



PHAROS BUSINESS

The SaaS Margin Trap

**Why Cloud Partners Are Working Harder for Less and the
New Framework to Triple Client Retention**

Jeff Borschowa



PHAROS BUSINESS

Google Workspace Referral Program	3
The SaaS Margin Trap	4
The Industry Squeeze	5
The Cloud Partner Dilemma	6
The Data Behind the Squeeze	7
The Educational Shift	8
The 5 New Standards for Cloud Partners	9
Criterion 1 – Deep Workflow Architecture	10
Criterion 2 – Role-Specific Automations	11
Criterion 3 – Identity Transformation	12
Criterion 4 – Turnkey Operational Diagnostics	13
Criterion 5 – Continuous Up-Skilling	14
The Logical Conclusion	15



PHAROS BUSINESS

The SaaS Margin Trap

Why Cloud Partners Are Working Harder for Less and the
New Framework to Triple Client Retention



PHAROS BUSINESS

Referral Program Participation

Before we get started, I want to be 100% transparent with you.



Independent Ownership

Workflow Wizard is built and owned independently by Pharos Business Services Inc.



Referral Partner

We are independent participants in the Google Workspace Referral Program and may receive compensation if you sign up through our links.



Not Google Employees

We aren't owned, endorsed, or employed by Google. We are independent workflow architects helping you unlock their platform's native power.

Google Workspace Referral Program

Before we jump into the actual presentation, I want to be 100% transparent upfront. We are participants in the Google referral program. Workflow Wizard, which is our internal process, is built and owned independently by Pharos Business Services Inc. We are independent participants in the Google Workspace referral program and may receive compensation if you sign up through our links.

To be clear, whenever possible, we would rather send people to our value added reseller partners rather than take you on ourselves. We internally focus on the workflow and the trainings, not systems and setup of the actual admin portal and detailed logistics like that. So to be clear, we are not Google employees. We aren't owned, endorsed, or employed by Google.

We are independent. We are not Google employees. We are not owned, endorsed, or employed by Google. We are independent workflow architects helping you unlock Google's platform and the native power within. Thank you for participating and watching our short little video. I hope you found it somewhat insightful or useful. A little bit of additional disclosure.



PHAROS BUSINESS

The SaaS Margin Trap

How cloud partners can escape low-margin software reselling and secure sustainable growth



Diminishing Returns

Why cloud partners are working harder for less revenue. Traditional high-volume low-margin reselling models are breaking.



The Hidden Costs

The unquantified overhead of supporting commoditized software with high client expectations and zero product differentiation.



The Opportunity

A brand-new framework designed to package services, tripling your client retention rates and skyrocketing operating margins.

The SaaS Margin Trap

Before we jump in, let's be completely transparent. You might be sitting there thinking this is just another vendor pitch trying to get you to spend money on another program you don't have time to run. If at any point today you feel like this doesn't fit your business model, feel free to say no. You're in total control here. But let me ask: Is it crazy to suggest that the traditional cloud reselling model is forcing you to work twice as hard for half the margin?



PHAROS BUSINESS

The Industry Squeeze

Traditional software reselling and basic IT setups are no longer viable stand-alone models



Margin Compression

Software reselling margins continue to shrink steadily industry-wide, leaving partners with thinner returns.



Commoditization

Basic IT provisioning and email setups are fully commoditized, removing any real product differentiation.



Vendor Pressure

Vendors aggressively demand higher sales volumes while simultaneously squeezing partner payouts.

The Industry Squeeze

It seems like the software vendors hold all the cards right now. They've automated basic setup, cut partner payouts into single digits, and pushed direct-to-consumer sales. It feels like no matter how many licenses you sell, the goalposts keep moving. Are you opposed to looking at why relying strictly on seat commissions has become an unsustainable long-game for IT partners?



