

MSP Global State of the Industry Report

MSP Success is About Collaboration and Communication.

From industry experts and players alike, we heard a clear message: the future success of MSPs is likely bright, but rests on being able to get outside their internal and external comfort zones. Business leaders need to hone their 'real world' communication skills to convincingly sell services to clients, and to trust industry peers in building collaborative networks of expertise.



2024

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Report Highlights

PREPARED BY
Open Eye

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MSP Global

As one way to fulfill the value promise of MSP Global, the conference sponsored primary research to learn what's top of mind for our industry. The research results are designed to facilitate MSP Global attendees learning about and from each other, and to employ these findings in their own business strategy and outlooks.

The goal is to use this as a benchmarking study as MSP Global grows and evolves into the future, in order to track shifts in industry-wide sentiment, priorities, and concerns moving forward.

The following are highlighted findings from the 2024 survey of 200+ MSP professionals from around the world. All are detailed in the following report.

The MSP industry is still shifting from "break/fix" to a true service partnership with clients.

What formerly was "the IT guy" who could help in emergencies is now an extensive, full-service offering of innovation and security to clients. However, as digital capabilities and needs have expanded, so have the needs of clients. This means more opportunity for MSPs, but also the challenge of a more fully staffed and capable company to fulfill service promises.

One key expectation today is cyber safety.

Within those diverse expectations of IT partners today, cybersecurity is often the top of the expected list. This intense need on the part of clients provides real opportunity in the form of business, but also a high-trust service with no room for mistakes. Security expertise is something not all MSPs have as a strength, requiring new hires or new partnerships to meet client requirements.

Partnership and collaboration are a key means of business growth and client portfolio expansion.

As client needs grow, many MSPs have found both a strong outlook for future business and a lack within their own portfolio of specialties. To be able to meet the many demands placed on an MSP, a key tactic is partnering and collaborating with other, complimentary MSP peer companies. This takes trust and open collaboration.

These diverse and complex services can be challenging to market and to sell.

There is a struggle for many MSPs to market and sell their tech-oriented services to a non-tech crowd. Industry jargon and approaches to problems may not be compelling to those outside an MSP world, but translation isn't always easy. MSP business owners often face the challenge of a medical professional: combining scientific acumen for a great result with comforting and relatable bedside manner for continued service.

Methods

MSP Global partnered with Open Eye to author and field a survey in September 2024, sending the online questionnaire to MSP Global members worldwide.

Additionally, we complemented the study with three in-depth interviews with MSP industry leaders:

- Olaf Kaiser, "MSP Insights"
- Norbert Hofmann, meco IT
- Gaidar Magdanurov, Acronis

The survey response total was 228. Key demographic breakdowns of respondents include:

Size of business:

<10 employees	34%
10-50 employees	23%
51-100 employees	9%
100-250 employees	9%
250+ employees	18%
I'm not sure	1%

Business type:

Managed Service Provider	43%
Value-Added Reseller/Distributor	10%
Managed Security Service Provider	11%
Direct Market Retailer	5%
Independent Service Vendor	14%
Other	17%

Methods (2)

Business Revenue:

<\$1 million	31%
\$1,000,000 - \$4,999,999	27%
\$5,000,000 - \$49,000,000	17%
\$50 - \$250 million	8%
\$250 million+	9%
I'm not sure	8%

Region of Focus:

North America	3%
Latin America	7%
Asia Pacific	5%
Europe, Middle East & Africa	72%
Global Reach	14%

Operates Out of:

Own Data Center	25%
Third-Party Data Center	52%
On Client Premises	23%

The Role of MSPs in 2024

What used to be “the IT guy” is now a robust supplier of all sorts of services and security.

The MSP industry has evolved with advancing tech to be a complex safeguard for all elements of a client’s digital needs. Professionals in this industry are seen as key to the holistic digital health of a company no matter the industry, and need to be ready to meet those diverse asks to keep clients.

As put by Olaf Kaiser, host of the “MSP Insights” podcast, as the industry has earned its own moniker now its players have to live up to every word of it: Managed, Service, and Provider. This can look different by company, depending on specialties and client needs, but across the spectrum is an evolution and growth from just being who to call in a “break and fix” situation.

