

# MSP Global

## State of the Industry Report

The MSP industry sees a bright future ahead thanks to continued tech innovation, but has to overcome trust hurdles in order to take full advantage of this opportunity.

2025  
**SUMMER 2025**

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In fulfilling its value promise of bringing industry insights, MSP Global is launching 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; findings are detailed in this report and will – together with findings from the next installment in October – 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 July 2025 survey of 300+ MSP professionals from around the world. All are detailed in subsequent pages of this report.

The MSP industry at large demonstrates strong confidence in its future trajectory. Automation has become Managed Service Providers’ primary focus for growth, both internally and as a key external client value, but trust and competitive tensions remain the most significant barriers to ecosystem collaboration and success.

We heard three primary manifestations of this finding from industry leaders:

- **Tech/IT Focus:** Rapid pivot to AI-driven services is a source of opportunity, as well as challenges when it comes to operational integration within companies, and building collaborative partnerships with complementary MSPs.
- **Business Strategy Focus:** Competitive pressures (notably pricing) from peers can make trust difficult, despite intense interest in collaboration and service expansion for growth strategy.
- **Customer Experience and Communication Focus:** Optimism about growth is significant, but entails a heavy focus on AI and customer experience optimization moving forward that necessitates more resources for quality lead generation and conversion.

# Methods

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

The survey response was a statistically significant total of 290. Key demographic breakdowns of respondents include:

## Size of business:

<10 employees	27%
10-50 employees	33%
51-100 employees	18%
100-250 employees	8%
250+ employees	14%

## Business type:

Managed Service Provider	45%
Value-Added Reseller/Distributor	8%
Direct Market Retailer	5%
Independent Service Vendor	16%
Other	16%

## Typical client size:

SMBs only	24%
Mid-market	25%
Large/enterprise	8%
Mix of all three	40%
I'm not sure	4%

## Business revenue:

<\$5 million	48%
\$5-150 million	25%
\$51-250 million	8%
\$250 million+	6%
I'm not sure	13%

# Methods (2)

## Region of focus:

North America	5%
Latin America	6%
Asia Pacific	5%
Europe, Middle East & Africa	70%
Global reach	14%

## Number of endpoints managed across MSP clients:

<500	20%
500-1,000	21%
1,001-5,000	14%
5,001-10,000	16%
10,000+	15%
Not sure	13%
Not applicable	13%

## Number of MSP clients served:

<10	21%
11-30	20%
31-50	12%
51-100	13%
100+	25%
Not applicable	11%

# The MSP Outlook

Optimism in both individual business health and the industry at large is strong, driven largely by steady client need in the wake of ever-progressing innovation.

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.

*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." = 4.12

"I feel very confident about the future of my specific business." = 4.22

Explanations of optimism agreement indicate MSPs are in demand now and believe they will continue to be in years ahead, in order to address new tech opportunities and threats for clients. In addition, they see individual opportunity thanks to increased operational streamlining with AI.

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"*

*"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."*

*"Cyber Security Services are more needed than ever and it needs a trusted provider to deliver these services effective and efficient."*

- **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."*

*"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!"*

- **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."*

*"Everything is becoming increasingly digital and needs to be operated and automated. This requires specialized personnel."*

- **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."*

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

**Adapting to new technologies is the top concern when it comes to business health and living out that bright future, followed by enhancing customer experience, satisfaction, and understanding.**

*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) [n=224]*

Adapting to new technologies	42.86%
Enhancing customer experience and satisfaction	37.05%
Clearly understanding what my clients/customers need	30.36%
Strengthening cybersecurity measures to protect client data	26.79%
Expanding service offerings to diversify revenue streams	26.34%
Clearly explaining the value of my services to clients/customers	26.34%
Having good partnerships with other MSPs	23.21%
Finding and retaining quality talent	15.63%
Managing my portfolio of vendors/contractors	15.18%

Navigating rising costs	11.16%
Increasing ARPU across my client/customer base	9.38%
Navigating changing regulations	8.48%
Navigating global geopolitics	6.70%
Navigating vendor lock-in or consolidation	5.36%

MSPs are excited about the opportunities that come with staying on top of new tech, but also recognize the very real need to present and deliver their services in ways that readily meet clients' needs. In fact, that continually evolving technology is a major reason MSPs have to keep up with best ways to not just meet but surpass client expectations.

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 and its security risks. 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, and outcome-based pricing models.

**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."*

*"Constant innovation and the ever-growing need to protect information."*

Investment backs up that interest, as 58% of survey respondents who specialize in IT and technology report their company plans to launch or expand AI/automation-driven services in the coming year (see page 13 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.

# Collaboration is Vital for MSPs

That rosy outlook and acknowledged need to provide excellent experiences on an individual front is dependent upon the success of the industry at large; notably, the mutual success of multiple players within the broader MSP ecosystem.

