

MSP GLOBAL

State of the Industry Report

Summer 2026 | Wave 5

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Report Highlights:

The following are highlighted findings from the July 2026 survey of 205+ global MSP professionals, the fifth wave of MSP GLOBAL's quarterly benchmarking series.

Spring 2026 closed on a note of caution: some of what looked like momentum was a spike, some of what looked settled was still in motion, and the series pledged to keep testing rather than confirming its own conclusions. Wave 5 makes good on that pledge in the most direct way possible—it reverses the two findings Spring called structural.

Cybersecurity's rise as a business-health priority, which Spring described as having crossed from spike to “structural shift” after three consecutive waves of climbing, has fallen back (34.2% → 28.5%), the sharpest single-wave drop this metric has recorded. Compliance-as-a-Service, which Spring flagged as a quiet multi-wave growth story tied to regulatory monetization, pulled back over the same period (28.6% → 22.4% among technology professional respondents). Meanwhile, the collaboration reversal that Spring urged readers not to over-read has partially self-corrected, with regular partnership activity climbing back off its series low, from 18.9% to 26.1%.

The pattern across all three reveals that this series' own volatility is becoming the finding, not a footnote to work around. It's a learning about the industry at large's priorities in flux.

1. The Reversal of the Reversal

Two findings Spring called settled have both moved back in the other direction.

Cybersecurity as a top business-health priority dropped from its series-high 34.2% to 28.5%, undoing three waves of steady climb in a single quarter. Compliance-as-a-Service, which Spring described as “revealing a meaningful gain across the series,” retreated from 28.6% to 22.4% among technology respondents (n=49, directional). Neither reversal erases the underlying importance of security to MSPs, it remains a top-three priority, but it does undercut the “structural shift” language used to describe it just one quarter ago. The honest read: what looked like a trendline was, at least in part, a wave-to-wave oscillation the series hadn't yet had enough data to see.

2. Collaboration Behavior Recovers, Vindicating Spring's Caution

Regular partnership activity, which fell to a series-low 18.9% in April, rebounded to 26.1% in July, nearly back to January's peak. This isn't a new story; it's confirmation of the one Spring already told. Attitudes toward collaboration remain essentially unchanged and still strong, and the dominant barrier—trust and competitive tension—held flat at 48.5%. What's moving is behavior, not belief, and it appears to move in both directions from quarter to quarter rather than trending toward either extreme.

3. AI Deployment Deepens — One Story That Isn't Reversing

Internal AI use jumped from 54.9% to 70.6% of respondents, the sharpest single-wave increase of any AI metric tracked. Client-facing AI-enabled services also grew (36.6% → 42.1%). This is a straight continuation of the “AI matures from strategy to infrastructure” thesis Spring introduced, not a reversal, but the clearest confirming data point the series has produced on any topic. AI is the one throughline in this wave that got stronger, not weaker.

4. The Channel Belief-Behavior Gap Hardens

Spring identified the distribution channel as a new pressure point: 83% of respondents said they'd go direct to vendors at price parity. Wave 5 shows that sentiment intensifying further; 85% now say the same, with the “for most/all products” share climbing from 41% to 54% of that group. Yet actual behavior hasn't followed: MSPs bypassing distributors entirely stayed flat near 8%, and distributor expansion (not consolidation) is what's actually happening on the ground (27.8% → 35.3%). This is now the same belief-behavior pattern the series has already documented once with collaboration: MSPs say one thing and, so far, do another.

5. Confidence Reaches New Series Highs

Industry confidence (4.22) and business confidence (4.25) are both the highest readings in five waves, edging past the “remarkably little variation” Spring described. In a wave defined by reversals, confidence is the one metric moving cleanly upward rather than oscillating. It's a strong signal that the reversals above reflect tactical recalibration, not eroding conviction in the industry's fundamentals.

The Bottom Line

Five waves in, this series has now demonstrated its core value proposition twice over: Wave 4 showed that a single-quarter surge (collaboration) can look like a trend and not turn out to be one. Wave 5 shows the reverse is equally true; a three-quarter “structural shift” (cybersecurity) can also unwind in a single quarter. Neither finding is a failure of the underlying data, both are exactly what quarterly measurement exists to catch. The measurements proving genuinely durable across all five waves—confidence, AI's operational deepening, and the channel belief-behavior gap—are the ones worth the industry's real attention going forward. Everything else deserves at least one more wave before we confidently name it a trend.

Note: small-sample flags (security-incident-rate figure, n=96; CaaS figure, n=49) are detailed in the Methods section, consistent with prior-wave disclosure convention.

Methods

MSP GLOBAL partnered with Open Eye to author and field surveys in July and October 2025, January and April 2026, and July 2026, sending the online questionnaire to MSP GLOBAL members worldwide.

Changes of ± 5 percentage points or more across waves represent statistically meaningful shifts given sample sizes and confidence intervals.

Wave 5 continued asking respondents whether they had completed a prior wave of this survey. 31.4% confirmed they had participated before, 29.4% were unsure, and 39.2% identified as new to the series, broadly consistent with Wave 4's panel composition (34.3% / 29.4% / 36.3%). The mix of repeat and new respondents each wave continues to balance longitudinal richness against panel conditioning risk.

The total raw survey response across five waves was 1,520 (360 in July '25, 294 in October '25, 301 in January '26, 302 in April '26, 263 in July '26). Per-question sample sizes vary below and throughout this report, reflecting the survey's branching logic; each figure is reported with its own 'n' rather than a single blanket total.

One continuity of questioning note:

The prior "typical client size" question (SMB / mid-market / enterprise / mix) was retired and replaced with a seat-count-based segmentation ("What is the average user count of the clients you support. Because the two questions aren't directly comparable, Wave 5 client-size data isn't shown as a continuation of the 4-wave "typical client size") trend below.