“We’re transitioning from break/fix to service contracts.”

– Gaider Magdanurov

“[Clients] need to find someone who’s helping them out with all IT-related things.”

– Norbert Hofmann

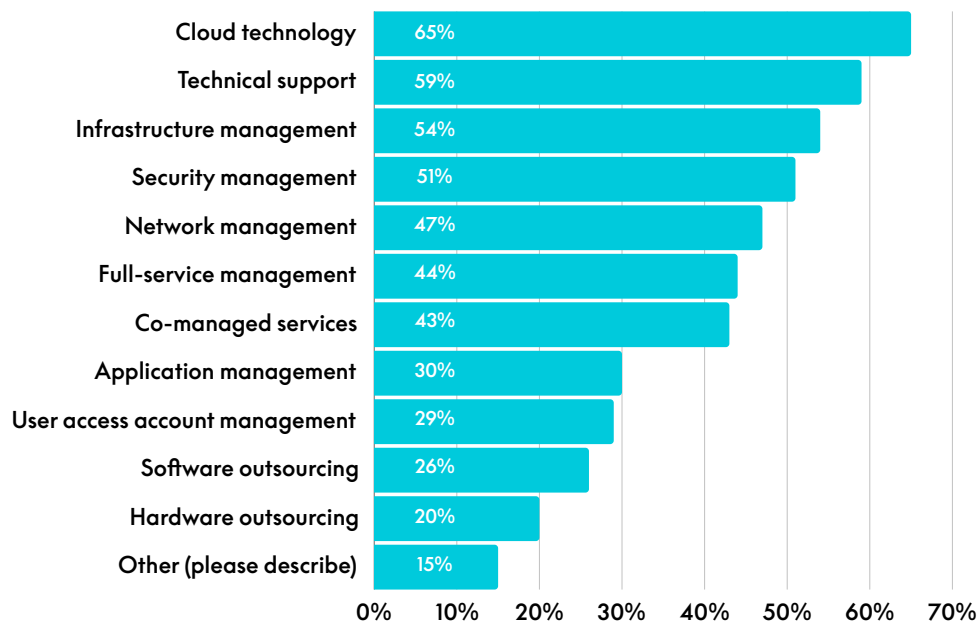
This is especially true when it comes to cybersecurity, now considered an essential service for tech advisors. MSPs have to be trusted security partners in an ever-changing threat landscape that clients don’t feel good about on their own.

Gaidar Magdanurov has seen this expectation grow in recent years. He said it used to be a niche need from law firms and healthcare companies, but is now “demanded” by all customers no matter their industry. “Everybody demands a high level of security, not just protection against a virus.”

“A lot of companies face tremendous problems that they know their IT is not equipped for...They know they have problems but do not know what to do about these problems. This is where we come in.”
– Norbert Hofmann

As a result, MSPs are doing a lot. Eight in 10 respondents to the survey report their business is performing at least three services for clients. Cloud technology, technical support, and infrastructure management are the most common services provided, but most companies are providing more than just these to their clients.

Which of the following services do you currently offer your clients or customers?



N = 206

More cloud-based tech experts are now in a “wait and see” mode.

MSPs not only are busy with providing comprehensive service to customers; they are continually working to gain new clients and incorporate advancing technology into their offerings. Growing the customer base is seen as key for business health, as well as dependent upon providing best-in-class tech-oriented services.

When asked what they require to be successful now and into the future, MSP leaders responded they have to ably serve current and new clients – including with the latest technology. There is also a concerted need to better understand client needs and translate those to marketable solutions.

Behind that customer retention concern is the perceived need to continually innovate for client service – especially when it comes to cybersecurity. When asked what they believe is most important to business health, MSP leaders cite staying abreast of industry trends and serving customer satisfaction. Both points are often tied to cybersecurity, as it's increasingly requested by clients and acknowledged as a key point of trust.

What would you say is most important to the health of your business, now and into the future?

