

MSP Global

State of the Industry Report

MSPs are dramatically shifting toward ecosystem collaboration in order to bolster individual businesses and the industry at large against cybersecurity and economic stressors.

2025
FALL 2025

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In fulfilling its value promise of bringing industry insights, this year MSP Global launched a series of quarterly surveys of Managed Service Providers about their business concerns, goals, and needs. The benchmarking nature of this series will enable MSPs to track shifts in industry-wide sentiment and priorities moving forward.

The initial installment of this series launched in July 2025; the report dedicated to that pulse is available at <https://www.mspglobal.com/state-of-the-industry-report/>. This report details shifts in findings between summer and fall 2025, beginning our tracking of vital industry trends. These learnings will also be presented on the main stage at MSP Global's 2025 conference (October 22-23, 2025).

Report Highlights:

The following are highlighted findings from the October 2025 survey of 200+ MSP professionals from around the world. Additionally, we complemented quantitative survey findings with interviews with three MSP industry experts in October 2025: Zoë Rose (Canon EMEA), Ronnie Bachmann (Devoteam), and Patrick Burgess (Nutbourne).

These comprehensive learnings are detailed in subsequent pages of this report.

In short: Managed Service Providers (MSPs) are even more enthusiastically embracing the realization that we're stronger together. MSPs are dramatically shifting toward ecosystem collaboration in order to bolster individual businesses and the industry at large against cybersecurity and economic stressors.

In prior surveys, we saw the MSP industry at large demonstrate strong confidence in its future trajectory. This was tied largely to a focus on automation-based growth, as well as faith in continued consumer need in the face of ever-evolving technology...and technological threats. We've also heard from MSPs about a growing recognition of the benefits from working together. However, trust and competitive tensions surfaced as significant barriers to those efforts at mutual success.

With our second pulse survey, we clearly see a number of emerging trends to monitor, and optimally seize upon, for MSPs' not just long-term, but also short-term positive evolution.

- **The partnership pivot:** Collaboration continues, with “having good partnerships with other MSPs”, jumping from 23 percent to 29 percent as a primary business health need, now making this a top five priority.
- **Security and compliance concerns dominate:** Those focused on the tech and product innovation side of the business are even more worried about “meeting evolving security and compliance demands”, with a leap from 24 percent in July to 52 percent in October. Additionally, plans to add “compliance as a service” in the coming year grew five points from July to October.

Strategic Takeaways:

- **Build your ecosystem now:** Collaboration for best-in-class partnership offerings is becoming table stakes, but at present is still a competitive advantage.
- **Invest in security/compliance efforts:** Within clients' diverse needs, these are growing. Proactive performance here is becoming a differentiator.
- **Continue the outward focus:** Peers are prioritizing brand strength and awareness in an increasingly crowded market, as diversification of clients grows as a business strategy shift.
- **But don't forget the end-user:** While working to expand, keep in mind the real “why” – to provide the best, most trusted service possible.

Methods

MSP Global partnered with Open Eye to author and field surveys in July and October 2025, sending the online questionnaire to MSP Global members worldwide.

The total survey response was a statistically significant total of 552 (360 in July, 192 in October). Both survey result datasets have a confidence level of 95%. Key demographic breakdowns of respondents include:

Size of business:

	July '25	Oct. '25
<10 employees	27%	41%
10-50 employees	33%	26%
51-100 employees	18%	13%
100-250 employees	8%	3%
250+ employees	14%	18%

Business type:

	July '25	Oct. '25
Managed Service Provider	45%	46%
Value-Added Reseller/Distributor	8%	9%
Direct Market Retailer	5%	2%
Independent Vendor Service	16%	17%
Other	16%	14%

Typical client size:

	July '25	Oct. '25
SMBs only	24%	29%
Mid-market	25%	16%
Large/enterprise	8%	14%
Mix of all three	40%	38%
I'm not sure	4%	4%

Business revenue:

	July '25	Oct. '25
<\$5 million	48%	53%
\$5-150 million	25%	18%
\$51-250 million	8%	6%
\$250 million+	6%	9%
I'm not sure	13%	15%

Methods (2)

Region of focus:

	July '25	Oct. '25
North America	5%	6%
Latin America	6%	7%
Asia Pacific	5%	1%
Europe, Middle East & Africa	70%	70%
Global reach	14%	17%

Number of endpoints managed across MSP clients:

	July '25	Oct. '25
<500	20%	25%
500-1,000	21%	19%
1,001-5,000	14%	13%
5,001-10,000	16%	6%
10,000+	15%	16%
Not sure	13%	7%
Not applicable	13%	15%

Number of MSP clients served:

	July '25	Oct. '25
<10	21%	23%
11-30	20%	23%
31-50	12%	9%
51-100	13%	11%
100+	25%	27%
Not applicable	11%	7%

The MSP Outlook

Optimism in both individual business health and the industry at large is strong, and growing.