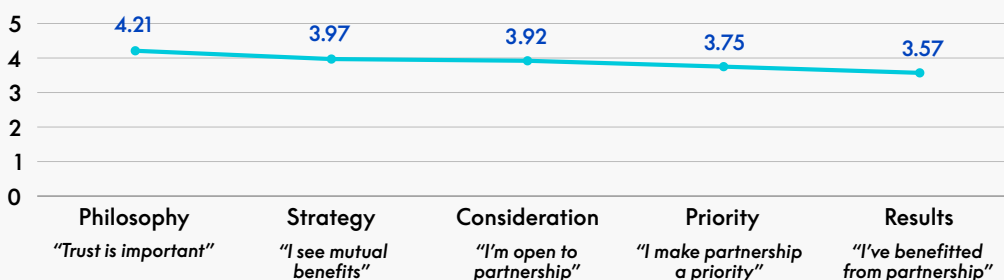
**There is significant and widespread belief that collaboration within the industry is important to individual and ecological success, but confidence and present priority on this is soft.**

Working together represents a very real opportunity for those who can bridge the gap between theory (trust and collaboration is important), and practice by 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]*

"It is important for MSPs to build trust between each other for our industry to thrive."	=	4.21
"There are significant mutual benefits from MSP providers working together."	=	3.97
"My company is open to co-selling or partnerships with other MSPs."	=	3.92
"I place high priority on cooperating with other MSP providers."	=	3.74
"I have benefitted from ecosystem cooperation in the past."	=	3.57

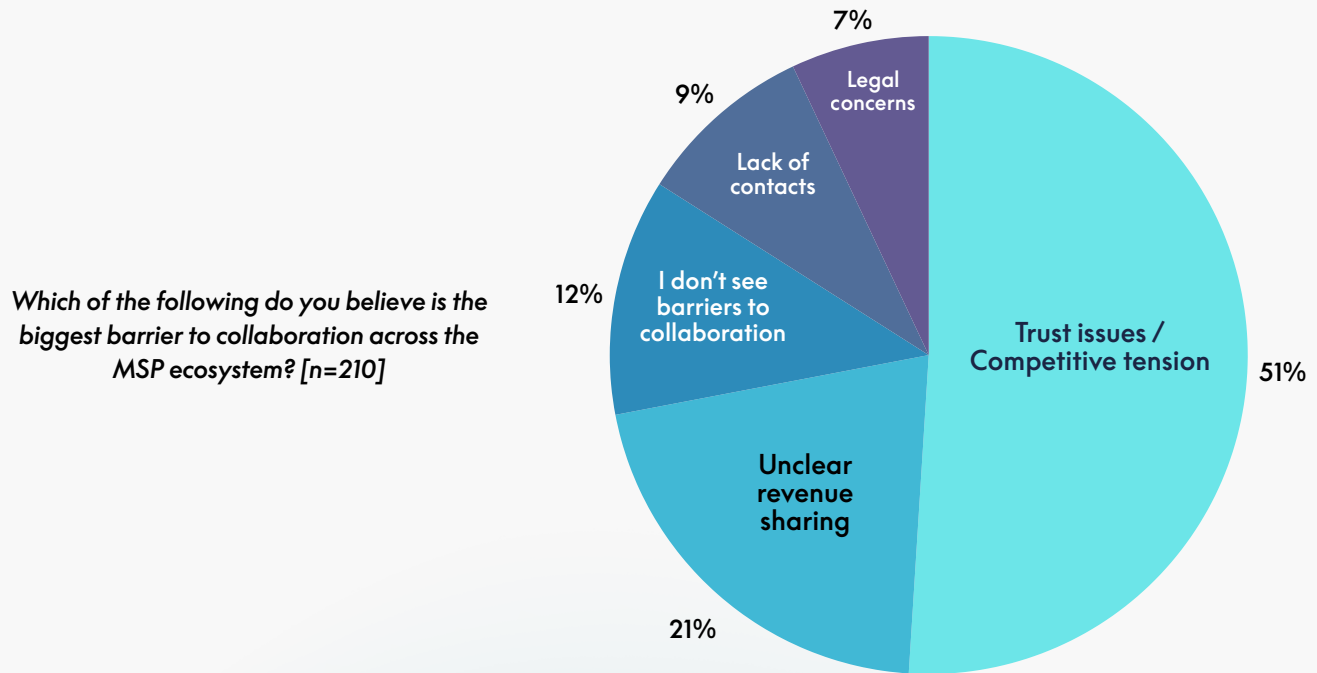
Considering these responses another way, there is an industry-wide trend of MSPs being on a journey from collaboration ambition to experience:



This demonstrates a .64 opportunity gap from theory to practice.

Digging deeper, while there is significant belief in the value of collaboration as demonstrated above, MSPs 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 (51%) say trust and competitive tension is the biggest barrier to moving forward with collaboration, and 21% cite unclear revenue sharing as what stands in their way. Only approximately one in 10 respondents say they see no hurdles to collaboration.



Of note, only a quarter of respondents (26%) said their company is regularly collaborating with other MSPs at present. More than seven in 10 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 that erode trust when not handled well.