All survey result datasets have a confidence level of 95%. Key demographic breakdowns of respondents include:

Size of business:		July '25	Oct. '25	Jan. '26	April '26	July '26
<10 employees		27%	41%	31%	42%	38%
10-50 employees		33%	26%	34%	24%	25%
51-100 employees		18%	13%	12%	4%	7%
100-250 employees		8%	3%	8%	12%	7%
250+ employees		14%	18%	14%	17%	20%

Figures recalculated directly from raw wave datasets for this report; minor discrepancies from the previously published Spring 2026 table (whose April '26 row summed to 81%, not 100%) were identified and corrected here

Methods₍₂₎

Business type:

	July '25	Oct. '25	Jan. '26	April '26	July '26
Managed Service Provider	45%	44%	45%	41%	44%
Value-Added Reseller/Distributor	8%	9%	11%	11%	7%
Direct Market Retailer	5%	3%	5%	3%	3%
Independent Service Vendor	16%	17%	14%	18%	13%
System Integrator	n/a	n/a	12%	10%	17%
Other	16%	14%	14%	17%	16%

Typical client size:

	July '25	Oct. '25	Jan. '26	April '26
SMBs only	24%	28%	20%	27%
Mid-market	25%	18%	28%	26%
Large/enterprise	8%	13%	10%	11%
Mix of all three	40%	38%	41%	33%
I'm not sure	4%	3%	1%	3%

Question retired in Wave 5 (see methods note above) — shown here through Wave 4 only.

Methods₍₃₎

Business revenue:

	Jan. '26	April '26	July '26
<\$5 million	53%	57%	49%
\$5-150 million	25%	15%	22%
\$51-250 million	6%	8%	7%
\$250 million+	9%	8%	11%
I'm not sure	8%	12%	11%

July '25 and Oct '25 asked about 2024 revenue on different bands and are not shown here for comparability; Jan '26 onward asks about the prior calendar year's revenue on a consistent scale.

Region of focus:

	July '25	Oct. '25	Jan. '26	April '26	July '26
North America	5%	5%	7%	4%	5%
Latin America	6%	6%	2%	2%	2%
Asia Pacific	5%	3%	5%	4%	4%
Europe, Middle East & Africa	70%	70%	75%	79%	71%
Global Reach	14%	16%	12%	11%	18%

Methods₍₄₎

Number of MSP clients served:

	July '25	Oct. '25	Jan. '26	April '26	July '26
<10	21%	22%	20%	22%	21%
11-30	20%	23%	20%	25%	24%
31-50	12%	7%	9%	10%	13%
51-100	13%	12%	14%	10%	9%
100+	25%	27%	30%	21%	21%
Not applicable	11%	9%	8%	13%	11%

Number of endpoints managed across MSP clients:

	July '25	Oct. '25	Jan. '26	April '26	July '26
<500	20%	24%	26%	30%	29%
500-1,000	21%	20%	17%	16%	19%
1,001-5,000	14%	14%	18%	13%	14%
5,001-10,000	6%	5%	9%	6%	7%
10,000+	15%	14%	12%	11%	13%
Not sure	13%	9%	7%	12%	12%
Not applicable	13%	15%	12%	12%	7%

The MSP Outlook:

Confidence Holds, Even as the “Settled” Metrics Don't

Stability beneath the volatility

Five waves in, one finding still hasn't wavered: MSPs are confident. Industry confidence and business confidence have both remained above 4.0 on a 5-point scale across every wave of this series, and Wave 5 pushes both to new series highs.

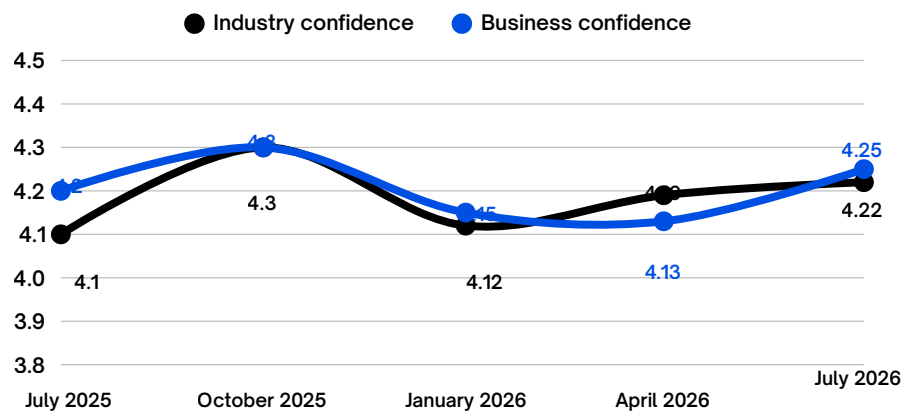
“I feel very confident about the future of the MSP industry.”

4.1 (July '25) → 4.3 (Oct. '25) → 4.12 (Jan. '26) → 4.19 (April '26) → 4.22 (July '26)

“I feel very confident about the future of my specific business.”

4.2 (July '25) → 4.3 (Oct. '25) → 4.15 (Jan. '26) → 4.13 (April '26) → 4.25 (July '26)

Confidence Stays Above 4.0 Every Wave, Reaching New Highs in July



What makes this stability notable is the context in which it persists. This is the wave in which two of the series' most-cited “settled” findings (cybersecurity's steady climb and CaaS's quiet growth) both unwound. Regular partnership activity, priority rankings, and now security posture have all shown real quarter-to-quarter movement. Confidence has not. It is the one number in this entire dataset moving in a single, clean direction, which suggests the reversals elsewhere reflect tactical recalibration within a fundamentally durable industry, not eroding conviction about it.

