

IT Europa's High Growth 50 – Sustainability uses sustainability as a lens to study the intersection of profit and purpose within MSP strategic thinking and assess the competitive advantages garnered from a robust green agenda.

HIGH GROWTH 50 IN SUSTAINABILITY



INSIGHTS THAT GIVE YOU AN EDGE

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INTRODUCTION

IT Europa's High Growth 50: Sustainability analyses a cohort of climate-conscious companies that prove profitability and accountability are not duelling priorities.

The report delves into the separate sustainability efforts of these high-growth MSPs to understand the tangible competitive advantages afforded by leading with purpose.

By collating detailed financial data and insights from industry leaders, we have created a valuable resource for companies, stakeholders and investors who are considering kickstarting their own green journey.

We extend our thanks to the organisations within the list that agreed to be interviewed, including Cobalt, Connexin, IT Naturally and Redsquid.

It is their insights that have made the following report possible, and you can explore their ideas in more detail through separate profiles released in tandem with this report.

METHODOLOGY

For this report, IT Europa whittled a pool of 1,500 companies down to those MSPs with a rigid and defined green agenda. Our screening process began with the remaining companies, from which we identified the most profitable based on key financial indicators.

By reviewing Profit & Loss accounts, we assessed turnover growth from the latest available financial year. For companies with undisclosed turnover, we evaluated solvency ratios using Total Assets and Shareholder Funds to highlight those with the strongest financial stability.

Ultimately, IT Europa ranked and distilled these insights into a list of the top 50 sustainability-focused MSPs in the UK.

IT EUROPA'S HIGH GROWTH 50 - SUSTAINABILITY

OUR HIGH GROWTH 50: SUSTAINABILITY AT A SNAPSHOT

The High Growth 50: Sustainability report highlights an elite cohort of MSPs united by the two G's.

Green – The MSPs contained in the following list are at varied stages of their sustainability journey. This includes B Corps, carbon-neutral organisations and those seeking a multitude of other accreditations. In short, they are all acting towards a greener planet.

Growth – The MSPs contained in the following list boast an impressive average annual growth rate of 25% and an average solvency ratio of 35%. The average staff number for these green companies is 357 employees.

MEET THE HIGH GROWTH 50 IN SUSTAINABILITY...

1. {N}.BORA
2. ADM COMPUTING
3. ADVANIA UK
4. AGILICO GROUP
5. AMPITO GROUP
6. ANS GROUP
7. APPETITE FOR BUSINESS
8. ARROW BUSINESS COMMUNICATIONS
9. BECHTLE
10. BOXXE GROUP
11. BYTES TECHNOLOGY GROUP
12. CCS MEDIA
13. CDW
14. CENTERPRISE INTL HOLDINGS
15. CHARTERHOUSE VOICE & DATA
16. COBALT COMMUNICATION SOLUTIONS
17. COMMERCIAL CORPORATE SERVICES
18. COMPUTACENTER (UK)
19. COMPUTEAM
20. CONNEXIN
21. CONSIDER IT
22. CTS GROUP
23. DIGITAL SPACE GROUP
24. EKAL SOLUTIONS
25. FIRST CLASS COMMS
26. FOCUS 4 U
27. INFINITY DEVELOPMENTS
28. IT NATURALLY
29. ITGUY LONDON
30. JIGSAW24
31. KERV GROUP
32. KOCYCLE
33. LOGICALIS GROUP
34. OFFICE TECH SUITE
35. OPTIMISING IT
36. ORIGINAL CONSULTANTS
37. ORYX ALIGN
38. PENELOPE TECHNICAL
39. REDCENTRIC
40. REDSQUID
41. SOFTCAT
42. SPECIALIST COMPUTER CENTRES
43. STEAMHAUS
44. STONE TECHNOLOGIES
45. THREE ROCKS
46. TRUSTMARQUE SOLUTIONS
47. UTILIZE
48. VAPOUR CLOUD
49. ZEN INTERNET
50. ZENZERO SOLUTIONS

INSIGHT REPORT

CULTIVATING A COMPETITIVE ADVANTAGE

The first part of our report will look past the moral motivations of our sustainable cohort and focus on the potential high growth side effects of taking green action.