When asked about their agreement with optimism statements about their professional endeavors, as well as the overarching MSP industry, Managed Service Providers are strongly aligned to a positive view moving forward. These optimism metrics have even grown since July.

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 statements?

"I feel very confident about the future of the MSP industry." = 4.1 (July) → 4.3 (October)

"I feel very confident about the future of my specific business." = 4.2 (July) → 4.3 (October)

Explanations of optimism agreement persistently indicate MSPs are in demand now – and believe they will continue to be in years ahead, in order to address continually changing tech opportunities and threats for clients. AI in particular was identified in both pulses as a driver for growth when it comes to client offerings, and for internal growth thanks to operational streamlining and innovation.

Primary reasons for optimism about the industry are:

- **AI as a growth driver**

"There are a lot of new technologies and lots of new ideas that can be provided as a service for current customers and new customers. The most important is, of course, Artificial Intelligence. If we embrace it, it will be very good for us and our clients" (July respondent)

"Tools like Copilot for Microsoft 365 and advanced monitoring platforms let MSPs automate routine tasks—patching, compliance reporting, ticket triage—freeing engineers for higher-value work." (July respondent)

"AI-driven tools will let you scale more efficiently while also opening new opportunities to help clients adopt AI securely and responsibly. By positioning yourself as a trusted advisor who bridges security, compliance, and AI enablement, you can capture recurring revenue and long-term relevance in a market that will only expand." (October respondent)

"What excites me most is how AI is helping us deliver more proactive, personalized, and efficient services to our customers. From predictive analytics to intelligent automation, AI gives us the tools to reduce costs, minimize downtime, and anticipate client needs before they even arise. That kind of capability makes me very optimistic about our ability to stay competitive and relevant long-term." (October respondent)

- **Continuing cybersecurity demands**

"I'm optimistic about the future of the MSP industry because the rise of AI is creating new cybersecurity challenges—deepfakes, AI-driven phishing, and synthetic threats are making it harder for individuals and businesses to know what's real. As these risks grow, MSPs will play an even more critical role in providing trusted, proactive defense and guidance." (July respondent)

"Threat increase, technical complexity and growing regulations make it difficult for organizations to keep up, especially smaller ones. They need to rely on specialists to keep them (and their customers) safe!" (July respondent)

"Cyber security services are more needed than ever and it needs a trusted provider to deliver these services effective and efficient." (July respondent)

"The MSP industry has a bright future because tech complexity, cyber threats, and compliance demands keep growing. SMEs can't handle it alone, so they'll increasingly rely on MSPs." (October respondent)

"I'm optimistic because demand for cybersecurity and managed services keeps growing. As threats evolve, businesses see security and reliable IT as essential, which puts our industry in a strong position for the future." (October respondent)

- **Accelerating digital corporate needs (cloud migrations, hybrid work models, etc.)**

"Digital transformation across all industries: Almost every sector is undergoing a digital transformation, leveraging technology to optimize operations, enhance customer experiences, and create new revenue streams. This widespread adoption of technology fuels demand for a vast array of IT services, software, and hardware. AI, IoT, 5G, and other emerging technologies are becoming integral to this transformation, ensuring a continuous need for innovation and expertise." (July respondent)

"Everything is becoming increasingly digital and needs to be operated and automated. This requires specialized personnel." (July respondent)

"The shift to cloud and integrated systems: More businesses are finally moving beyond fragmented tools to integrated ERP/CRM systems and cloud infrastructure. This creates enormous opportunity for companies that can guide this transition end-to-end—exactly the "audit to implementation to support" model..." (October respondent)

- **Critical skills gaps and outsourcing needs**

"I see opportunity in how MSPs are evolving from just cost-saving partners to strategic enablers of innovation... This shift empowers us to move from reactive support to proactive optimization, driving real business impact." (July respondent)

"There's a great need for businesses to take advantage of technology, but the skills are limited. MSPs bridge that gap." (July respondent)

"What makes me optimistic about the future of the MSP sector is the way demand for managed services is growing and becoming increasingly strategic for businesses. I see that many organizations, especially small and mid-sized ones, are going through digital transformation but don't always have internal teams to handle the complexity of cloud, security, and business continuity. That's where we, as MSPs, can truly add value by offering accessible, scalable, and secure solutions. I also believe that the rise of cyber threats and the need for automation create new opportunities for those who know how to position themselves as trusted partners, not just providing technical support, but helping clients grow sustainably. In short, I'm optimistic because I see MSPs moving beyond being just service providers to taking on a consultative and strategic role, strengthening the future of the businesses we serve." (October respondent)

Top-of-Mind and Wallet

Adapting to new technologies is the persistent top concern when it comes to business health and living out that bright future, but we're seeing a shift to looking outward for success.