The open-ended responses bear this out. Asked what makes them optimistic, respondents point less to any specific technology or market condition and more to the structural role MSPs occupy:

“Customers need managed service providers as the orchestrator of their IT.”

“MSPs will keep growing, even considering AI technologies. There has to be a human interpreter between the customer and the product.”

“There is constant need. Nothing more, nothing less.”

Digging In:

Confidence this wave is highest among System Integrators (4.54) and Independent Service Vendors (4.38); this is a different pattern than Spring, which found Value-Added Resellers/Distributors most confident. VARs/Distributors are, in fact, the least confident segment this wave (3.92). Company-size patterns also shifted: 101–250 employee firms (4.50) and 51–100 employee firms (4.38) now report the highest confidence, not the 250+ segment Spring identified. Given several of these subgroups are small, treat these shifts as directional rather than a reversal of Spring's finding.

Fluctuating Priorities Within That Confidence

Wave 5 adds a new wrinkle to the priorities picture; even the one pattern Spring called clean, customer experience falling in all four prior waves, got muddier this quarter.

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) — **Bold = top 3 for July '26**

	July '25 [n=224]	Oct. '25 [n=177]	Jan. '26 [n=197]	April '26 [n=185]	July '26 [n=144]
Adapting to new technologies	42.9%	44.1%	36.5%	40.5%	44.4%
Enhancing customer experience	37.1%	29.4%	27.4%	25.4%	31.9%
Understanding client needs	30.4%	32.2%	34.5%	32.4%	34.7%
Strengthening cybersecurity	26.8%	25.4%	31.5%	34.1%	28.5%
Expanding service offerings	26.3%	27.1%	24.9%	21.1%	35.4%

	July '25 [n=224]	Oct. '25 [n=177]	Jan. '26 [n=197]	April '26 [n=185]	July '26 [n=144]
Explaining value of services	26.3%	32.8%	27.9%	23.8%	22.9%
Having good partnerships	23.2%	28.8%	26.9%	27.6%	34.0%
Managing vendor portfolio	15.6%	20.3%	21.8%	12.4%	19.4%
Finding/retaining talent	15.2%	7.9%	9.1%	11.9%	----
Navigating rising costs	11.2%	6.8%	6.6%	10.3%	----
Increasing ARPU	9.4%	10.7%	8.6%	9.7%	9.7%
Navigating changing regulations	8.5%	7.3%	9.6%	12.4%	9.0%
Navigating global geopolitics	6.7%	7.3%	8.6%	2.7%	6.2%
Navigating vendor lock-in	5.4%	4.0%	9.1%	8.6%	7.6%
Handling supply chain issues	----	----	----	7.0%	4.9%

Three things stand out. First, expanding service offerings more than doubled quarter over quarter (21.1% → 35.4%), the largest single-wave jump anywhere in this table. This demonstrates MSPs pivoting toward growth and diversification as cybersecurity's urgency eased. Second, customer experience rose for the first time in the series (25.4% → 31.9%), undercutting the one “clean, consistent” pattern Spring's report identified. Third, “having good partnerships” climbed to a series high (34.0%), tracking directly with the collaboration-behavior rebound covered later in this report.

Cybersecurity, adapting to new technologies, and understanding client needs remain broadly important, but the churn beneath them confirms the theme of this wave: MSPs are an industry that keeps recalibrating rather than settling, on nearly every axis measured.

Small-n note: Wave 5's branch structure changed how “Finding and retaining quality talent” and “Navigating rising costs” were asked; comparable Wave 5 figures for these two items aren't available and are shown as — above.

Cybersecurity: The Reversal of the Reversal

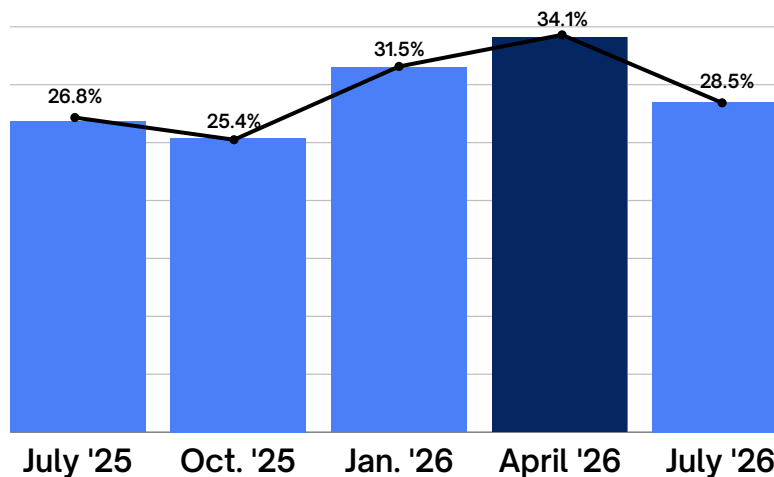
The “structural shift” wasn't one... at least not yet.

Spring 2026 described cybersecurity's rise as a business-health priority having crossed from spike to structural shift: three consecutive waves of climbing, culminating in a series-high 34.1%. Wave 5 data require us to revisit that call directly. Cybersecurity fell back to 28.5% this quarter; the sharpest single-wave drop this metric has recorded, and enough to knock it out of the top three priorities for the first time since Winter.