Our conversations with industry leaders elevated attracting new customers, increasing current customer engagement, increasing employee engagement, and making it easier to attract new employees as points of competitive advantage.

Following is an exploration of the nuances of these themes, with qualitative input from MSP executives.

DO CUSTOMERS CARE?

PURPOSE-DRIVEN DIFFERENTIATION

There are around 11,500 active MSPs in the UK, according to a Department for Science, Innovation and Technology (DSIT) study. Amongst such a saturated market it can be hard to find a differentiator.

According to Camilla Karm, Director of Sales and Marketing at Borehamwood-based B Corp Redsquid, sustainability can fill this gap. "It's a competitive industry and standing out is about providing something unique and a value add to customers," she said. "We know we will never be the biggest MSP, but we can be the greenest. That is a frontier we can fight on, and we want to be considered as a leading

CAMILLA KARM

"We know we will never be the biggest MSP, but we can be the greenest. That is a frontier we can fight on."



company because of the positive direction we are driving the industry."

In 2024 Borehamwood-based MSP Redsquid doubled both revenues and staff numbers, secured a refinancing partnership with Thincats for future M&A, and secured its B Corp status. The acquisitive company has completed seven deals in total, with four between summer 2023 and 2024. It won't acquire companies that don't align with its sustainability-focus.

Julie Bishop, MD of fellow B Corp IT Naturally, echoed Karm and highlighted that fewer service companies have gone down the sustainability route than retail organisations due to finance departments being less value-driven decision-makers than individual consumers "However, this makes it a strong differentiator for us among a swelling base of companies who are pushing for a positive future," she added.

IT Naturally is a £5m revenue outfit and aims to double this in the next five years, whilst maintaining its mission statement to never put purpose above its profits.

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KEEPING AND ACQUIRING CUSTOMERS

Interviewees were at a majority consensus that sustainability is rising the ranks of customer priorities when choosing an MSP partner. Laura Porter, Chief of Staff at B Corp ISP Connexin noted. "People increasingly value working with organisations that align with their own priorities."

To support this, Novuna Research of 1,000 small business leaders found that 89% of respondents stated they would check the sustainability credentials of a company before deciding to work with them.

Importantly, 53% would seek out official certifications, accreditation and listings. This rises to 64% for larger businesses of up to 250 employees. This is due to their increased resource and the likelihood they have their own sustainability targets.

Bishop adds: "For companies measuring their emissions, outsourcing their IT to us means

they don't have to offset the carbon that we use because we've already done it!" she added. "Many of our customers have cited this benefit."

She highlighted other benefits of working with a sustainability focused MSP, noting that companies can typically save at least 25% of their IT spend by turning off systems they don't use. "This is a tick in the box for savings, IT security and sustainability," she said. "Even if your customers don't care about sustainability, they'll be thrilled that you are saving them money."

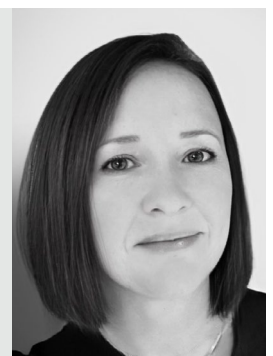
Karm goes further to say that it has also strengthened bonds with existing customers and enhanced its trusted advisor status. "Our clients took pride in us stepping ahead of the crowd and have wanted to engage with the journey," she added. "As an industry we talk with pride about how we are integrated into their businesses, so we have a responsibility to make an impact for the better."