PHAROS BUSINESS

The Cloud Partner Dilemma

The hidden operational realities eating away at partner margins and client retention



High Overhead

High operational effort and support requests required to sustain nominal, static per-user maintenance fees.



Underutilized Value

Clients utilize less than 15% of Google Workspace capabilities, meaning they fail to perceive the true value of your service.



Churn Vulnerability

Constant, ongoing risk of client churn to aggressive competitors who offer minor discounts to steal your accounts.

The Cloud Partner Dilemma

It sounds like your engineering team spends hours cleanly configuring Google Workspace instances, only to get hit with price objections from clients who treat you like a utility company. When a competitor offers a 5% discount on seats, the client forgets years of good service and switches. Would it be a mistake to assume you're tired of competing in a race to the bottom against cheap resellers?



PHAROS BUSINESS

The Data Behind the Squeeze

Quantifying the operational bottlenecks and compounding inefficiencies



80% Unused Features

Over 80% of enterprise SaaS features go completely unused, representing massive wasted spend and unnecessary complexity.



Margin Compression

Per-user margins have dropped steadily over the last decade, forcing partners to hunt for new operational efficiencies.



70%+ Burnout Rate

More than 70% of office workers report active burnout and cognitive fatigue directly caused by excessive app fragmentation.

The Data Behind the Squeeze

Look at what the data tells us without any spin: clients pay for 100% of Google Workspace, but their staff barely uses 15% of its actual capability. Meanwhile, 70% of those same employees report feeling completely burnt out by app fatigue. Is it ridiculous to think that your clients are paying for shelfware while actively searching for ways to cut their software spend?



PHAROS BUSINESS

The Educational Shift

How client expectations and partner roles are evolving



Workflow Mastery

Clients want deep workflow mastery and tangible time savings, not just a list of raw features.



Native Integrations

Native Google integrations replace expensive and fragmented third-party software tools.



Workflow Architects

High-value IT partners act as operational Workflow Architects, structuring day-to-day business success.

The Educational Shift

It seems like clients don't actually want more software features, apps, or technical specs. What they actually want is fewer headaches, faster workflows, and less operational chaos. Have you given up on the idea that an IT partner can position themselves as an indispensable Workflow Architect rather than just an email account admin?



PHAROS BUSINESS

The 5 New Standards

Defining the architectural and operational benchmarks for modern cloud partners



Criterion 1

**Deep
Workflow
Architecture**



Criterion 2

**Role-Specific
Automations**



Criterion 3

**Employee
Identity
Transformation**



Criterion 4

**Turnkey
Operational
Diagnostics**



Criterion 5

**Continuous
Skill
Up-skilling**

The 5 New Standards for Cloud Partners

If you decide to shift away from low-margin reselling, you need a framework that makes cheap competitors completely irrelevant. We've mapped out five operational standards that reframe how clients evaluate your worth. Would it be a bad idea to walk through these five standards and see if any of them make sense for your agency?



PHAROS BUSINESS

Criterion 1

Deep Workflow Architecture Overview



Value-First Setup

Replaces the race-to-the-bottom on setup discounts with clear, value-driven architecture.



Operational Audits

Audits actual daily operations across every client department to identify friction points.



Workspace Mapping

Maps custom business processes directly into Google Workspace for seamless execution.

Criterion 1 – Deep Workflow Architecture

Standard one abandons generic onboarding. It sounds like most resellers just hand over account logins and walk away. Deep Workflow Architecture means auditing how information moves across their business and wiring native Google tools directly into their operations. Is it crazy to charge premium fees for designing how a client works, rather than discounting your setup fee just to win the deal?



PHAROS BUSINESS

Criterion 2

Role-Specific Automations Overview



Cloud Expansion

Moves far beyond basic email hosting and cloud storage



Deep Integration

Integrates Docs, Sheets, Drive, and native AI into daily routines



Task Automation

Eliminates repetitive manual tasks for key operational roles

Criterion 2 – Role-Specific Automations

A CFO and a Sales Manager have zero overlap in their daily friction points. Standard two tailors Google Workspace natively to specific job roles, eliminating manual data entry between Docs, Sheets, and native AI. Are you opposed to replacing three or four of their expensive third-party SaaS subscriptions with native Google tools they already pay for?