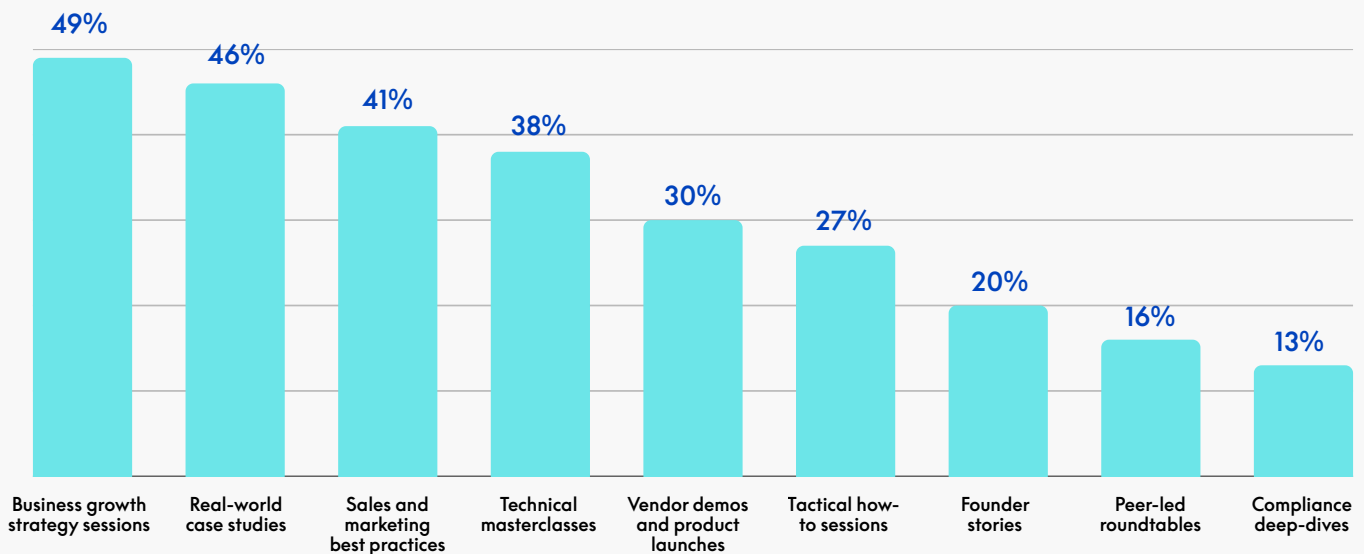
Those who can comfortably work together will stand apart in a prime opportunity zone for meeting client need; one of the top recognized components of business health and growth.

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

# Coming Together is Key

Given that ripe opportunity space between collaboration's value in theory and its literal payoff, it's not surprising that respondents see great potential at conferences in learning from each other. When Managed Service Providers come together, they want to learn about business priorities and issues they feel they don't have resources or capabilities to handle at present: capacity for effective marketing, time for strategic thoughts, and know-how to master the latest tech.

What kinds of sessions do you find most valuable at MSP conferences? (select up to 3) [n=191]



When they gather as an industry, within those topics to cover MSPs want to hear experts' thoughts on how to address precisely the aforementioned collaboration pain points, how to execute and how to optimize working together.

In response to "What's one question you'd love to hear another MSP answer on stage?", the following need trends emerge:

**1. Trust/Competitive Pressure is Real:** Multiple questions about differentiation and price competition

*"In the face of intense price competition, how can MSPs differentiate through added value?"*

**2. Revenue Sharing Uncertainty Surfaces:** Questions about pricing models and business decisions

*"Get pricing right."*

*"What makes an MSP choose one or the other vendor to work with?"*

**3. Experience Sharing is Highly Valued:** Heavy emphasis on "real-world case studies"

*"What's one mistake you kept repeating"*

*"Biggest lesson learned"*

*"What's one critical decision you made in the past 12 months that significantly impacted your business model, and would you make the same decision again today?"*