When asked to select what's most important regarding the current and future health of their business, MSP professionals demonstrate some evolving areas of focus. The need to adapt to new technologies is evergreen, but we see a rise in priority placed on external relationships – notably, stress on partnerships and on vendor relationships soared between Q2 and Q3 in 2025. Meanwhile, internal priorities like customer and talent satisfaction softened. These trends will be important to monitor in coming pulses.

Which of the following are most important to you, when it comes to the current and future health of your business? (select up to 3)

	July '25 [n=224]	Oct. '25 [n=132]
Adapting to new technologies	42.86%	44.7%
Enhancing customer experience and satisfaction	37.05%	28.03%
Clearly understanding what my clients/customers need	30.36%	31.82%
Strengthening cybersecurity measures to protect client data	26.79%	25.76%
Expanding service offerings to diversify revenue streams	26.34%	31.06%
Clearly explaining the value of my services to clients/customers	26.34%	32.58%
Having good partnerships with other MSPs	23.21%	28.79%
Finding and retaining quality talent	15.63%	4.55%
Managing my portfolio of vendors/contractors	15.18%	21.21%
Navigating rising costs	11.16%	7.58%

Increasing ARPU across my client/customer base	9.38%	12.88%
Navigating changing regulations	8.48%	6.06%
Navigating global geopolitics	6.70%	7.58%
Navigating vendor lock-in or consolidation	5.36%	3.03%

While new tech adoption and client understanding remain top-three priorities, we see significant rises here in:

- Expanding service offerings to foster diversification
- Clearly explaining service value to clients
- Having good partnerships with other MSPs
- Managing vendor/contractor portfolios

And notable drops in:

- Enhancing CX
- Finding and retaining talent
- Focusing on rising costs

This indicates a growing emphasis on business change and growth looking outward rather than inward – spending resources on what we can do MORE of, rather than what we can do BETTER within the company.

In July and again in August, the new tech to learn about in question is most often related to AI. When asked what emerging trends they want the MSP world to focus on more, the overwhelmingly most frequently cited need is AI and automation integration –its optimization opportunities, its security risks, and going beyond the basics to its predictive abilities. Other emerging areas of need are continued attention to cybersecurity (including advanced security issues like Zero Trust and XDR), data sovereignty and compliance requirements, multi-cloud and hybrid infrastructure management, outcome-based pricing models, and, new in October, strategic customer experience and service delivery.

PULL QUOTES

"The need for education and training in the AI space is a growing trend as the technology evolves very quickly, making up to date knowledge a key aspect of a successful AI capable business." (July respondent)

"Constant innovation and the ever-growing need to protect information." (July respondent)

*"The MSP world should be paying close attention to the convergence of cybersecurity, AI-driven automation, and cloud optimization. **Clients are expecting more than maintenance** — they want proactive threat prevention, data-driven insights, and measurable business outcomes. **MSPs that evolve from service providers to strategic technology partners** — leveraging AI for monitoring, predictive analytics, and automated remediation — **will be best positioned to thrive.**" (October respondent)*

"The IT operations model, solution sales model and human skills model. The IT Operations model has key factors such as troubleshooting with the problem in mind and not the response to defend. Human skills model to develop emotional intelligence to deal with people and why the problem exists. The solution sales model to focus on developing the financial business case rather than the product/me-to/us-to sales pitch. Sales is more about the ability to increase business profitability and longevity than it is about the product or solution." (October respondent)

"Provision of seamless 'one stop' MSP solutions that have little to no impact on end customers systems, a friction-less engagement is the most successful one." (October respondent)

Investment backs up that automation interest, as 58% of survey respondents (in both July and October) who specialize in IT and technology report their company plans to launch or expand AI/automation-driven services in the coming year ([see page 15 for a deep dive on MSP IT/tech professionals](#)).

Respondents want to learn more about how to meet the need to evolve from reactive service providers to proactive strategic partners who can navigate complex technology, security, and regulatory landscapes while delivering measurable business value.

Committing to Collaboration

Spending more time with that growing interest in partnership, we see recognition that the mutual success of individual players within the broader MSP ecosystem is intertwined with the industry at large and vice versa.

Even with the expansion of significant, widespread belief that collaboration within the industry is important to individual and ecological success, confidence and present priority on this remains soft.

Working together represents a very real opportunity for those who can bridge the gap between theory, trust and collaboration is important, and practice, engaging in significant cooperation.