“Strengthening cybersecurity measures to protect client data,” as a top-3 business-health priority:

26.8% (July '25) → 25.4% (Oct. '25) → 31.5% (Jan. '26) → 34.1% (April '26) → 28.5% (July '26)

Cybersecurity as a Top-3 Business Health Priority



This doesn't mean security stopped mattering to MSPs; the underlying posture data show a market still well past aspiration. Among the 96 respondents answering Wave 5's posture questions:

- 53.1% say their company has a formal incident response plan
- 49.0% report clients are asking about cybersecurity services more than before — actually up from 45.8% in April
- 39.6% offer crisis services to clients
- 35.4% partner with security specialists to extend their capabilities
- 12.5% report having experienced a security incident in the past 12 months — nearly double April's 6.9%

That last figure is the one worth sitting with. Incident rate almost doubled in a single quarter, and client demand for security services kept climbing (45.8% → 49.0%) even as MSPs' own stated priority on security fell. Posture and pressure moved one direction; strategic framing moved the other. That's a genuine tension, not a clean story in either direction, and it argues against reading April's "structural shift" framing, or this wave's reversal, too literally in isolation.

Technology roadmap data add a further wrinkle. Security operations (SOC, MDR, XDR) as a planned technology expansion area actually rose slightly this wave (40.0% → 42.9%), continuing its position as the second most-planned category behind AI. Compliance-as-a-Service, which Spring described as "revealing a meaningful gain across the series," reversed instead (28.6% → 22.4%, n=49, directional). So even within "security," different sub-investments are moving in different directions simultaneously — MSPs continuing to build security operations capability while pulling back on the compliance-as-a-service packaging of it.

Open-ended responses this wave still lean on security as a growth argument, even as the priority ranking cooled:

"Increasing security needs that clients cannot manage themselves."

"Cybersecurity risk is going to be the key in the era of AI, and more and more opportunities will be opening up for MSPs."

Given that 71% of Wave 5 respondents are EMEA-based, the regulatory backdrop (NIS2, GDPR, and continued high-profile breach coverage) hasn't eased up pressure. This makes the priority-ranking drop more likely a reallocation of attention (this wave's sharp rise in "expanding service offerings," covered in the Outlook section, is a plausible competing pull) than a genuine cooling of urgency.

The honest read: Spring's "expectation, not differentiator" framing may still be directionally right, security remains a top-tier concern by every behavioral measure in this dataset, but the priority-ranking data alone were not enough to call it a settled, one-directional trend. That's exactly the kind of claim this series exists to keep testing rather than confirm prematurely.

Small-n note: the incident-rate and client-demand figures above are based on n=96 (Jul '26) vs. n=144 (Apr '26) respondents answering Wave 4/5's cybersecurity posture question — smaller subsets than the top-line priority question (n=144–185); treat percentage-point changes here as directional.

The Collaboration Rebound — Vindicating Spring's Caution

This is what quarterly measurement is for, twice over.

Spring's collaboration section made a deliberate choice: rather than retract the Winter “Partnership Pivot” story after regular partnership activity crashed to a series-low 18.9%, it held the attitudinal data steady and asked whether consistent execution was “a capability most MSPs are still building, or a competitive advantage only some will achieve.” Wave 5 answers with a rebound; regular partnership activity climbed back to 26.1%, nearly matching January's 32.3% peak.

Have you ever co-partnered or delivered a project in partnership with another MSP or vendor?

	July '25	Oct. '25	Jan. '26	April '26	July '26
Yes, regularly	25.7%	23.9%	32.3%	18.9%	26.1%
Yes, occasionally	45.7%	39.9%	44.1%	46.9%	35.8%
No, but open to it	25.25%	31.3%	18.8%	28.0%	35.8%
No, not interested	3.3%	4.9%	4.8%	6.3%	2.2%

Worth being precise about what rebounded and what didn't: “regular” activity is up, but “occasional” activity fell sharply (46.9% → 35.8%), and the “open to it but not yet doing it” group grew to match it (28.0% → 35.8%). Combined active partnering (regular + occasional) actually holds roughly flat-to-down (65.8% → 61.9%) even as the regular cohort specifically grew. The honest read: this isn't a clean industry-wide surge back to Winter levels. Rather, it's a reshuffling where more of the “occasional” partners either graduated to “regular” or paused into “open but not active.” Both are consistent with an industry still working out how consistent it wants partnership execution to be, exactly the framing Spring proposed.

Attitudes Didn't Just Hold — They Hit New Highs

Spring described collaboration attitudes as “essentially flat” across four waves. Wave 5 breaks that flatness too, but upward: every attitude statement in this battery reached a new series high this quarter.

	July '25	Oct. '25	Jan. '26	April '26	July '26
Important to build trust between MSPs	4.21	4.22	4.12	4.24	4.38
Significant mutual benefits from working together	3.97	4.00	4.04	3.99	4.16
Open to co-selling/partnerships	3.92	3.99	3.98	3.88	4.14
High priority on cooperating	3.74	3.78	3.71	3.65	3.84
Benefitted from ecosystem cooperation	3.57	3.59	3.67	3.49	3.70

The dominant barrier, trust and competitive tension, held essentially steady (48.5%, vs. 50.3% in April), so nothing about the barrier itself moved. What moved is that MSPs are simultaneously more bullish on collaboration's value and more actively doing it again this wave. Belief and behavior are, for once, pointed the same direction—though given the volatility documented above, one wave of alignment isn't enough to call the gap closed.

New Data: Most Partnerships Now Run on Formal Structure

Wave 5 asked, for the first time, what infrastructure MSPs have in place to support partnerships. The answer suggests partnership execution is more mature than the raw “regular vs. occasional” numbers alone would suggest: 85.2% of active partners (n=81) report at least one formal mechanism in place — most commonly mutual NDAs (59.3%), a dedicated partnership manager or coordinator (45.7%), and formal revenue-sharing agreements (39.5%). Only 14.8% partner purely informally. Partnership frequency may be oscillating quarter to quarter, but the structures MSPs use to manage the partnerships they do have look increasingly institutionalized rather than ad hoc.