**4. Implementation Over Theory:** MSPs want "how-to" not "why" answers

*"How was the transition..."*

*"How to deal with..."*

*"How did you scale..."*

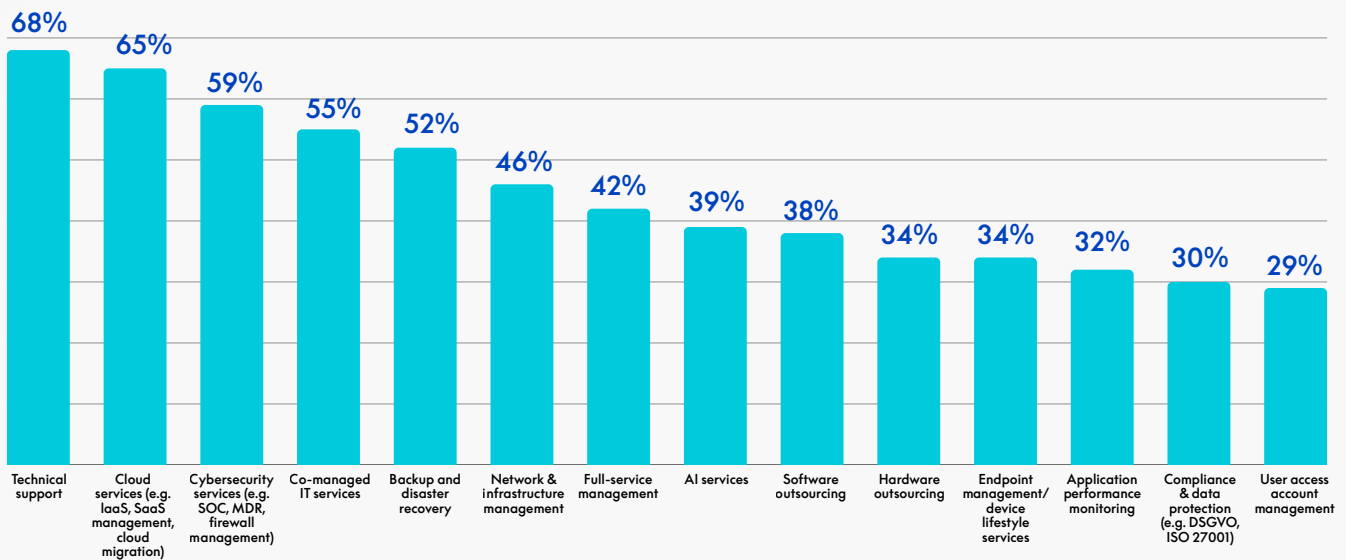
There is clear desire to learn from each other not just to serve immediate business needs like deploying technology and learning the latest AI, but to foster continued growth thanks to networking and trust-building in service of lucrative partnerships.

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.

## Sector Highlight: Technology & IT

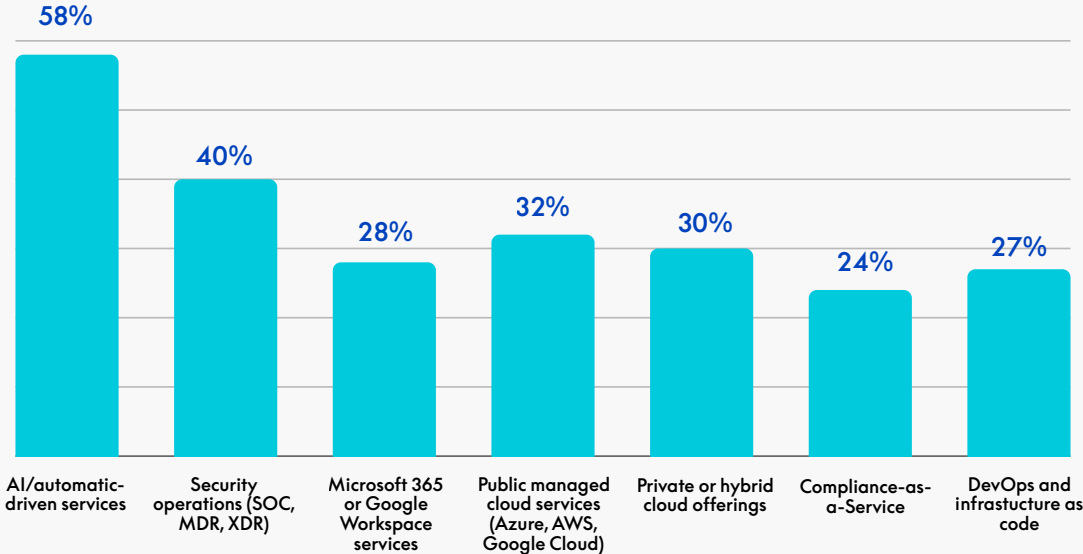
While the top services offered revolve around comprehensive support and protection, tech assistance, cloud service management, cybersecurity, most MSPs are providing a wide array of services to their clients. The majority of respondents who specialize in tech and IT report offering at least five services to clients.

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



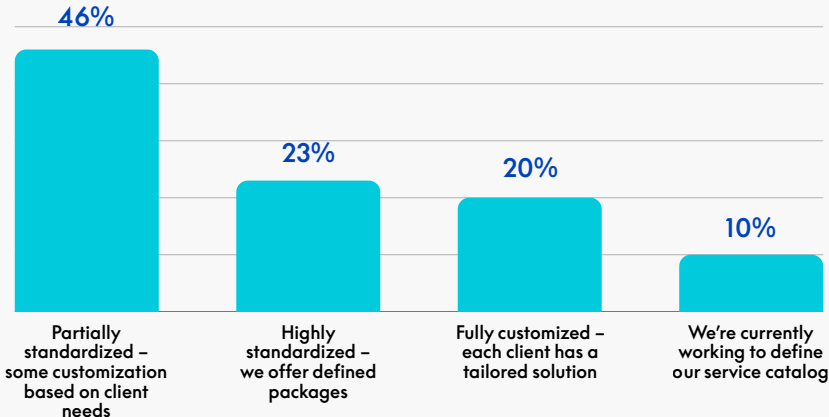
As with the rest of the industry, IT and tech professionals expect AI to continue growing as a significant offering in the coming year. While only a dedicated offering for 39% of respondents at present, it is projected to be an area their company will launch or expand for more than half of MSP IT/tech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



