

Tech Service Provider – exclusive deeply discount client non- payment protection program.



**Is software licensing now causing problems?**

**Is Hardware not being paid for in full?**

**Are clients defaulting on monthly payments?**

*Minimize your losses, Maximize your returns!*

**TechRISKS client PROTECT<sup>SM</sup>** covers your firm in the event of client non-payment, default of contractual payment terms, chargebacks, reversals, your accounts receivable losses including unrecoverable monthly service payment amounts.

[Get More Details](#)

Contact: [e-contact@techrisks.com](mailto:e-contact@techrisks.com)

view online:



**TechRISKS client PROTECT<sup>SM</sup> is the first of its kind client Payment Protection Program exclusively developed for IT Firms, especially Managed Service Providers and Value-Added Resellers.**

With OUR Seller Protection Program, you will be covered for the full amount of your contracted gross revenues, MSA or otherwise. Protect the SAAS model today. In addition, our program safeguards against lost software license and hardware transactions and exclusively comes with your account at deeply discounted rates.

*\*Confidential and proprietary. Our Program is subject to eligibility, defined terms and conditions of final insurance policy contract provided. Do not release or share with 3rd parties without written agreement and release from Michael.Kihm@TechRisks.com*



## Summary of opportunity at hand.

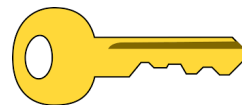
- BIG Tech IT Companies are having licensing issues. One major software company recently announced an increase in their pricing. They originally mandated that if you have a license subscription; it will need to be up-front and paid annually. After a lot of push-back and complaints, they changed their position. **However, the software company increased their monthly payment options by a massive 20%** (to offset their licensing and pricing concerns).
- The issue for many of our Tech Service Provider partners is that everything is conveniently packaged and priced to the end user monthly. So now for the end-user, does your Tech Firm need to go back and ask for the annual payment on licensing all upfront. Has this created a problem for how your service is managed, priced, packaged and offered to your end user customers? How about in 2023 and beyond?
- **If one Software Company wants increased software licensing amounts, is this a problem for your firm, are other Big Tech Companies going to follow suit further complicating and compounding problems at hand?**
- **As important, how are your end user clients reacting, especially with extreme market conditions (supply chain, post covid and now growing inflationary problems)?**
- We can potentially offer your premium financing through a bank partner, but we estimate the cost to be 6-8% on top of existing monthly charges, requiring standard credit checks for all financed (MSA and other) contracts.
- **OR..... AS TechRISKS PROPOSES HERE, YOU CAN NOW.....**

## Summary (continued)

- **Protect the monthly service model by insuring your contracts.** You can obtain coverage for your **ACCOUNT RECEIVABLES** through the **TechRISKS client Protection Program**. This will then safeguard your firm & shield your revenue streams from client payment default, licensing and nonpayment issues.



- **Much like your other value-added IT services & warranty plans, you can add a *reasonable* markup and protect the MSP and monthly service model, which is under attack from numerous standpoints!**
- As we know, *integration and management* of software and these hardware devices is often administered via a service agreement that is monthly, not annual.
- Some Tech Providers are *specialists*, and have industry niches, like Restaurants, dental clinics, whatever it may be offering leadings software and hardware for those industries.
- Everything has largely become a Cloud Based model and networks are managed on a monthly basis, not annual.
- This further complicates problems and issues in the marketplace, causing havoc, frustration yet a major exclusive opportunity for your firm and TechRISKS
- So, pardon the software pun, WHAT IS THE KEY HERE???



## 7 KEYS to Client Non-Payment Protection

- 🔊 **Are the Big Tech Companies now demanding up-front annual fees?**
  - Does this change your monthly, managed service fee business model?
- 🔊 **Is accounting, reconciliation & accounts receivables** a problem during these challenging times?
- 🔊 **Do your clients have the ability to now pay up to 20%** or more in additional monthly licensing fees?
- 🔊 **Earn more income.** Manage your services more efficiently. Focus on your and your staff's core competencies.
- 🔊 **Save your client's money.** Save you, your staff and your client's time....
- 🔊 **Add an additional revenue stream,** increase your margins, volumes & Sell more tech products and services!
- 🔊 **Ease your administrative workload.** There is no need for financing at 6%, completing traditional credit applications for approval. No hassles.