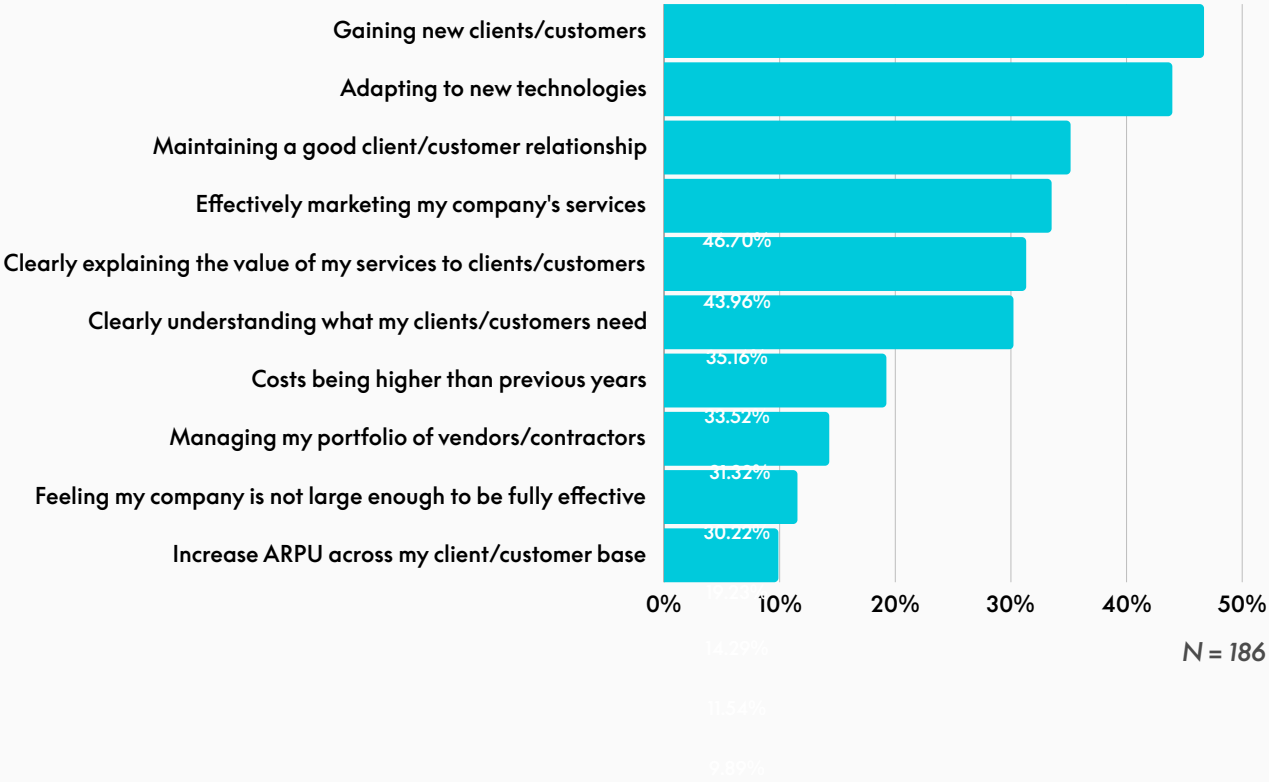
“The most important thing for our business now is innovation.”

“To understand the business and most important to understand the business of our customers.”

“The most important factor for the health of a business, both now and into the future, is ensuring customer satisfaction while continuously adapting to market changes and innovation, all while maintaining financial stability, a strong brand reputation, and a motivated, talented team.”

Winning and retaining clients also tops the list of concerns when it comes to business health, along with the aforementioned drive to keep up with technological innovation.

Which of the following are of most concern to you, when it comes to the current and future health of your business?



Notably, the ability to clearly communicate these complex services to clients and in marketing efforts follows earning new business as a major concern. Effective marketing and communication to and with clients are issues to be addressed for approximately a third of survey respondents.

MSPs and Client Relationships

Sustained quality support and service is noted as key for trusted – and sustained – client relationships. When asked what they believe is most important to clients, MSP leaders cite trust built on quality service, notably clearly communicated support. A key component of that is MSP's role in security.