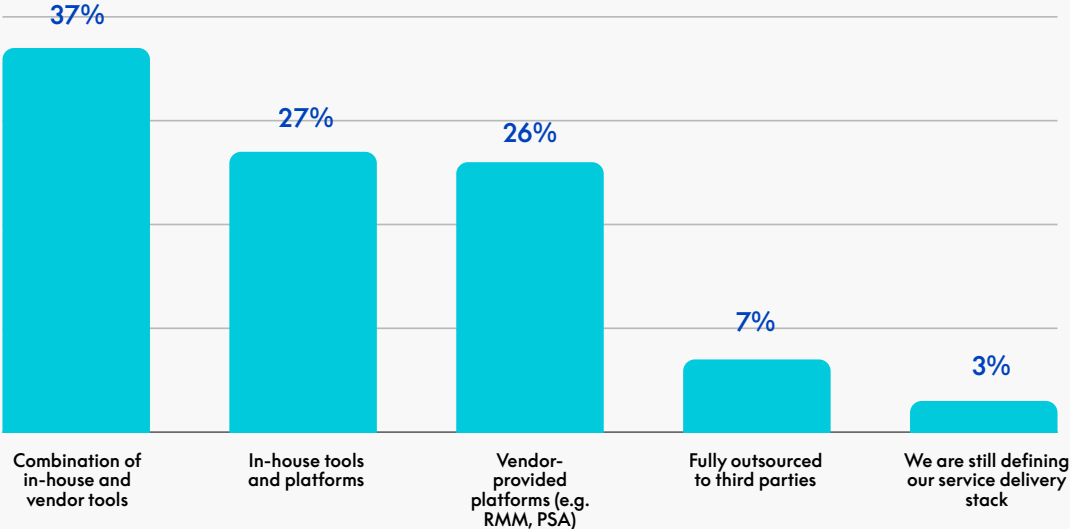
In providing this extensive menu to the marketplace, MSPs are also often bringing an at-least partially customized experience to clients. More than two-thirds are partially or fully customized in their service offerings; only a quarter lean on pre-packaged, standardized MSP products.

How standardized are your service offerings across customers? [n=90]



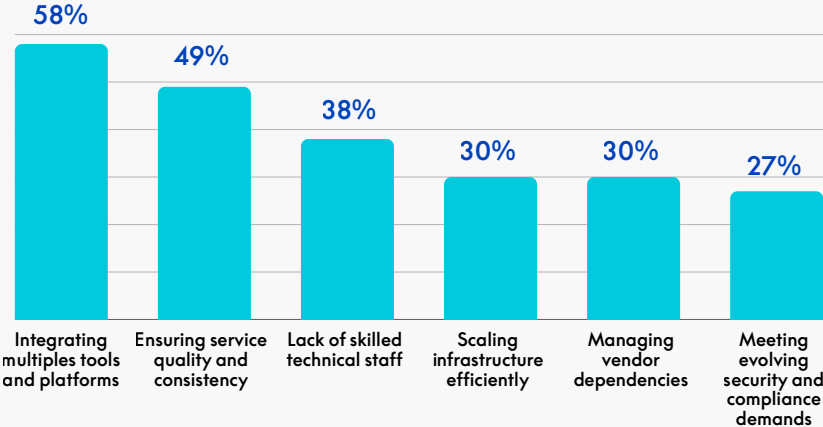
As with the prior discussion of industry-wide acknowledgement of the value and need behind collaboration, most are already working within a wider ecosystem when it comes to delivery of these managed services. The largest share of respondents delivers with a combination of in-house and vendor tools, and only a little more than a quarter report being fully in-house for tools and platforms in delivery.

What is your primary method for delivering managed services today? [n=89]



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

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

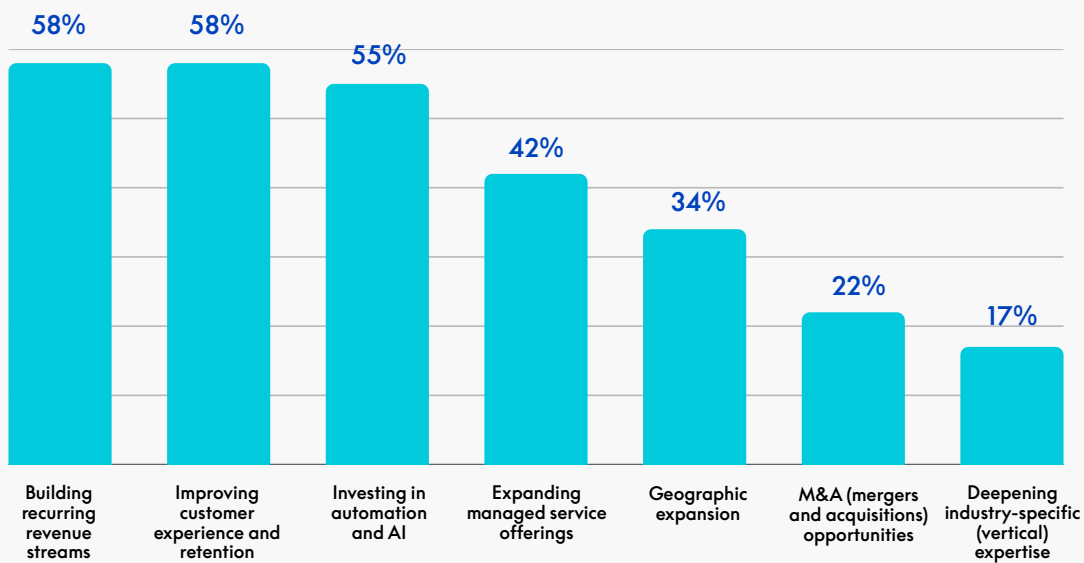


# Sector Highlight: Business Strategy

Just as AI and customer experience are identified as key needs in MSPs' tech and IT departments, these areas of focus are also being spotlighted by MSP business leaders and strategists.