**Track, report & easily manage your accounts more efficiently. Earn Additional Income!!!**



### Our Solution:

- We offer **Trade Credit Insurance Protection Against Non-payment of tech services, products and software licensing and reselling revenue streams.**
- A Leading Underwriting Partner will insure all of your firms Accounts Receivables.



### Pricing Model Options Proposed:

- Initially there is a \$10,000 to 20,000 Buy In to participate in the TechRISKS client Protect Plan. *This is estimated starting from figure and it depends on several variables with underwriting partners & and your firm. We will carefully review program terms and your completed app and try to get best terms possible.*
- There may be nominal additional program admin, taxes and fees.
- Certain Applicants may receive lower minimums as we are working on lowering this value.
- Don't let these numbers give you sticker shock!
- Going forward in 2022 and beyond, you can likely build this into your monthly pricing model, charge it back while helping your firm and clients.
- This proposal must be taken in full context, your feedback, participation & ongoing consideration.
- Attached pages include case examples and scenarios from our analysis which may give you more insight.

## Our Solution: (continued)?

- We are less expensive than the 6-8% the financing companies will offer. We are far more competitive than the software company surcharge of 20%.
- We take the financial, contracting & administrative account receivables payment default burden off the tech service provider.
- The average Tech Provider we partner with has \$750,000 to \$1M in total gross revenues.
- The average end user client pays \$4,500 per month (aggregated to annualized Managed Service Agreement of \$54,000 per annum)

If this can be managed correctly, underwritten properly and marketed smartly, this will be worthwhile endeavor and partnership for your company and TechRISKS Program.

## Let's Run Some Numbers:

Tech / MSP Annual Revenues:	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 2,500,000	\$ 5,000,000	\$ 10,000,000
Number of clients:	9	14	19	46	93	185
2% of Revenue:	\$ 10,000.00	\$ 15,000.00	\$ 20,000.00	\$ 50,000.00	\$ 100,000.00	\$ 200,000.00
	<i>this would be \$10K short of min</i>	<i>this would be \$5000 short of min</i>	<i>Not Short</i>	<i>Excess Value</i>	<i>Excess Value</i>	<i>Excess Value</i>



**\* However, you can charge this back to clients, while at the same time: You are also insuring your accounts receivables and monthly revenues while providing licensing cost and payment term value added protection.\* Next....**

Assuming your average client pays your company \$4,500 per month, add a LICENSING PAYMENT PROTECTION surcharge of 2%



\$ 510,000	\$ 765,000	\$ 1,020,000	\$ 2,550,000	\$ 5,100,000	\$ 10,200,000
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Add markups as you like for the TechRISKS client Protection Program to cover any shortages and more importantly increase all revenue streams

Case scenario, you charge 4% for the TechRISKS client Protection (2% is paid back to TechRISKS and underwriting partner and your firm retains balance)

\$ 520,000	\$ 780,000	\$ 1,040,000	\$ 2,600,000	\$ 5,200,000	\$ 10,400,000
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Case scenario, you charge 5% for the TechRISKS client Protection (2% is paid back to TechRISKS and underwriting partner and your firm retains balance)

\$ 525,000	\$ 787,500	\$ 1,050,000	\$ 2,625,000	\$ 5,250,000	\$ 10,500,000
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Case scenario, you charge 6% for the TechRISKS client Protection (2% is paid back to TechRISKS and underwriting partner and your firm retains balance)

\$ 530,000	\$ 795,000	\$ 1,060,000	\$ 2,650,000	\$ 5,300,000	\$ 10,600,000
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Markups to end user clients (Sample from small clients to..... larger clients)

Existing Monthly MSA Chargers	\$ 1,000	\$ 2,000	\$ 4,500 <i>(average for your firm?)</i>	\$ 7,500	\$ 10,000	\$ 50,000
At 2% to cover TechRisks Costs	\$ 1,020	\$ 2,040	\$ 4,590	\$ 7,650	\$ 10,200	\$ 51,000
At 4% Your Surcharge + TR Costs	\$ 1,040	\$ 2,080	\$ 4,680	\$ 7,800	\$ 10,400	\$ 52,000
At 5% Your Surcharge + TR Costs	\$ 1,050	\$ 2,100	\$ 4,725	\$ 7,875	\$ 10,500	\$ 52,500
At 6% Your Surcharge + TR Costs	\$ 1,060	\$ 2,120	\$ 4,770	\$ 7,950	\$ 10,600	\$ 53,000