However, as noted prior, this growth in expected service diversity can put strain on an MSP to be able to be all things to all clients, at a high-quality level in the face of ever-changing and advancing technology. Cross-company collaboration is a way to facilitate that growth of services.

What do you believe is most important to your clients and customers?

"The most important thing to clients is receiving value through quality products, reliable service, and a seamless, trustworthy experience."

"I believe the most important thing to my clients and customers is reliability and trust. They expect consistent, secure solutions that address their specific needs, along with clear communication and strong support."

"[That] they don't have to worry about IT operations."

"A visionary partner that shows how tech can enable their business."

As seen in the prior rankings of business concerns, there is a need to translate "MSP speak" into "real world speak" for effective client communication and marketing. Industry leaders we spoke with see room for improvement when it comes to collaborating with clients as partners rather than "IT guys" – speaking the client's language and listening to their needs rather than being just an outside expert. This ability will also translate to more effective sales and marketing efforts...another area that survey respondents said is an area of concern regarding the health of their business now and moving forward.

Gaidar Magdanurov of Acronis writes the blog “MSP Notes” and frequently fields questions about the industry. He reports that, by far, the most common questions revolve around how to gain new clients and sell more services. “It’s extremely hard for MSPs to sell and market because they’re technical people,” Magdanurov explains.

Similarly, Olaf Kaiser of the “MSP Insights” podcast says he most often gives “down to earth” advice regarding how to market complicated services. As he puts it, “They’re not that able to ask the right questions, ask what the customer needs, and really get a proper service offering...There’s a lot of complexity in it.”

“Often the MSP has the guess that the customer knows what he needs [and will] accurately tell them what he needs. That’s not the truth. They have to develop this combined with the knowledge of the customer. They have to bring in industry knowledge to explain what is possible...It’s about really understanding their business.” – Olaf Kaiser

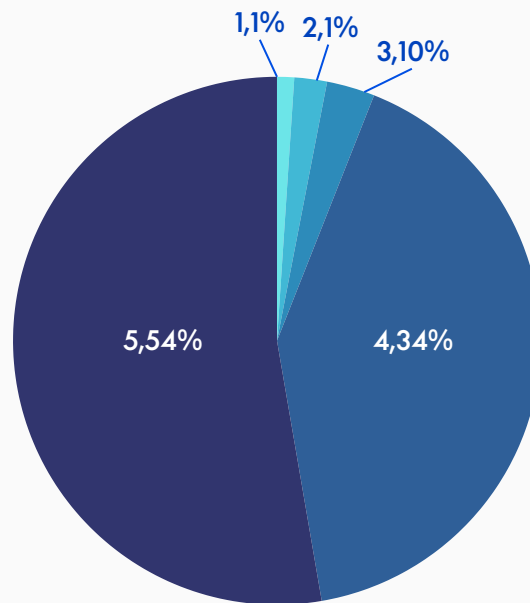
“It’s very important to know what the customer is thinking – what are their needs? What are his reasons to work together with us as a service provider?...We need to understand what our customers need, not sell them what we want but bring services they need and want.” – Norbert Hofmann

Ultimately, these experts suggest MSP owners put effort into listening to clients and customers before proposing services, and rather hearing how these tech issues are communicated by real-world individuals. Then, MSPs can work to translate their specialized industry language into layperson problems and solutions; this can benefit the immediate client as well as ensuing marketing efforts at large.

MSPs Working Together for Future Success

Despite those communication and service availability challenges, the industry as a whole feels remarkably positive about the industry's future. More than half of survey respondents feel "extremely optimistic" about what's ahead for MSPs.

On a scale of 1 to 5, where 1 = Not at all optimistic and 5 = Extremely optimistic, how would you rank your agreement with the following statement?: "I feel optimistic about the future of the MSP industry."



Mean response: 4.44

When respondents elaborated on what's behind that optimism, most cited growing demand paired with the continual service needs driven by advancing technology.

As put by Norbert Hofmann, "The market is tremendous. There's a lot of business out there."

What makes you feel optimistic about the future of our industry?

“Because the IT world is becoming more complex and the customers need partners who have the ability to support them.”