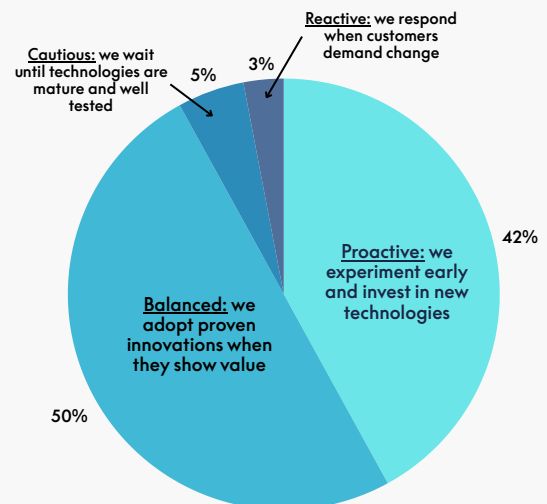
In coming months, MSP leaders predict concentrating on improving customer interface and strengthening revenue streams, with both efforts leaning on AI. Expansion of offerings and of geographic reach follow those internal shifts, with a recognized need to bring more services to more places.

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



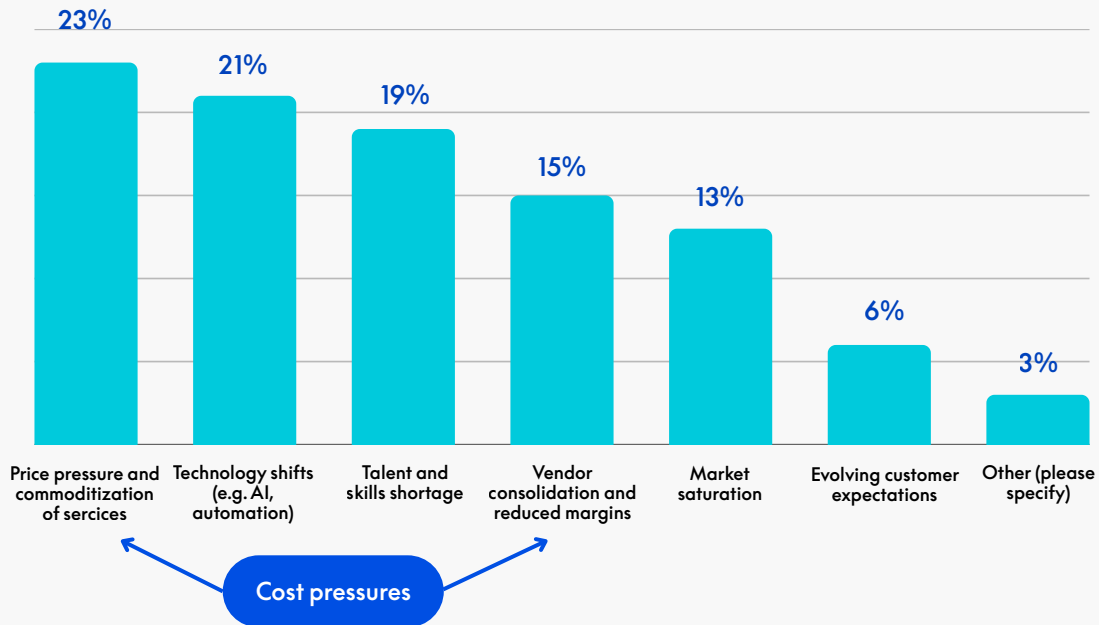
Business leaders are open to investment in innovation, many even before they see others benefitting from new technology. Given the tech landscape's shifting sands, MSP strategy is often based on a risk/reward approach to exploring new options in the interest of growth. No respondents reported innovation not being a focus for their business strategy.

Which of the following best describes your company's current approach to innovation?  
[n=64]



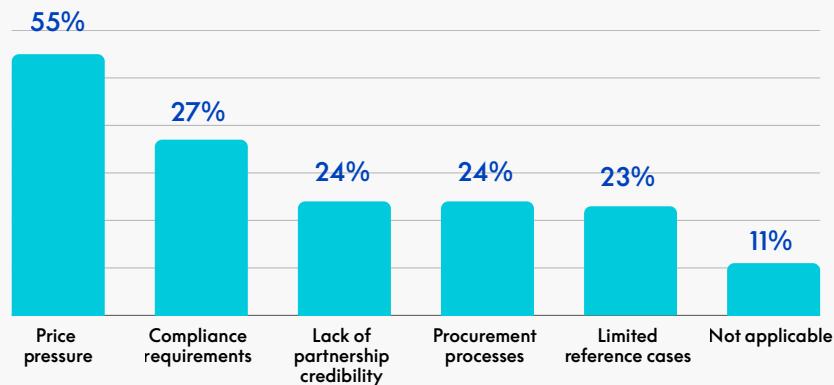
Growing revenue, expertise, and offerings is easier said than done though. MSP strategists identify price pressure and commoditization of services as the top risks to MSP business models, followed by continually evolving technology and limited talent for handling that tech.