Redsquid, IT Naturally and Connexin are all case studies for the role of aligned values in partnering decisions. Redsquid is looking to streamline its vendor stack after a year with three acquisitions and will use a sustainability audit that will weigh heavily on decision making. Karm said: "Our view of the strongest suppliers will be swayed by their sustainability credentials as this will help us reduce our Scope 3 emissions, killing two birds with one stone."

IT Naturally will increase its proportion of carbon-neutral procurement from 12% to 15% by the end of the year. Connexin also

LAURA PORTER

"People increasingly value working with organisations that align with their own priorities."



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prioritises partners with similar values. “Sustainability is a critical factor in our decision-making for partnerships and procurement,” added Porter. “That is why it is important to position ourselves as a trusted partner for like-minded organisations.”

PROCUREMENT AND ADHERENCE

Porter highlighted that a robust sustainability agenda is critical for public sector contracts that require demonstrable Social Value commitments. For additional context, The UK government’s Procurement Policy Note 06/21 (PPN06/21), which applies to businesses that bid for government contracts over £5m per year, requires suppliers to commit to net zero emissions by 2050. They must also provide a carbon reduction plan that includes baseline emissions, annual reporting and specific targets.

“We wouldn’t have got contracts such as providing free IoT sensors to schools and community groups without proving our credentials,” said Porter. Connexin was named the second fastest growing company at the 2024 Northern Tech Awards, up from 14th place in 2023, and secured several significant contracts including £58m from BDUK to deliver broadband to rural homes.

Cobalt MD Ian Dunstan adds that these motivations will only increase, and carbon reduction will become more of an imperative for companies looking to play in the public sector. “The government procurement push lost its drive two years ago as they brought it in before most companies were ready, but it’s a certainty that it will come back with force,” he said. Exeter-based Cobalt is currently in its fourth year of being carbon-neutral.



DOES YOUR TEAM CARE?

NOT ALWAYS - BUT THAT IS OK!

To ground this section of the report, we will highlight a home truth before looking at the positives. There is a latent group within every company’s employee base that simply want to clock in, do their job, and clock out. Bishop, who leads a 50-strong team, confessed: “Not everyone is driven by our green targets and that is fine. Not everyone has to live and breathe the businesses’ mission statement for us to affect change.”

Dunstan, who drives Cobalt’s sustainability strategy from the top, highlights that he doesn’t expect buy-in, especially in an industry with lots of engineers and technical salespeople.

THE BITESIZE ANSWER

Sustainability can be a great differentiator if a client is choosing between two otherwise similar MSPs. This will particularly factor into the thinking of those with their own Net Zero goals who are looking for purpose-led partnerships. It is essential for businesses looking to secure government contracts.

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He said: "They can be quite hard-nosed and cutthroat. I don't expect my staff to be down the pub telling their friends they are working for an organisation that is carbon-neutral and sustainably focused."

However, many people do buy-in and are seeking roles in more purpose-led organisations.

RECRUITMENT DRIVE

Three in five HR decision-makers have seen an increase in questions about sustainability from candidates during interviews, according to a report by Totaljobs. Deloitte's 2024 Gen Z and Millennial study backs this up and highlights an increasing sustainability consciousness particularly in younger generations. It found that 72% of Gen Zs and 71% of millennials say environmental credentials and policies are important when considering a potential employer.

Karm and Bishop both attest that potential employees value their B Corp status. The latter said: "There are some people that are

extremely motivated by purpose and have joined us primarily because we're a B Corp." Redsquid has stopped using recruiters as more people are approaching the company organically since its accreditation, according to Karm.

She said: "People, especially young people, are seeking to work for organisations that are purpose-led, and mission-driven." Sustainability training is also part of the induction process for any new starters at Redsquid.

CULTURE AND BUY-IN

Karm highlights the importance of embedding sustainability into company culture when seeking staff-focused benefits. This is where visibility and buy-in begin to intersect. She said: "B Corp required lots of back-end changes and system restructuring, but this isn't something the staff can see and get behind."