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## Revenue and Break-Even Analysis

### Break Even Analysis (at 4%)

Tech / MSP Annual Revenues:	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 2,500,000	\$ 5,000,000	\$ 10,000,000
New Gross Revenue	\$ 520,000	\$ 780,000	\$ 1,040,000	\$ 2,600,000	\$ 5,200,000	\$ 10,400,000
<i>prior Gross</i>	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 2,500,000	\$ 5,000,000	\$ 10,000,000
amount due TechRisks	\$ 20,000	\$ 20,000	\$ 20,000	\$ 50,000	\$ 100,000	\$ 200,000
<b>MSP additional revenue</b>	\$ -	\$ 10,000	\$ 20,000	\$ 50,000	\$ 100,000	\$ 200,000

### at 5%

New Gross Revenue	\$ 525,000	\$ 787,500	\$ 1,050,000	\$ 2,625,000	\$ 5,250,000	\$ 10,500,000
<i>prior Gross</i>	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 2,500,000	\$ 5,000,000	\$ 10,000,000
amount due TechRisks	\$ 20,000	\$ 20,000	\$ 21,000	\$ 52,500	\$ 105,000	\$ 210,000
<b>MSP additional revenue</b>	\$ 5,000	\$ 17,500	\$ 29,000	\$ 72,500	\$ 145,000	\$ 290,000

### at 6%

new	\$ 530,000	\$ 795,000	\$ 1,060,000	\$ 2,650,000	\$ 5,300,000	\$ 10,600,000
<i>prior</i>	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 2,500,000	\$ 5,000,000	\$ 10,000,000
amount due TechRisks	\$ 20,000	\$ 20,000	\$ 21,200	\$ 53,000	\$ 106,000	\$ 212,000
<b>MSP additional revenue</b>	\$ 10,000	\$ 25,000	\$ 38,800	\$ 97,000	\$ 194,000	\$ 388,000

### Program Notes:

1. Eligibility and Protection is based on receipt, review and acceptance of completed TechRISK Trade Credit / Payment Default Program Application
2. Nominal program filing / admin fees will be charged
3. Policy and Program terms can vary by state, your risk profile, loss history, size, exposure and underwriting analysis. Taxes can also vary.
4. Program filing, admin fees and Taxes can often be included or added in your final Monthly MSA Charges at your discretion
5. Select Clients may have program minimums in the range and as low as \$10,000. Certain Applicants may also be eligible for 1.5% program underwriting charge instead of above 2%
6. High Risks applicants, those with poor history and program performance is subject to additional program charges, rates, eligibility and future client payment protection offerings.

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## Next steps

- Contact [E-Contact@TechRisks.com](mailto:E-Contact@TechRisks.com) for an TechRISKS client PROTECT<sup>SM</sup> Application.
- Complete and return application.
- TechRISKS.com will provide complete program material, terms and conditions.
- If you have any questions, please call Toll: 866.355.7475 or email us directly.



## We are excited to work with you & your firm.

Our program is the first of its kind, we are unaware of any company offering such competitive and comprehensive licensing, non- payment, monthly default services & key protections to the Tech Provider / MSP Community.

In some ways, **our exclusive program is very similar to warranties and Cell Phone Insurance Programs that are available in the marketplace.** FYI, the average user keeps a cell phone for 3.5 years, it is included in their monthly phone bill; the losses are paid by select insurance companies, it adds an additional value-added revenue stream and are extremely profitable for the telecom companies as a result.

We are confident **TechRISKS client PROTECT<sup>SM</sup>** will benefit your IT Company, Safeguard your Revenues, Licenses and Account Receivables for 2022 and beyond!!!!





**techRisks.com**  
**A Technology Service Organization.**

Thanks very much!!

Sincerely,

Michael Kihm

President

TechRISKS.com

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