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



Price pressure is also cited as the most significant challenge to bidding on complex or enterprise projects (a major challenge for 55% of business leaders), followed by compliance headaches (37%). 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.

What major challenges do you face when bidding for complex or enterprise contracts? (please select all that apply) [n=62]

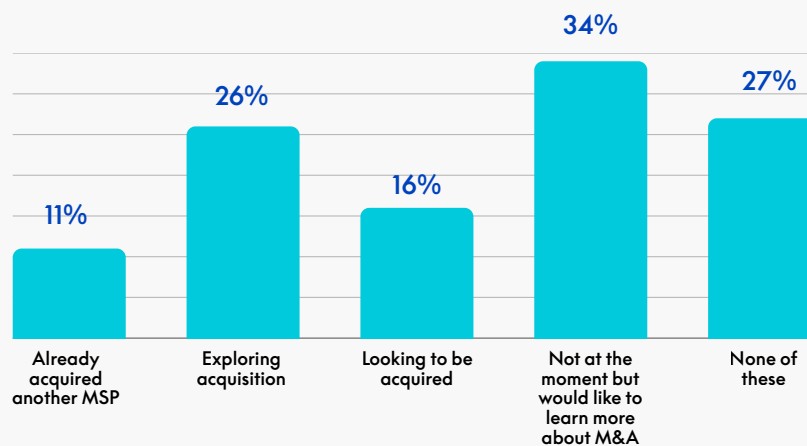


Managed Services are estimated to be the basis of at least 11% of company revenue growth in the next year for a supermajority (71%) of business leaders, and the largest share of respondents (37%) predict MSP will provide more than 20% growth for their company in the next 12 months. Six in 10 MSP business 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, outcome-based pricing or SLAs, and X-as-a-Service (e.g. DRaaS, NaaS, SaaS). Vertical-specific packaged services are of significant interest as a growth strategy, but fewer than a quarter of respondents have implemented this approach to-date.

Finally, moving beyond our earlier discussion of collaboration between MSPs, business leaders are notably interested in mergers and acquisitions within the industry. While a quarter of respondents are not playing in the M&A space, the remaining three-quarters are at least interested, if not actively engaged in M&A currently.

Are you currently involved in any of the following M&A activity? [n=62]

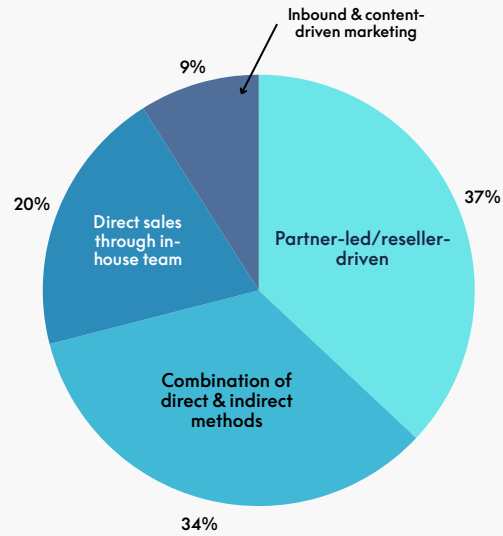


## Sector Highlight: Sales & Marketing/Communication

MSPs are taking selling and telling their story seriously, as a majority of respondents have a head of sales position dedicated to new business and a head of marketing leading marketing strategy. Those that don't are often smaller operations, leaning on the company's founder to perform these roles.

