that describe how the acquirer expects to operate from a functional and security perspective. Policy differences between the Source and Destination can cause headaches for the MSP who takes the heat from users post-cutover because they aren't able to work the way they used to. Among these are:

- Policies with regard to use of certain types of devices, or use of employee-owned devices
- Conditional access policies around data loss prevention
- Data retention policies
- Access, password requirements, and use of multi-factor authentication
- Policies regarding data storage on shared drives vs. on local user drives

After the discovery phase, inevitably you will uncover items that the customer overlooked. Some examples:

- CRM or ERP applications
- SharePoint sites
- SharePoint or authentication plug-ins
- Shared drives
- Power Apps
- Mailboxes of new users hired after the migration project started
- Mailboxes of ex-employees that still need to be accessed
- Mailboxes on legal hold
- On-premises file servers

One common mistake is to overlook that Teams data rides on SharePoint. This is another reason why the customer-furnished data sizes you were given for defining the statement of work may turn out to vastly underestimate what you find during discovery.

BitTitan Pre-Migration Assessment Tool

As of February 2025, BitTitan expects the imminent release of assessment tools for Google and M365 environments. These tools spare your teams from the drudgery of deeply drilling down into the administrative consoles to find essential information for accurately scoping what needs to be migrated, and they also estimate the number of MigrationWiz licenses required. The detailed information is output in a tabbed, editable Excel spreadsheet. The tools focus on the workloads and data that are moved by MigrationWiz, and the information needed to execute a maximum-fidelity migration. While they do not replace the need for due-diligence discovery of items that need to be migrated that are beyond the reach of MigrationWiz, they fill a clearly identified void for MSPs undertaking migration projects.

Moving forward post-discovery

The discrepancies between what the customer told you about versus what you found can lead to difficult conversations if the customer expects you to cover the additional costs under the original statement of work. Moving applications, in particular, might require specialized expertise that you don't have in-house, and that you might have to contract for. Extra users or data will require additional migration tool licenses, and add to the man-hours required to complete the migration.

You have decisions to make that trade off the customer relationship against the need for your business to make money on the project. For each item, you could choose to:

- Absorb the additional cost
- Cover it under a contingency if you included one in the statement of work
- Suggest the customer handle it directly on their own
- Handle it through addendums or change orders added to the statement of work.

We suggest five best practices that can make these conversations go easier.

Share the discovery results in a spreadsheet. Include a "yes" column for indicating whether the item is to be migrated or not. Check the items to be migrated that were included in the initial statement of work, and let the customer make the decision about which of the newly discovered items to check. The completed spreadsheet can then serve as the run sheet for planning and executing the migration.

Append a rate card to the original statement of work. Anticipate the additional items that discovery may uncover such as additional users or chunks of data, changes to Active Directory, a need to migrate on-premises systems or applications, and the services of additional personnel or assistance of third-party specialists. Assign prices to them. This sends a clear message up-front that discovery is likely to reveal the need for additional costs and services.

Communicate clearly that additions may impact the timeline. Without it, customers may expect that you can handle all of the additions in the same timeframe.

Moving forward post-discovery, Cont...

Consider whether or not to include migration tool licenses in the pricing proposal. That advantage of including them is one all-inclusive price for the customer. The disadvantage is that your pricing is tied to the statement of work, and you don't know how many licenses you'll actually need until after discovery. Having the customer pay for them directly sidesteps some of the potential ill will.

Add in a contingency, or contingencies. You could add a blanket contingency, say 5% or 10%, to the total pricing, or add specific and smaller contingencies for items such as additional users and data, or post-migration remediation work. Also, you need to protect yourself if unexpected events that you couldn't anticipate hold up the migration, such as finance deciding at the last second that they can't go because they're still trying to close the month. When you add in these contingencies, you could specify that you're willing to absorb the cost if the variances stay under a threshold of 1% or 2%, but above that you either have to dip into the contingency or handle it with a change request. This lets the customer know up-front that you're not going to nickel-and-dime them, but you're not going to work for free, either.

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Payment considerations

A typical 1000-user migration is going to take three or four months to complete. You're committing a lot of up-front time to the effort, and your people need to get paid. Since you're an MSP and not a bank, it's more than reasonable to include milestone payments in the agreement. Although you could be more granular than this, at minimum ask for one payment upon completion of discovery and the migration plan, then after piloting and proof of concept when the full migration is ready to launch, and final payment on completion of the full migration.

Engaging with the BitTitan Customer Success team

If you're about to tackle one of these M&A migrations, one of the best resources is assistance from the BitTitan Customer Success team, who bring vast experience in assisting with thousands of migrations. Among the services provided are:

- Consultation as you develop your statement of work, drawing from their knowledge of similar migrations
- Guidance in the use of the tools in MigrationWiz, specifically during configuration and testing to set you up for a successful migration
- Migration strategy development, specifically with respect to what data moves and when it moves based on counts of users, groups, items, and data sizes
- Experience and knowledge about items that cannot be migrated automatically due to vendor API limitations, which should be communicated to users before the migration
- Advice on user communication to stave off complaints and unnecessary help-desk calls

Conclusion

Putting a sharper focus on M&As is a great way to grow your business because these deals drive many migrations. We're happy to share these real-world tips and best practices; they're drawn from our experiences helping MSPs through these projects. As you may have already concluded, your customer-relationship and communication skills may be more important to overall success than your technical acumen. Keep that in mind as you apply these practices, and you have the foundation for tackling these projects so that everybody wins.