“AI, automation, and cloud tech are driving efficiency and growth, fuelling optimism for the MSP.”

“There is a large amount of SME that have a need for companies to guide them through today’s technological innovations.”

Client needs when it comes to security and interpretation of contemporary digital abilities (especially when it comes to AI) are only growing, providing opportunities ahead. As the MSP industry has evolved to doing more and more for clients – IT support, AI optimization, cybersecurity, and more – that opportunity can sometimes seem like an impossible need to do it all.

This is where partnership and collaboration are essential for not just better service, but survival. If a company can’t satisfy all of a client’s needs, they benefit from having a robust network of trusted MSP peers to turn to and draw on. Industry leaders see advancement as most likely and lucrative for those who can identify their own weak points, and partner strategically with other, complementary MSPs.



“You need to have more redundancies within the same company [of service providers]...lots of the market is too tiny to really have a growing future...trust and cooperation [between MSPs] is a core competency to staying alive for the future.” – Olaf Kaiser



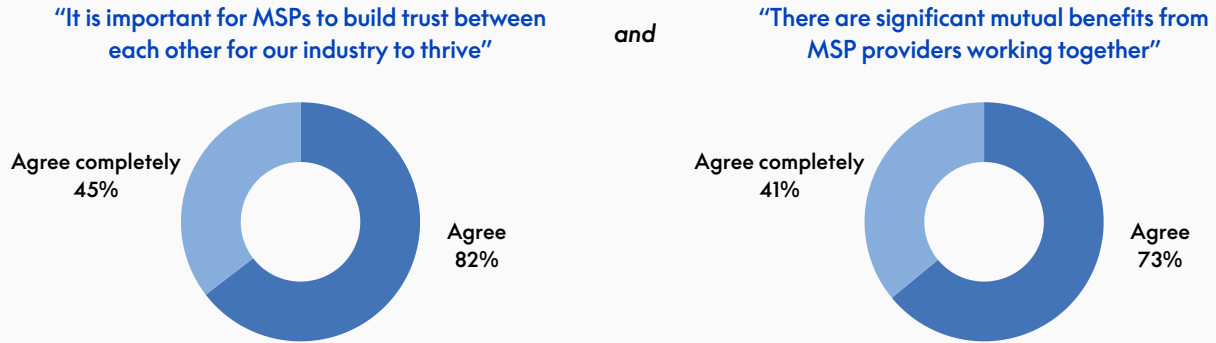
“We need to partner with other companies. We have a net of partners, we are working on several projects, giving us a chance to work on bigger projects we never as a smaller company would’ve been able to do on our own.” – Norbert Hofmann