On a scale of 1 to 5, where 1 = Do not at all agree and 5 = Agree completely, how much do you agree with the following statements? [n=214 July, n=130 October]

"It is important for MSPs to build trust between each other for our industry to thrive."	=	4.2 (July)	→	4.2 (Oct)
"There are significant mutual benefits from MSP providers working together."	=	4.0 (July)	→	3.9 (Oct)
"My company is open to co-selling or partnerships with other MSPs."	=	3.9 (July)	→	4.0 (Oct)
"I place high priority on cooperating with other MSP providers."	=	3.7 (July)	→	3.7 (Oct)
"I have benefitted from ecosystem cooperation in the past."	=	3.6 (July)	→	3.6 (Oct)

Considering these responses another way, there is an industry-wide trend of MSPs being on a journey from collaboration ambition to experience:



This demonstrates a .6 opportunity gap from theory to practice.

Our experts agree in the value of collaboration for MSPs. As put by Patrick Burgess, co-founder of Nutbourne:

PULL QUOTE

"We're the general practitioners..we know enough about everything that we can do everything, but we're not the brain surgeon, we're not the specialist..What lots of smaller companies do is think they have to do it all themselves, and therefore they don't build those relationships."

Digging deeper, while there is significant and consistent belief in the value of collaboration as demonstrated above, respondents indicate they don't have a strong enough infrastructure of trust and revenue sharing to feel fully secure in the effort at this point.

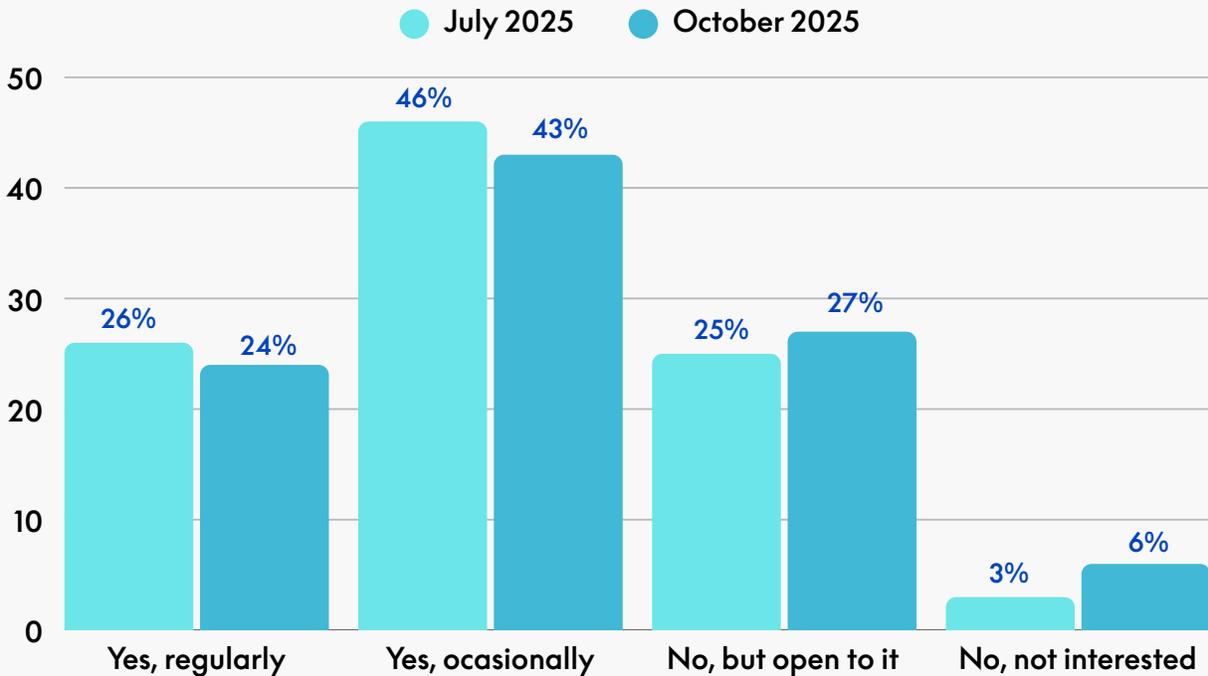
More than half of respondents (59% in July, 52% in October) say trust and competitive tension is the biggest barrier to moving forward with collaboration. The next most frequently cited cooperation hurdle is unclear revenue sharing (the top concern for 21% in July, 12% in October). Of note, October's second and third most common barriers became "lack of contacts (14%) and "legal concerns" (12%), potentially indicating more MSPs had moved from intangible stress over revenue sharing and trust into a more active search and attempt at collaboration.