Partnership Depth: MSP-to-MSP Ties Show Early Signs of Gaining Ground

Wave 4 found MSPs partnering primarily with vendor ecosystems [Cloud platforms (57.0%), SaaS vendors (49.1%), technology specialists (43.9%)] with other MSPs appearing in only 14.9% of partnership relationships, and vendor partnerships also dominating the “most valuable” ranking. Wave 5 shows the vendor-ecosystem pattern holding (Cloud platforms 59.8%, SaaS vendors 56.1%), but with two modest shifts worth watching: MSP-to-MSP partnering ticked up (14.9% → 18.3%), and “Other MSPs” nearly doubled its share of the most-valuable-partnership-type ranking (8.9% → 12.5%), moving from last place into a tie for third. The benefits driving partnership decisions also reordered; revenue growth from new verticals overtook capacity expansion as the top-cited benefit (49.1% → 56.8%, vs. capacity expansion's 56.1% → 51.9%), suggesting partnerships are increasingly valued for market access as much as operational relief.

This is a small, early signal on a modest base (n=80–82), not yet a reversal of Spring's “vendor ecosystems solve this more reliably than MSP-to-MSP collaboration” conclusion. But it's the first wave where direct MSP-to-MSP partnering has moved in a positive direction on both prevalence and perceived value simultaneously, and it's worth tracking in Wave 6.

Open-ended responses this wave continue to frame collaboration as core to the industry's forward motion:

“With cloud adoption for most enterprises it's best to collaborate more with MSPs. The idea is to move from Capex to Opex, giving that leverage/flexibility.”

“Collaboration and creation of such forums where people can meet and exchange ideas.”

The Bottom Line

Spring was right to resist declaring the Winter surge either confirmed or debunked. Wave 5 shows genuine rebound in regular activity and record-high attitudes, but a flat-to-slightly-down picture in total active partnering and an unmoved barrier. This is precisely the mixed, still-unsettled picture that argues for continuing to track this quarterly rather than drawing a conclusion from any single wave.

Small-n note: partnership depth figures (types, benefits, most-valuable-type, support infrastructure) are based on n=80–82 respondents who reported active partnering — smaller than the top-line behavior question (n=134) — and should be read as directional.

The Channel Belief-Behavior Gap Hardens

Sentiment keeps climbing. Behavior barely moves. That gap is now the story.

Spring's discovery of channel pressure was framed as new, unresolved territory— “the beginning of a story, not the end of one.” Wave 5 is the second data point in that story, and it points in a consistent direction: MSPs' stated preference for going direct to vendors keeps intensifying, while what they're actually doing with their distributor relationships has barely shifted, and in one respect moved the opposite way.

If pricing was equal, would you go direct to vendors?

	April '26 (n=160)	July '26 (n=116)
Yes – for all products	15.0%	22.4%
Yes – for most products	26.2%	31.9%
Selectively – some vendors only	41.2%	31.0%
Unsure	9.4%	7.8%
No – distributors add value worth staying indirect	8.1%	6.9%

The combined “most or all products” share, the strongest form of go-direct intent, grew from 41.2% to 54.3% in a single quarter. Total willingness to go direct to some degree (selectively, most, or all) also grew, from 82.4% to 85.3%. Fewer than 7% of respondents now say distributors add enough value to justify staying fully indirect, down from an already-low 8.1% in April. By sentiment alone, this reads like a channel model under mounting, not stabilizing, pressure.

But Actual Behavior Tells a Different Story

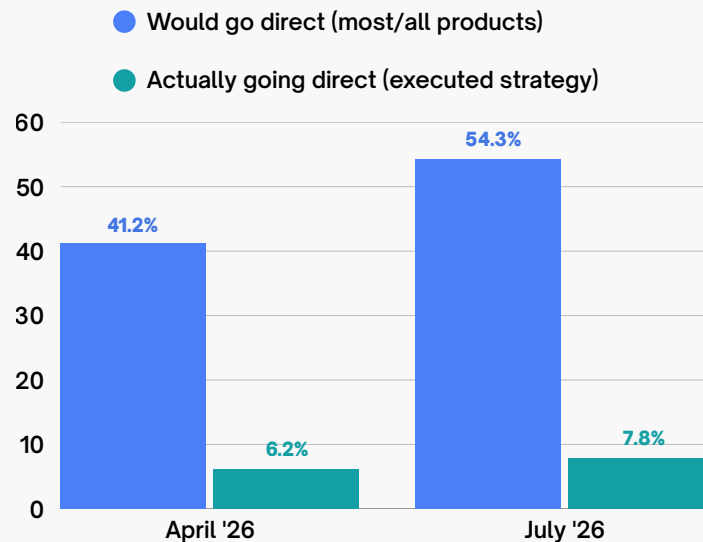
What is your company's current distribution strategy?

	April '26 (n=162)	July '26 (n=116)
Expanding — adding distributors	27.8%	35.3%
Optimizing — same number, better terms	29.0%	26.7%
Consolidating — fewer distributors	9.3%	8.6%
Going direct — bypassing distributors	6.2%	7.8%
Stable — no changes planned	11.7%	6.9%
Don't use distributors	10.5%	7.8%

“Going direct — bypassing distributors” as an actual, executed strategy moved from 6.2% to 7.8%. It’s a real but small uptick, nowhere close to matching the 13-point jump in stated go-direct sentiment. Meanwhile, “expanding — adding distributors” is the only category with a meaningful move in either direction, climbing to 35.3% and becoming the single most common distribution strategy in Wave 5, overtaking “optimizing” for the first time in this series. MSPs are not leaving the channel; on net, more of them are widening it.

