

MSP Products and Services: Panel Results

By Enterprise Channel Panel from Leading Indicators

May 2021



Project Description

- We interviewed top-level executives of 19 Managed Service Providers' (MSP) operations. 18 in North America and 1 in the UK, including:
 - Types of non-managed services that MSPs' provide
 - Solution areas in which MSPs specialize
 - Their reasoning for entering the managed services business
 - Challenges that they face in transitioning to the MSP business model.
 - MSP expectations from suppliers
- The interviewed MSPs service clients of different size, from large companies (those having over 1,000 clients) to small and medium-size clients.
- This report contains a summary and analysis of our findings.

Consulting and speaking engagements will be considered.



Summary

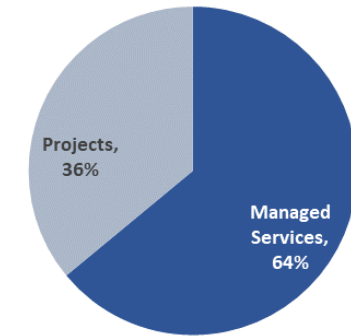
- About a quarter of respondents do reselling and other IT services in addition to managed services.
- Most interviewees do not resell other MSPs' managed services.
- Most panelists (14 out of 19) do not offshore their managed services functions.
- MSPs are expanding their cybersecurity and cloud business.
- Partners get into managed services in response to clients' need and partners' own business needs, such as scalability of their services and consistent revenue stream.
- Challenges that partners face in transitioning to MSPs include adopting a new business model, overcoming clients' resistance to the managed services model, competition with other MSPs, and technology issues.
- Vendor operations, their focus on clients, and training and professional education are main MSP expectations from suppliers.



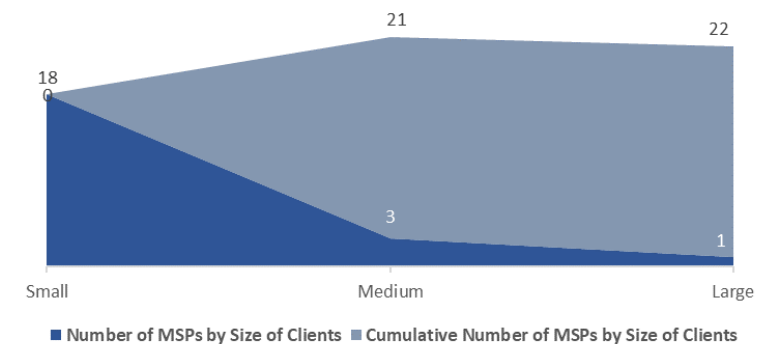
Who was in the panel

- **Revenue from managed services** of interviewed MSPs' varies from 40% to 100%, with an average of 64% from their total revenue.
- **Length of time** that interviewed MSPs have been in managed services business varies from 3 years to 32 years, with an average of 5 years.
- **By size of customers' business:**
 - **Small businesses** (under 500 employees) – 18 interviewed MSPs (which sells to mid-size and large businesses)
 - **Midsize businesses** (500 to 1,000 employees) in addition to small business -- 3 respondents
 - **Large companies** – 1 respondent
 - **Companies of all sizes** -- 1 respondent
- **By vertical**
 - MSPs adapt their expertise to match their clients' specialization, and with time develop a vertical focus.
 - Professional services appears to be an area of focus for MSPs -- about a quarter of them (5 MSPs) serve law offices, and 4 MSPs serve Professional services (without specification).

Average % of Revenue



Number of Interviewed MSPs by Client Size



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