Experts we interviewed do recognize that valuable collaboration takes building trust:

*"People buy stuff from people, and people engage with people, and **people trust people**. People don't really have loyalty to brands, to a degree." - Ronnie Bachmann*

Of note, only a quarter of respondents (26% in July, 24% in October) reported their company is **regularly** collaborating with other MSPs at present. The greatest share in both survey results (48% in July, 43% in October) report having some collaboration experience though, indicating this is happening but not yet at scale. **MSPs aren't collaboration-naïve; they're collaboration-frustrated** by logistics like cost sharing and legal issues that erode trust when not handled well.

Have you ever co-partnered or delivered a project in partnership with another MSP or vendor?
[n=210 July, n=130 October]



Those who can comfortably work together will stand apart in a prime opportunity zone for meeting client needs, one of the top recognized components of business health and growth. Patrick Burgess speaks to the freedom that he found in being able to open up when partnering:

“Once you’re in the industry, once you’re in the conversation, everyone is so open. I would happily give you the pricing we have for our pricing.” - Patrick Burgess

These responses clearly demonstrate that the question for MSPs moving forward is not “why collaborate?” but rather “how can we collaborate better?”

As part of this research, MSP Global asked industry-specific questions of specialists within the broader Managed Service Provider audience, in order to go deeper on issues of interest to technology and IT professionals, marketing and sales professionals, and business owners and strategy leaders.

Quick takeaways by sector:

Tech/IT: Rapid pivot to AI-driven services is a source of opportunity and challenge when it comes to operational integration and building collaborative partnerships – possibly why they feel more optimistic about the industry than their individual businesses.

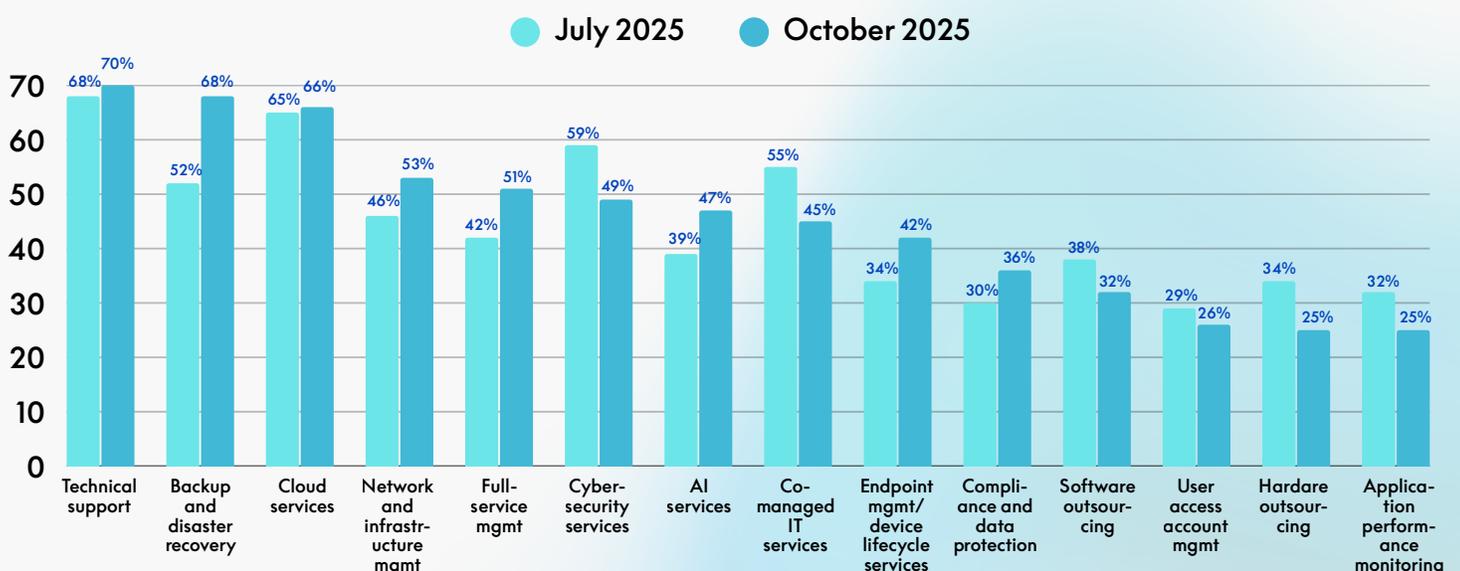
Business strategy: Optimism is high, especially for individual businesses, based on continually growing outsourced MSP needs. They have intense interest in collaboration and service expansion for growth strategy.

Marketing/Sales: Notably optimistic about growth but have a heavy focus on AI and customer optimization moving forward, together with needing more resources for quality lead generation and conversion.