This is the same shape of gap this series has already documented once, with collaboration: strong and strengthening attitudes, behavior that moves far more slowly and sometimes in the opposite direction. The channel version of that gap didn't close in its second wave of measurement—if anything, it hardened, since the sentiment side moved further while the behavior side barely budged.

The Channel Gap: Sentiment vs. Actual Behavior



What's Actually Driving the Frustration

The complaints behind the sentiment remain concrete and operational, not philosophical, and pricing has now overtaken speed as the top-cited issue:

What are your biggest distributor challenges? (select up to 3)

	April '26 (n=162)	July '26 (n=118)
Pricing/margins aren't competitive	34.0%	37.3%
Slow processes	34.0%	32.2%
Lack of training	21.6%	21.2%
Inconsistent support	24.7%	20.3%
Weak technical help	20.4%	18.6%

Conflicting vendor programs	14.8%	17.8%
Stock/availability issues	18.5%	15.3%
Credit/payment terms	9.9%	13.6%
No major issues	13.6%	12.7%
Can't reach vendors directly	8.6%	11.9%

Pricing/margin complaints edged past slow processes as the number-one frustration this wave, consistent with the sharpening go-direct sentiment: margin pressure is the most direct financial motivation for wanting to cut out the intermediary. But “no major issues” held roughly steady at 12.7% (vs. 13.6% in April), meaning the group with genuinely no complaints didn't shrink even as everyone else's complaints intensified slightly across the board. This still reads as MSPs wanting better terms and faster service from the channel they have, not a wholesale rejection of the channel model itself; it's the same read Spring offered, now with a second wave of data behind it.

Digging In:

Distributors and channel partners remain a meaningful partnership type in their own right: 39.0% of Wave 5's active partners cite them as a partner type (down slightly from 43.0% in April, but still the fourth most common category, per the Collaboration section). MSPs are simultaneously frustrated with distributor economics and continuing to rely on distributors as partners, which is consistent with a renegotiation dynamic rather than a breakup in progress.

Given 71% EMEA representation in this wave, it's also worth noting this pressure is unfolding alongside two other Wave 5 threads: rising “expanding service offerings” as a stated priority (see Outlook section) and a cooling, not disappearing, cybersecurity/compliance urgency. A channel that's slower and pricier to work with is a more visible drag when MSPs are actively trying to diversify revenue, which may explain part of why frustration intensified this quarter specifically.

The Bottom Line

Two waves in, the channel belief-behavior gap looks less like a new pressure point still finding its shape and more like a durable pattern along the lines of what we've already documented regarding collaboration. Sentiment keeps outpacing action. Whether that gap eventually closes toward more direct-to-vendor behavior, or whether “expanding distributor relationships while complaining about them” turns out to be the industry's stable equilibrium, is now the open question this series should keep tracking specifically, the way it already tracks the collaboration gap.

Small-n note: all channel figures in this section are drawn from a technology/business-branch subset (n=116–162 across the two waves compared), smaller than the top-line priority questions; treat percentage-point changes as directional rather than definitive, per this report's ± 5 pp materiality convention.

AI Matures from Strategy to Infrastructure, Confirmed

The one throughline that got stronger, not weaker.

Each reversal documented so far in this report, cybersecurity's priority drop, CaaS's pullback, the mixed collaboration picture, sits alongside one metric moving in a single, unambiguous direction: AI deployment. Where Spring first showed behavioral evidence that AI had moved from strategy to infrastructure, Wave 5 shows that shift deepening substantially rather than plateauing or reversing.

Where is your company currently deploying AI and automation?
(Apr '26 n=164; Jul '26 n=126)

	April '26	July '26
Internal operations (ticket routing, monitoring, reporting)	54.9%	70.6%
Client-facing services (sold as AI-enabled offerings)	36.6%	42.1%
Embedded in existing services (not marketed as AI)	39.0%	41.3%
Evaluating/testing but not deployed	29.9%	20.6%
Not currently using AI	7.9%	6.3%

Internal deployment jumped more than 15 points in a single quarter—the sharpest move of any AI metric this series has tracked, in either direction. Just as notably, the “evaluating/testing but not deployed” group shrank by a third (29.9% → 20.6%), meaning the wave-over-wave story isn't just “more MSPs adopting AI”—it's MSPs who were already testing AI converting into active deployment. That's the signature of a technology moving past its pilot phase, not a fad losing steam.

Client-facing AI-enabled services also grew meaningfully (36.6% → 42.1%), which is worth flagging on its own: Winter and Spring both described AI as retreating from client-facing packaging in favor of internal, invisible use. Wave 5 shows both growing simultaneously. MSPs aren't choosing between internal efficiency and external offering; they're scaling both at once.

AI/automation also remains the single most-selected planned technology expansion area in Wave 5 (55.1%), holding its position as the series leader across all five waves, in the same range it's occupied since July 2025 (51–58%).

Digging In:

Internal AI deployment is now broadly high across firms above 10 employees (82–88% for 10–250-employee firms, 81.8% for 250+), with the real divide falling between the smallest firms and everyone else; companies under 10 employees lag well behind at 46.3%. That's a different shape than Spring's finding that 250+-employee firms led internal deployment

specifically; this wave, it's less about company size scaling deployment and more about a threshold effect once a firm has more than a handful of employees. Several of these subgroups are small (n=8 for the 51–100 and 101–250 brackets), so read this as directional, not a contradiction of Spring's larger-firm finding.