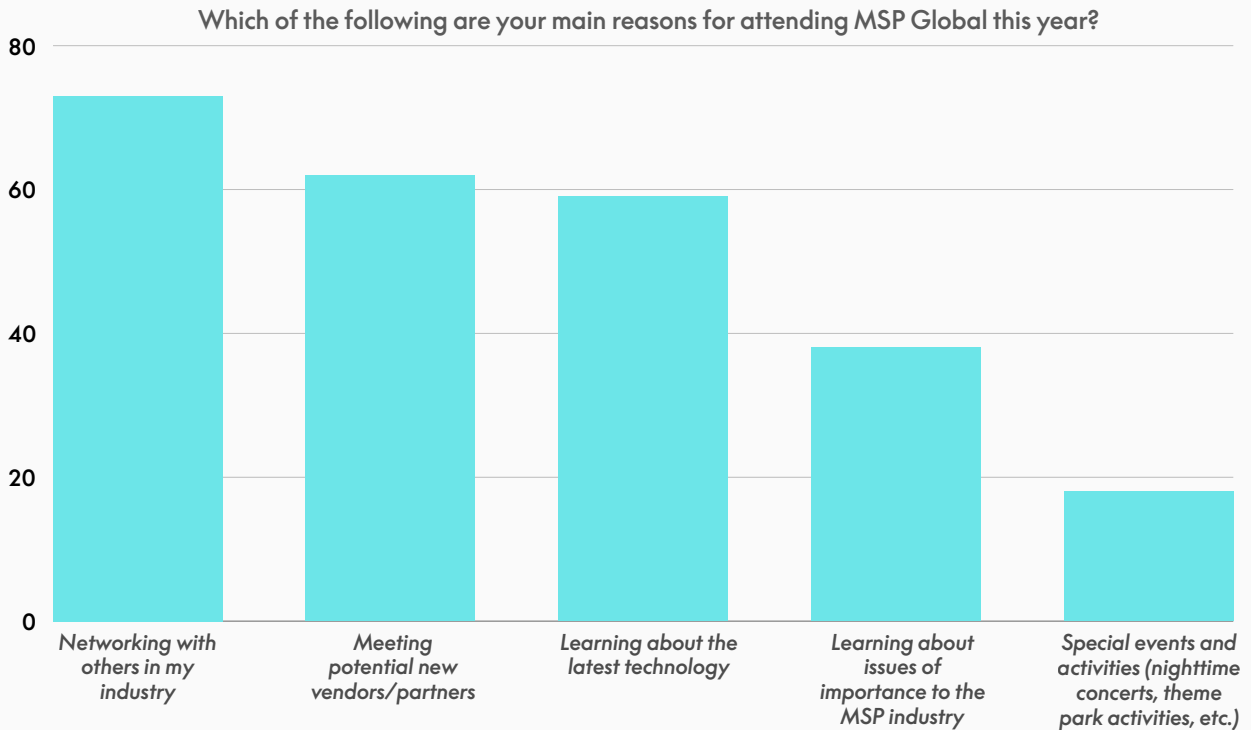
“MSPs are looking for a way to grow the market, and security is a very interesting market for them, but they have a lack of talent...MSPs want to grow that but don’t have the expertise.” – Gaidar Magdanurov

Most MSP Global respondents echo that future success rests on MSPs collaborating and cooperating.

Supermajorities of respondents agree with statements that:



Indeed, a primary driver to attend MSP Global is the opportunity to form new partnerships. Networking is why three-quarters of attendees are excited to be here, with two-thirds aiming to meet people they can work with moving forward.



MSP Global attendees see this as an opportunity to learn from each other, notably about the latest technology and how to optimize it. In open-ended responses, learning about tech innovations was the most often cited reason to attend MSP Global. This was partnered with networking and benefiting from discussions with peers and potential partners, demonstrating the event’s immediate and future-oriented benefits for members of the MSP industry.

What are you most hoping to get out of attending MSP Global this year?

"At an event like MSP Global, I would most want to learn about the latest industry trends, innovative tools, and strategies to improve service delivery. Networking with peers and discovering new business growth opportunities would be most helpful."

"Opportunities to connect with peers and industry leaders. Potential partnerships or collaborations. Mentorship or guidance from experienced professionals. Strategies for developing and expanding their service provider networks. Best practices for collaboration within the MSP industry. Tools and technologies that facilitate ecosystem growth."

"Getting engaged with like-minded people and learning new things about best tech practice around the world."

"I'm most interested in learning about the latest advancements in cybersecurity, AI integration, and cloud-based solutions. It would be especially helpful to gain insights into how leading companies are leveraging these technologies to improve service delivery and security."

"Understand what manufacturers have to help MSP and what partners are doing, and try to understand that we can complement the offer of other partners like us."

As summarized by Norbert Hofmann: "MSP Global is an event that fits the needs of MSPs perfectly...MSP is in the beginning, and it's necessary to talk with other people to see how they deliver services, to be better."

Connect with Us.

+ About MSP Global

MSP Global is essential for MSPs. The global market-managed services were valued at \$278 billion in 2023—and will likely reach \$532 billion by 2028. MSPs must manage increased demand for services such as hosting, backup, storage, and cybersecurity from the customers they have—while meeting the monumental challenge of new customer acquisition in an increasingly competitive environment. Both goals are achievable with the right business intelligence and strategic partnerships.

Find out how to be part of the MSP Global community [here](#).

+ About Open Eye

Open Eye helps small businesses and non-profit leaders make greater impact in the world, using current data, insights, and great people to craft achievable change strategies together.

Learn more about Open Eye [here](#).