Sector Highlight: Technology & IT

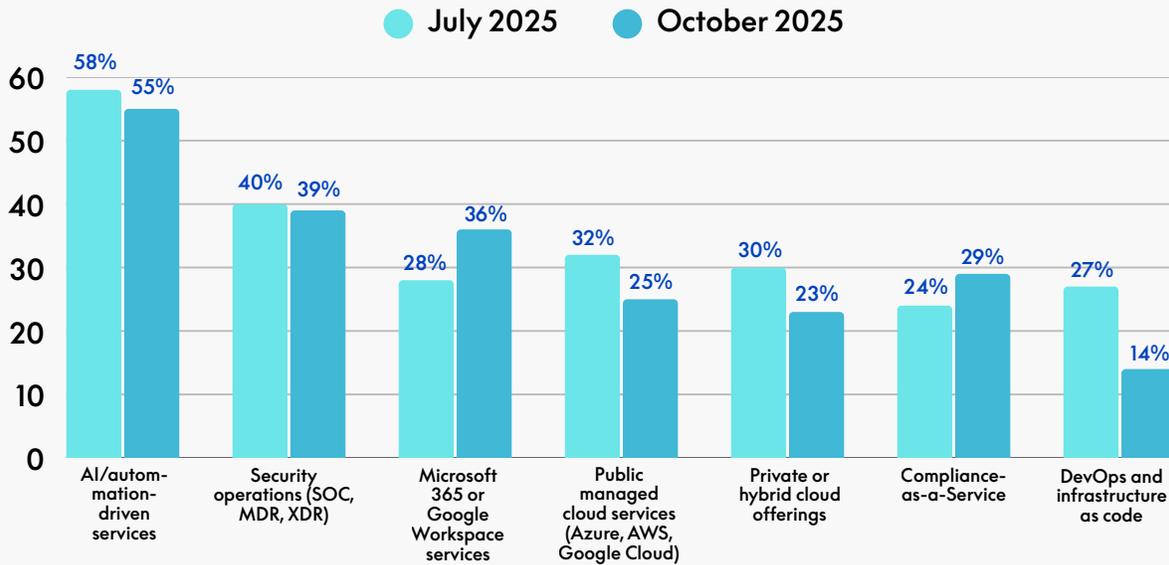
Comprehensive support has been and is predicted to continue to be a top service (the majority of respondents who specialize in tech and IT report offering at least five services to clients), while protection and AI services are growing in demand. What we can see in the chart below is a need to keep our eye on the growth of compliance as a service, especially given this is a top cited target for future investment.

Which of the following managed services do you currently offer to your clients? [n=93 July, n=55 October]



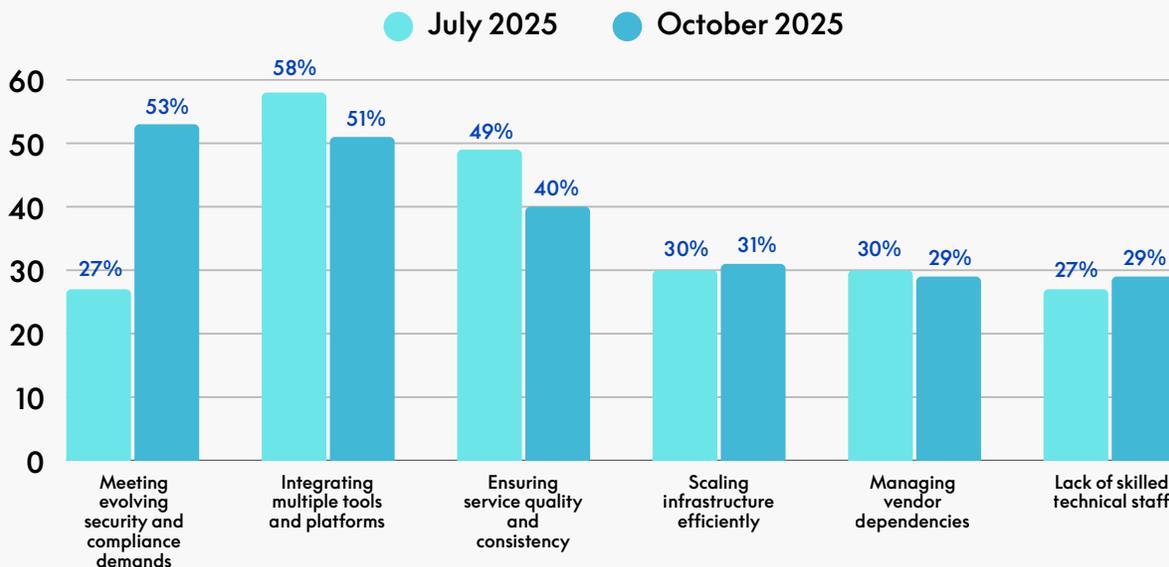
As with the rest of the industry, IT and tech professionals expect AI to continue growing as a significant offering in the coming year. While only a dedicated offering for 39% of respondents at present, it is projected to be an area their company will launch or expand for more than half of MSP IT/tech experts. That growth area is followed by continued investment in security operations.