PHAROS BUSINESS

Criterion 3

Identity Transformation Overview



Strategic Support

Upgrades standard IT helpdesk support to strategic empowerment



Confident Users

Transforms hesitant employees into confident power users



Optimized Culture

Builds an operational culture of high speed and lower stress

Criterion 3 – Identity Transformation

When users don't understand their tools, they make mistakes, create support tickets, and complain about IT changes. Standard three transforms confused employees into confident power users who feel in control of their day. It seems like when staff feel faster and less stressed, executive leadership credits the IT partner who built that environment.



PHAROS BUSINESS

Criterion 4

Turnkey Operational Diagnostics



Active Onboarding

Replaces generic onboarding links and forgotten PDF manuals [cite: 11]



Workflow Diagnostics

Identifies workflow bottlenecks before selling additional seats [cite: 11]



Executive Metrics

Delivers clear productivity metrics to client executive teams [cite: 11]

Criterion 4 – Turnkey Operational Diagnostics

You can't prescribe a cure until you accurately diagnose the friction. Instead of dropping off a PDF manual, Turnkey Diagnostics run structured operational audits to show executives where their payroll hours are leaking. Would it be a disaster if your quarterly reviews showed hard, quantifiable productivity metrics instead of basic server uptime stats?



PHAROS BUSINESS

Criterion 5

Continuous Up-Skilling Overview



Structured Learning

Replaces one-off sales pitches with structured learning



Ongoing Training

Delivers ongoing, role-based training that drives active tool use



Value Expansion

Protects software license renewals and expands account value

Criterion 5 – Continuous Up-Skilling

One-time onboarding is forgotten in 30 days. Standard five delivers ongoing micro-learning as Google releases new AI features and workflows. This keeps software utilization high, protects your renewals, and creates steady consulting revenue. Is it unreasonable to think that keeping clients permanently up-skilled makes it almost impossible for them to churn?



PHAROS BUSINESS

The Logical Conclusion

Turnkey workflow licensing designed for Google VARs



Turnkey Engine

A turnkey workflow licensing engine designed specifically for Google VARs



Premium Revenue

Capture premium implementation and high-margin consulting revenue



Client Retention

Secure long-term client retention by becoming truly irreplaceable

The Logical Conclusion

At this point, you have absolute freedom. You can keep pushing raw license volume and fighting over thin margins, or you can license Workflow Wizard to instantly deliver high-margin operational consulting. If this doesn't feel like the right path for your agency, saying no is completely fine. But if you aren't opposed to building a defensible, high-margin practice, let's talk about how we equip your team today.



PHAROS BUSINESS

Disclosure & Program Disclaimer



Program Disclosure

Workflow Wizard is an independent product developed and offered exclusively by Pharos Business Services Inc. Pharos Business Services Inc. is a participant in the Google Workspace Referral Program ("referring for Google") and may receive referral fees or compensation for subscriptions initiated through program links.



Legal Disclaimer

Neither Workflow Wizard nor Pharos Business Services Inc. is affiliated with, sponsored by, endorsed by, or an official partner of Google LLC beyond independent participation in the Google Workspace Referral Program. All product names, trademarks, and registered trademarks belong to their respective owners.

We are an independent product. We designed workflow wizard to be used by our partners as they serve and onboard their clients using Google Workspace using Google Workspace. And legal disclaimer, neither Workflow Wizard nor Ferros Business is affiliated with, sponsored by, endorsed by, or an official partner of Google LLC. We are disclosing this in the interest of transparency. We want to make sure you are aware that we are an independent company who designs workflows within the Google Workspace ecosystem. Thank you.