Instead, Karm led the sustainability process by making changes visible so people could understand the drive, live it day-to-day, and then fully invest in it. This included implementing a recycling scheme, removing all single-use plastics and introducing a walking scheme which made sustainability habitual. Karm said: "At this point, people were constantly talking about it, and we made it a part of our business updates and check-ups." IT Naturally takes this further by having its sustainability efforts led by an employee group named the 'Econuts'. This is part of the company's wider strategy to give its team more power. "Giving people ownership increases

JULIE BISHOP

Some people are extremely motivated by purpose and have joined us primarily because we're a B Corp.



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their pride in their job and flattens the hierarchy structure,” said Julie.

Importantly, she noted that this has led to the company having very low staff turnover due to the increased buy-in of its teams. “Having a static team means we can invest more in our people and promote from within,” she added. “From a cynical perspective, it is cheaper for us to grow a security engineer than recruit one.” This gives the company a further advantage in an industry suffering from a long-term skills shortage.

This is part of a trend highlighted in a report by carbon removal marketplace Supercritical. Of the 2,000 UK office workers surveyed, 35% said they would be willing to quit their jobs over weak climate action from their employers. This increases to 53% for Gen Z employees.

This research illuminates a trend of ‘Climate Quitters’ willing to move on from organisations at odds with their own views of effective climate action.

Once this journey is underway sustainability can then start to influence other parts of culture positively, according to Porter. “Our commitment has fostered a culture of responsibility and innovation throughout the business,” she added. This has been done through ESG training for all staff, and embedding sustainability into policies, procurement, and employee engagement.

“Building a sustainability ethos into the design of the products and services we offer is also a key element in delivering the strategic aims of the business,” she added.



DOES AND SHOULD THE INDUSTRY CARE?

Stepping back from competitive advantages, the final section of this report will look at the genesis of our interviewees’ sustainability action to understand their common motivators. Interviewees were also all asked for their views on whether the industry is going far enough and where a company could start if they wanted to take on this journey themselves.

MORAL MOTIVATIONS

Porter stated that organisations have a “profound moral obligation to further the green agenda,” and as such sustainability is a company-wide imperative for Connexin. Its

THE BITESIZE ANSWER

Some people care, and some people don’t – and that is fine! But it is worth considering that the demographics that care most are the ones who will make up the bulk of your future workforce, so don’t turn your nose up at the recruitment and retention benefits that the report highlights.

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leadership bakes these commitments into the organisation's identity. This is a sentiment echoed by Bishop who sees sustainability as a key metric for viewing the success of IT Naturally. "As an industry we are far too focused on profit, and to me, that is a very narrow view of success," she said. "The most successful leaders can look themselves in the mirror at the end of the day and believe they are doing a good job for the planet and its people. That's far more important to me than the bottom line."

Dunstan is also driven by the moral imperative but has been motivated in equal parts with smart business decisions. "We jumped on this carbon reduction journey after a talk from Zen Internet's former CEO Paul Stobart at Comms Vision five years ago," he said. "We went back and looked at the business and realised we're already in a good place due to our innovation and decisions I had made purely around cost."

These decisions included changing bulbs to low-energy equivalents, putting machines on timers every night and recycling customer's old technology. "These are morally driven decisions

because any waste inside a business is a bad thing, but they are also changes that any smart businessman should be doing to save money here and there." The process was then around formalisation and making changes to achieve carbon offsetting. This included moving to a premise with better insulation and heat exchangers to keep energy bills low.

LEADING THE CHARGE

Karm believes this moral obligation extends to all organisations and believes the wider industry is not doing enough. "It is time for the channel to wake up and step up," she asserted. "The industry, and service companies in general have had their head buried in the sand when it comes to sustainability. Considering we are such a future-thinking sector, no one seems to see the impact they are having on the future."