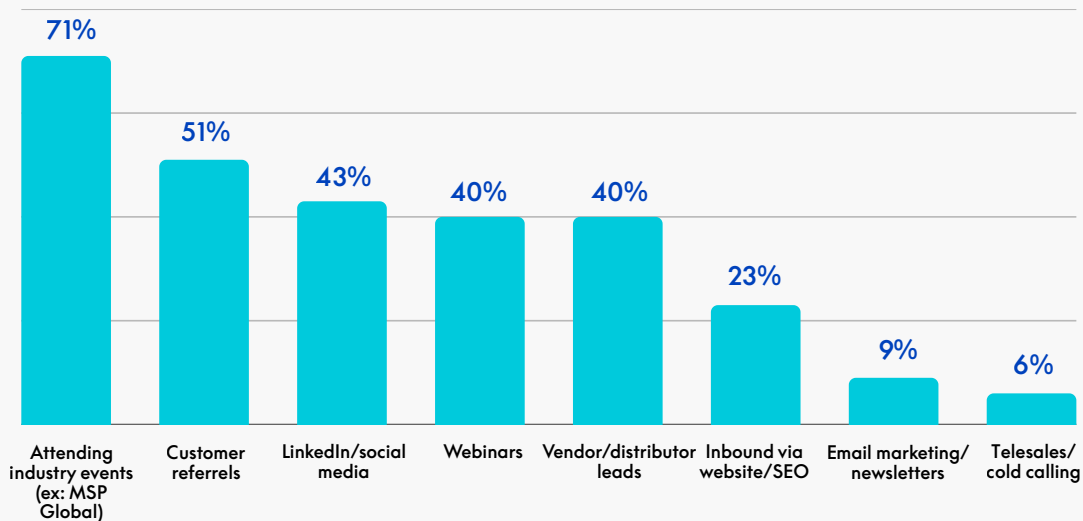
Most MSP sales and/or marketing professionals are presently engaging in a combination of direct and indirect go-to-market strategies, or leaning wholly on partners and resellers to drive business. This indicates further support for our aforementioned findings that collaboration and partnership are key to MSP individual and industry growth. Even those companies who employ dedicated sales and marketing staff still lean on ecosystem relationships for success.

Which of the following best describes your current go-to-market (GTM) strategy? [n=35]



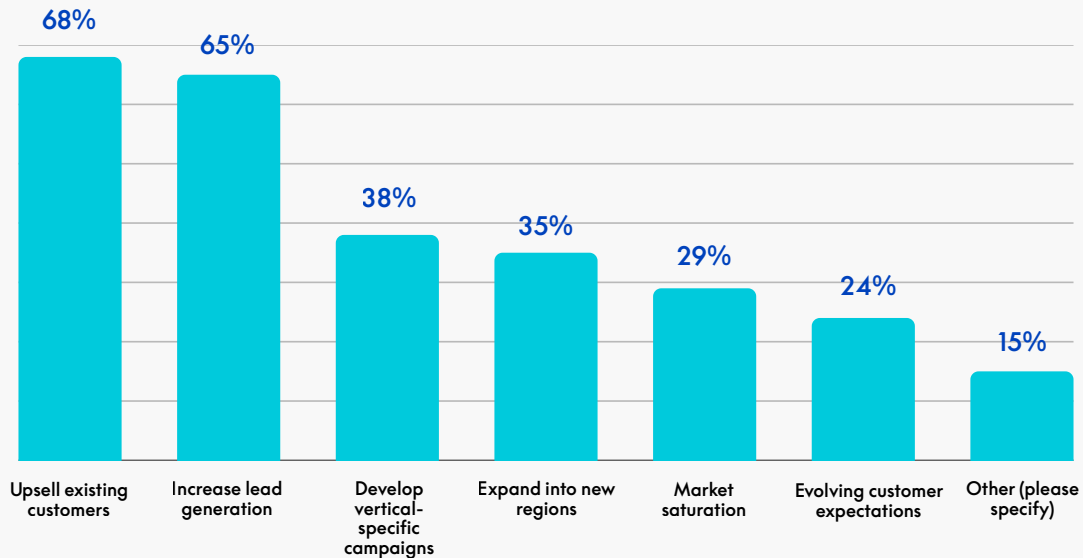
In order to best facilitate that network-driven strategy, these MSP professionals find in-person connection most effective for driving new business (industry events and customer referrals). Social media such as LinkedIn can also prove valuable, but at a distant remove from more traditional outreach.

In your experience, what are the most effective ways to generate new conversations about MSP services? (select up to 3) [n=35]



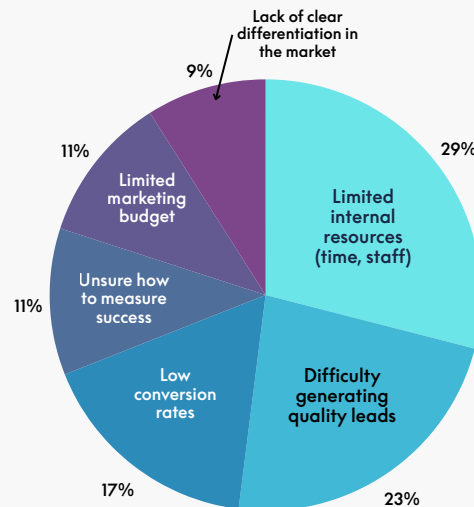
The top priority for MSP sales and marketing professionals in the near future is working with what we have now – upselling existing customers to meet growing technology needs, such as AI integration and continued cybersecurity protection. This is closely followed by increasing lead generation, indicating an acknowledgement that not all growth can come from a present client base, and a world of potential customers exists within this expanding tech landscape.

What are your top 3 sales and marketing priorities for the next 12 months? (select up to 3) [n=34]



Hurdles to sales success are diverse, but limited internal resources, time, staff, and difficulty generating quality leads that convert to sales creates a difficult mix. Poor leads and low conversion rates can make it hard to justify prioritizing internal resources for sales and marketing efforts.

Which one of the following is the biggest obstacle to reaching your sales and marketing goals? [n=35]



# 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](#).

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## + 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](#).

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