Which new technology areas are you planning to launch or expand over the next 12 months? (select up to 3)
[n=88 July, n=55 October]



That aforementioned rise in compliance as a service is one to monitor as an extension of security concerns, and a growing business space. To that point, we saw it skyrocket as a concern between July and October, 2025 to take the primary challenge space for delivering or scaling services.

Which of the following are primary challenges you face when delivering or scaling technology services? (select up to 3) [n=88 July, n=55 October]



As with the prior discussion of industry-wide acknowledgement of the value and need behind collaboration, most are already working within a wider ecosystem when it comes to delivery of these managed services. Only a little more than a quarter report being fully in-house for tools and platforms in delivery, while the vast majority lean on a combination of in-house and vendor tools or entirely upon vendor-provided platforms.

This complex landscape of what and how to offer for changing client solutions informs these professionals' top concern – integrating multiple tools and platforms, ensuring quality and consistency across projects, and now meeting vital security and compliance demands. Ever-evolving client needs, and handling them with skill, makes customer service and staffing continual challenges.

Sector Highlight: Business Strategy

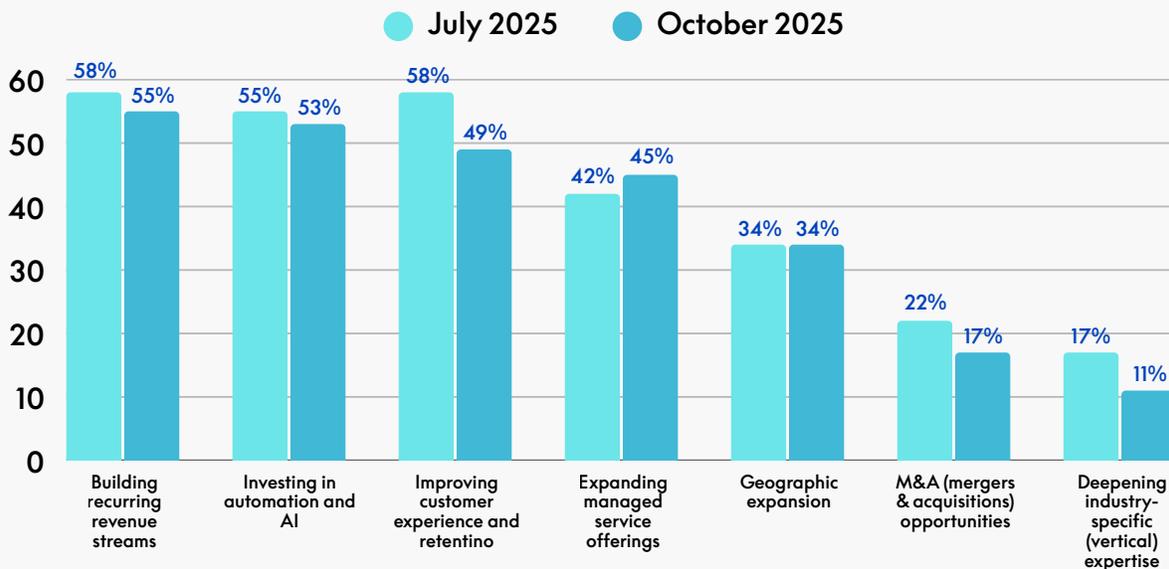
Between July and August, we saw some notable shifts in responses from business leaders:

- Investing in automation and AI isn't as high a priority – has it gotten all the attention it needs for now?
- Improving customer experience is no longer top-of-mind.
- Expanding MS offerings, though, is getting more attention in 12–24-month forecasts.

Economic pressures like saturation and commoditization are rising as concerns, pushing tech disruption fears out of the top spot. We need to keep an eye on the trend of margin pressures beating out AI in C-suite discussions of late.

That being said, AI and customer experience still persist in MSPs' coming strategic priorities as continued necessities, along with the evergreen need to build recurring revenue streams. We just see a softening of some former imperatives, paired with a rise in looking to new offerings to add to the menu.