She states that IT MSPs should be leading the front considering that many boast about their innovation and collaboration credentials, adding: "We have to show we are an innovative industry and find better solutions, better ways to manage data, better ways to manage our cloud centres and data centres and better ways of recycling technology and hardware." Porter added that embracing innovation should come naturally to MSPs, with Connexin having invested in solar-powered IoT gateways and Scope 3 emissions measurement systems. "Technology has great potential to drive meaningful progress," she said.

Dunstan added: "People see it as an expense or look at China's emissions and believe there is no point, but we have the chance to lead the world in many ways and become an example."

IAN DUNSTAN

"These are moral decisions, but are also changes that any smart businessman should be making to save money."



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WHERE TO START

So where should an organisation begin on this journey? According to Barracuda's earlier cited study, more than eight in ten (83%) MSPs agree that their organisation needs some support or education around their sustainability policies. Porter acknowledged: "The journey and challenge is vast. Knowing where to begin is extremely daunting for all organisations. Getting started is often the most difficult step. Treat the process like any other project, and don't be afraid of the things that seem too hard," she said.

She recommends that organisations start by prioritising data and visibility. Cobalt, for example, began the process by understanding its scope one and two emissions. "When we started, we looked at our own output to see where we were creating carbon within the day-to-day running of the business," he said. Cobalt measures transport using TeslaFi to account for its fleet and the Trainline app to quantify carbon saved against driving. The more difficult task came with measuring supply chain emissions, according to Dunstan, as not all vendors give clear numbers. To overcome this, Cobalt worked with an agency named Blue Marble to come up with an accurate estimation and identified a non-deforestation project in South Africa to offset this.

TO B CORP OR NOT TO B CORP

Karm recommends the B Corp process as a way of measuring this data. She said: "This gives you action points and that is super motivating. It also means your entire team can get involved." To become a certified B Corp



companies must provide detailed evidence of their ESG practices, from governance and environmental impact to social contributions.

"Whilst time intensive, this was a crucial step in affirming our values and showcasing our commitment to being a responsible and impactful business," said Porter. "We wear it as a badge of honour that reflects our accountability, transparency, and commitment to balancing profit with purpose. It underscores our dedication to positively impacting the environment, our employees, and the wider community."

IT Naturally chose to seek B Corp certification to affirm much of the work it had already done. "We looked at the requirements and it was like

THE BITESIZE ANSWER

Driven by moral advantages or an increasing understanding of competitive advantages, more organisations are looking to add sustainability as a pillar of their strategy. However, with education existing as a barrier – data measurement and industry collaboration are key to success.

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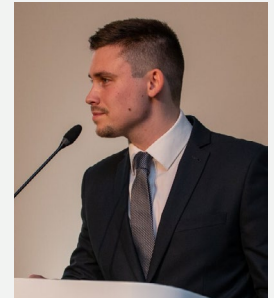
NOVUNA RESEARCH OF 1,000 SMALL BUSINESS LEADERS FOUND THAT 89% OF RESPONDENTS STATED THEY WOULD CHECK THE SUSTAINABILITY CREDENTIALS OF A COMPANY BEFORE DECIDING TO WORK WITH THEM.

looking in the mirror," said Julie. "We were a B Corp without knowing what a B Corp was, and we just needed to fine-tune a couple of things." She cited the benefits as spotlighting its purpose-led work as well as providing access to a community of like-minded organisations. She also points to a value-based ecosystem that it encourages. She said: "We went to the B Corp festival in Oxford last year and it was affirming to be in a room full of businesses that are all putting people and the planet ahead of profits, that as a group we can drive forward business for good."

Dunstan points out that frameworks can be important starting points for those with the right motivations but can be something to hide behind for those doing it for the wrong reasons. "There are lots of organisations that hit these criteria but aren't actually doing anything," he said. "More companies need to take action as opposed to saying that they are taking action."

ABOUT THE AUTHOR

Greg Denholm is an experienced writer in the IT and Telecoms channels, creating thought-leadership content for Comms Dealer and IT Europa.



Greg is also the Editor of Fibreprovider.net, a leading publication in the UK altnet and ISP space.

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