The Fear Hasn't Gone Away — But It Eased This Wave

Spring flagged a real tension: MSPs deploying AI as infrastructure while simultaneously naming it their top feared long-term risk (16% → 30% in a single quarter). Wave 5 shows that fear pulling back somewhat, though it remains elevated versus its series low:

	July '25	Oct. '25	Jan. '26	April '26	July '26
Price pressure/commoditization	22.6%	26.8%	40.6%	32.6%	30.0%
Technology shifts (AI, automation)	21.0%	23.2%	15.6%	28.3%	22.5%
Talent/skills shortage	19.4%	12.5%	15.6%	10.9%	22.5%
Vendor consolidation/reduced margins	14.5%	14.3%	10.9%	8.7%	10.0%
Market saturation	12.9%	10.7%	7.8%	10.9%	7.5%

Technology-shift fear eased from 28.3% to 22.5%, still above January's series low but definitively off April's spike. What's more notable is that talent/skills shortage jumped into a tie for second place (10.9% → 22.5%), the largest move on this table this wave. Read alongside the AI deployment data above, this pairing makes some intuitive sense: as MSPs lean further into AI-driven internal efficiency, the operative anxiety may be shifting from “will AI replace us” toward “can we find and keep the people who can run this stuff.” That's a plausible read, but not a confirmed one; this question's base (n=40) is the smallest in the report, so treat any single-wave movement here cautiously.

Open-ended responses this wave capture both sides of the tension continuing to coexist:

“New automation tools let MSPs scale support without proportionally increasing costs, which makes me hopeful.”

“Role of AI making any group of individuals or companies think that they can manage things themselves, but the real cost doesn't start showing up until a couple of years.”

“AI and lock-in platforms eroding the client expectations.”

The Bottom Line

Where cybersecurity and CaaS gave this wave its “reversal” headline, AI gave it the opposite—the clearest, least ambiguous confirming data point in the entire dataset. Deployment deepened, testing converted into production, client-facing and internal use grew together, and the fear that spiked in Spring eased rather than compounding. If any single technology story in this series has earned the “structural, not spike” label Spring extended to cybersecurity prematurely, AI's infrastructure move is the strongest current candidate. However, this report's own history of reviewing the accuracy of that label (Spring's premature call on cybersecurity) is reason enough to keep this provisional for AI as well.

Small-n note: AI deployment figures are based on n=126 (Jul '26) and n=164 (Apr '26), a technology-branch subset smaller than the top-line priority questions. The long-term-risk table (n=40–64) is the smallest base in this report and asked only of business-strategy/operations respondents; treat single-wave movements there as indicative, not definitive.

Sector Highlights

As in prior waves, MSP Global asks industry-specific questions of specialists within the broader MSP audience, technology and IT professionals, business strategy and operations leaders, and sales and marketing professionals, to go deeper on issues specific to their function. All three sub-audiences are small this wave (n=19–45) and every figure below should be read as directional.

Quick takeaways by sector:

- Tech/IT: Tool integration remains the top delivery challenge but it's easing rather than hardening, even as the in-house-delivery pendulum keeps swinging further from vendor platforms.
- Business Strategy: Two things Spring called uniquely settled—innovation posture and vertical specialization's declining relevance—moved this wave, in opposite directions from what Spring described.
- Sales & Marketing: Referrals and events keep climbing as the core lead engine, while digital marketing investment (a two-wave priority streak in Spring) dropped sharply, and geographic expansion snapped back from its series low.

Technology & IT (n=44–45)

The delivery-model pendulum Spring first noted, a swing back toward in-house tools after two waves favoring vendor platforms, continued this wave. In-house tools and platforms are now tied with the combination approach for the top delivery method (31.1% each), with vendor-provided platforms alone down to 20.0%.

Delivery challenges eased across the board rather than concentrating further. Tool integration remains the top-cited challenge but dropped meaningfully as a share of respondents (52.9% → 43.2%); a real easing, not just noise, given the size of the move. Meanwhile, “meeting evolving security and compliance demands” as a delivery-level challenge actually rose (32.4% → 38.6%), even as this report's Cybersecurity section documented the stated business-priority ranking for security falling. That's a third instance of the same tension already flagged twice in this report: security posture and pressure moving one-way, strategic framing moving the other.

Service standardization continued its slow, consistent drift toward defined packages: “highly standardized” offerings rose to 33.3% (from 25.4% in April, 23.3% in July '25), making it the clearest, most linear trend in this sector's data across all five waves.

Business Strategy (n=40–41)

Recurring subscription-based models remain the settled baseline Spring described, 78.0% have already implemented them, with only 2.4% saying it's not on the agenda. That part of Spring's read holds.

Two things Spring called stable, however, both moved this wave:

Innovation posture, which Spring called “the most stable metric in the entire series” after four waves of nearly identical answers, shifted meaningfully: the balanced (“adopt proven innovations when they show value”) approach jumped to 68.3% (from 54.2% in April, 50.0% in July '25), while the proactive/early-experimenter share fell to 29.3% (from 35.4% in April, 42.2% in July '25). Business leaders describe themselves as measurably more conservative about innovation timing than at any prior point in the series.

Vertical specialization's declining importance, which Spring flagged as losing ground (“not important” rising to 30% in April), reversed course: “very important” rose back to 30.0% (from 26.1% in April, closer to January's 31.2% peak) and “not important” fell to 20.0% (from 30.4%). Actual implementation of vertical-specific packaged services also holds a similar pattern to Spring's finding: 43.9% still just “actively considering” versus 24.4% who've implemented it, the same consideration-to-implementation gap Spring identified.