Which of the following areas are your company's top strategic priorities for the next 12-24 months?
(select up to 3) [n=64 July, n=47 October]

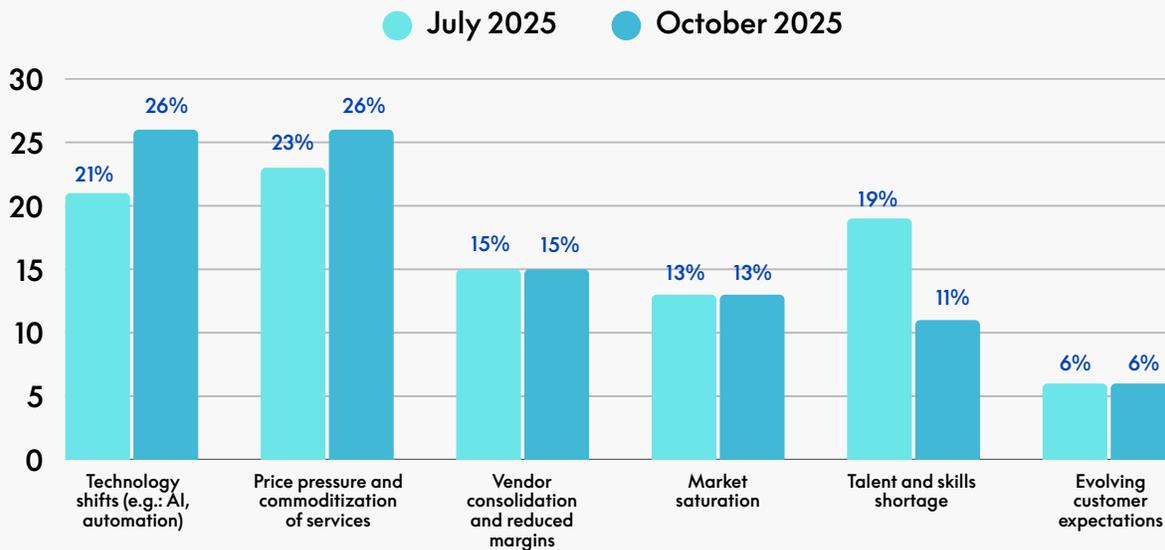


The climbing attention to expanding managed service offerings is mirrored in a dip when it comes to emphasis on deepening vertical expertise (backed up by a similar drop-in respondents rating vertical specialization as “very important” from July to October).

Business leaders in both surveys are open to investment in innovation, many even before they see others benefitting from new technology. Given the tech landscape’s shifting sands, MSP strategy is often based on a risk/reward approach to exploring new options in the interest of growth. While a majority of respondents in both surveys reported a “balanced” approach to innovation “we adopt proven innovations when they show value”, a solid four out of 10 business leaders said they take a more ‘proactive’ bent, “we experiment early and invest in new technologies.” No respondents reported innovation not being a focus for their business strategy.

Growing revenue, expertise, and offerings is easier said than done though. MSP strategists identify price pressure and commoditization of services, plus that consistent concern around shifting technology, as the top risks to MSP business models. However, echoing earlier industry trends away from internal focus, talent and skills shortage did not cause as many headaches in our most recent pulse.

What do you believe is the biggest long-term risk to your MSP business model? [n=62 July, n=47 October]



Price pressure is also repeatedly cited as the most significant challenge to bidding on complex or enterprise projects (a major challenge for 55% of business leaders in both pulses), followed by compliance headaches and the overall procurement process. Given this multifaceted role price plays as a business pain point, it’s no wonder this causes the most significant hurdle to trust in MSP collaboration.

Managed Services are estimated to be the basis of at least 11% of company revenue growth in the next year for a supermajority of business leaders, and the largest share of respondents (37% in July, 32% in October) predict MSP will provide more than 20% growth for their company in the next 12 months. Six in 10 MSP business leaders report agreement that “My management team is completely convinced to prioritize MSP business over other opportunities.”

How to approach that business model moving forward is not a uniform space, however. Most common approaches to “future proofing” an MSP business already implemented are subscription-based models, and X-as-a-Service (e.g. DRaaS, NaaS, SaaS). Vertical-specific packaged services and outcome-based pricing are of interest as a growth strategy, but fewer than a third of respondents have implemented this approach to-date.

Sector Highlight: Sales & Marketing/Communication

In our October 2025 pulse, we saw a small N of respondents who specialize in the sales and/or marketing angle of MSPs. Therefore, please note that the following findings are directional only.

Our communications specialists report that strengthening their brand and expanding into new regions is “in”, while upselling existing customers and developing vertical campaigns is “out”. The takeaway is a clear shift from concentrating on internal growth to market expansion and brand building.

In order to best facilitate growth strategy, these MSP professionals find personal connection most effective for driving new business (industry events, vendor/distributor leads, and customer referrals). Social media such as LinkedIn can also prove valuable, but at a distant remove from more traditional outreach.

When it comes to hurdles to reaching sales and communications goals, limited internal resources – time, staff – and difficulty generating quality leads that convert to sales have topped both pulses as primary challenges.

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+ 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](#).