Competitive differentiation data shows a related shift: security/compliance expertise jumped from fourth place to second as a stated point of differentiation (34.8% → 47.4%), even as this wave's top-line data shows cybersecurity's priority ranking falling. Combined with the delivery-challenge finding above, this is now a third and fourth data point (across two different sector branches) pointing the same direction: MSPs' behavioral relationship with security, how they compete on it, and what challenges they report delivering it, kept intensifying this wave even as its stated strategic priority cooled.

Sales & Marketing (n=19–20)

Referrals and industry events continue to dominate lead generation, both climbing further this wave (referrals: 53% → 79% → 65%; events: 59% → 79% → 85% across Jan/Apr/Jul). Vendor and distributor leads also recovered further, rising to 45% after cratering to 25% in April. This provides a third data point (alongside the Channel section's distribution-strategy findings) suggesting MSPs are leaning on distributor relationships even amid rising go-direct sentiment elsewhere in this report.

Two reversals of Spring's specific claims stand out here. First, “improve digital marketing performance”, which Spring called a priority in “two consecutive waves” (47% → 38%), dropped sharply this wave, to 15.8%, its lowest reading in the series. Second, geographic expansion as a stated priority, which Spring said had fallen to a series-low 17% as MSPs “turned inward,” jumped back to 36.8%; more than double April's reading and the highest since July 2025.

The obstacle picture continues to shift as well: “difficulty generating quality leads” remains the top-cited obstacle (26.3%), but “limited internal resources” (the original top obstacle in July 2025) fell further to just 5.3%, confirming Spring's read that the binding constraint has moved from capacity to lead quality and conversion, not eased back toward a staffing story.

The Bottom Line

Sector Highlights reinforces this report's core throughline at a more granular level. Two more “settled” findings from Spring, innovation posture's stability and vertical specialization's decline, didn't hold. And the same posture-versus-priority tension already documented in the Cybersecurity section shows up independently in both the Tech/IT and Business Strategy branches. Given how small these sector bases are (n=19–45), no single figure here should be read as definitive, but the pattern of reversal appearing across every branch of this survey, not just the top-line questions, is itself a meaningful data point about how unsettled this wave's findings are relative to Spring's.

Small-n note: all sector-specific figures in this section are drawn from role-specific subsets of the full respondent pool (n=19–45 depending on branch and question), the smallest bases in this report. Treat every figure here as directional.

Conclusion

What Five Waves Have Taught Us

A quarterly benchmarking series earns its value not in any single wave, but in what the accumulation of waves reveals that no single snapshot could. Spring closed by noting that some things were proving durable, some more volatile than they first appeared, and some newly visible. Five waves in, Wave 5's contribution is to show that “durable” itself needs re-testing every quarter, including the very findings Spring used as its examples of durability.

What's actually held up.

Confidence remains the one number that has moved in a single, clean direction across all five waves, reaching new series highs this quarter (industry: 4.22; business: 4.25). Recurring subscription-based revenue models remain the settled baseline Spring described. And AI's move from strategy to infrastructure, the one Spring hypothesis this wave confirmed rather than complicated — deepened further, with internal deployment jumping more than 15 points in a single quarter. These three are the closest things to genuinely structural findings this series has produced.

What Spring called settled and Wave 5 unsettled.

Cybersecurity's “three of four waves climbing, now structural shift” reversed sharply (34.1% → 28.5%), the sharpest single-wave drop this metric has recorded. CaaS's quiet multi-wave growth story reversed too. Innovation posture, which Spring called “the most stable metric in the entire series,” shifted measurably toward caution. Vertical specialization's decline, which Spring flagged as losing relevance, reversed course entirely. Four separate findings, across three different sections of this survey, that Spring described in confident, settled language all moved in Wave 5. That's not evidence this series' analysis has been wrong; it's evidence that one wave of “no further movement” was never enough to call anything settled, a lesson this report is learning about its own prior conclusions in real time.

What's proving to be a persistent pattern, not a one-time event.

The belief-behavior gap Spring first documented with collaboration (attitudes strong and rising, behavior lagging and inconsistent) now has a second, independent instance: the distribution channel. Go-direct sentiment climbed further this wave (54.3% now favor going direct for most/all products, up from 41.2%) while actual switching behavior barely moved, and the plurality of MSPs are, in practice, expanding their distributor relationships rather than exiting them. Two waves of the same shape, in two unrelated parts of the business, is a stronger signal than either instance alone; this looks like something structural about how MSPs relate to stated intentions versus operational change, not a fluke specific to partnerships.

Does this validate quarterly measurement?

Yes, and more directly than Spring's own case for it. Spring warned against calling a single-quarter surge a trend, using collaboration as the example. Wave 5 proves the reverse is equally true: a three-quarter “structural shift” can also unwind in a single quarter, and it did, twice, in cybersecurity and in two Sector Highlights findings. Neither direction of misstep, over-reading a spike, or over-reading persistence, is visible without a subsequent wave to test it against. That is precisely what this cadence exists to catch, and it caught both kinds of error in the same report.

The honest caveat worth carrying into Wave 6: several of this wave's most dramatic reversals sit on branch questions with $n=40-120$, smaller than the top-line priority questions ($n=144-185$). At those sample sizes, some portion of what reads as “reversal” is plausibly sampling variance rather than genuine change of mind across the MSP population; this report flagged that risk explicitly wherever it applied. The clearest argument for continuing this series isn't just narrative richness; it's statistical. More waves mean tighter confidence intervals around which movements are real and which are noise, a distinction this report could describe qualitatively but not yet resolve quantitatively. That's the next frontier for this series to take on, alongside continuing to track the two open belief-behavior gaps and watching whether AI's confirmed trajectory holds through Wave 6.

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