INTEGRATED SERVICES WILL HELP MSPs DEAL WITH SCALING CHALLENGES

The Managed Services Provider community is entering a golden era with demand at an all-time high as more enterprises shift internal IT to as-a-service alternatives to overcome staffing and skills deficits. A move often aimed at reducing costs while improving IT outcomes.

However, the MSP sector has become increasingly competitive over the last decade. Leaders in the field are now looking at every aspect of their operational workflow to both boost efficiency and make operational savings in the face of a tougher economic climate and rising competition.

Competition is not just facing the MSP providers. With major consolidation in the vendor community following recent high-profile acquisitions, MSPs are at an inflection point when it comes to these critical supplier partnerships. The prospects of reduced account management, inflexibility over pricing and the End-of-Life of certain product lines make this a pivotal moment when it comes to unifying operational systems for a more stable and growth-based future.

Consolidation impact

At a Leaders in Discussion roundtable hosted by ConnectWise and IT Europa in London in July, MSP delegates agreed that they are also looking at the consolidation within the industry with a keen eye. However, many think that the recent flurry of acquisitions will not have a direct impact on their operational activities – at least in the short term. "It is something we are looking at but at least so far, we have not seen anything that is a major negative," said one attendee, a founder of a cybersecurity-focused MSP based in the Southeast of England.

"I think the main issue is communication," said another guest, "Sometimes, there are a lot of marketing messages that are written by marketing people for marketing people - rather than just telling us what these deals really mean."

Several of the attendees highlighted some positive aspects of vendors offering expanded portfolio, bolstered through acquisition. "We have previously looked at consolidating our RMM and PSA systems into a single platform but there were always gaps. This is a task that we have started considering more seriously in recent months," commented a CTO of a growing London-based MSP. The CTO indicated that having a common UI along with unified monitoring and management was a key requirement of its operational strategy and an area where they had seen some improvement in recent years.

Several guests had already started to consolidate point solutions around an integrated framework approach. "We really needed to move to an integrated platform as we started to grow," said one guest, "especially when we started adding new services into our portfolio."

Inhibitors to growth

The luncheon included several 'show of hands' polls around certain topics. When asked 'What is the biggest inhibitor to your business growth?' - a few guests highlighted the dual issues of recruitment and competition as key challenges. "It's not that we can't hire people….we can. But finding people with the right skills sets is still very challenging," said one guest, "And we are trying lots of new approaches like attending recruitment fairs and apprenticeship programmes, but I think many younger people are put off by areas like cyber security - so it's still really hard."

Another area where guests expressed concern was digital marketing. "There is a lot of noise out there," said one attendee with respect to getting itself noticed in an increasingly crowded MSP market. "Almost every reseller is now branding themselves as an MSP. Some of them are really bad but they have flashy websites and are spending money lots on marketing even while offering basic white label products."

There was no clear resolution to the challenges of excelling at digital marketing, but one guest commented that it was easier to find people wanting to get into this area. "We have a couple of younger people on our team that are really clued up when it comes to online marketing, and we are starting to see some more engagement – but it is still hard to see if these are directly resulting in new clients."

Cybersecurity growth

Over dessert, another poll asked where the guests thought 'The biggest opportunities lay for progressive MSPs?'. "Cyber security is still a high growth area," said one attendee, "But there is still a lot of educating to do to get clients to commit to services that can better protect them against threats."

Another guest agreed, adding, "You might hear nothing from a prospect for months and then suddenly, you get a call saying can we do something? You know that there has been some kind of incident and now they are trying to close the door after the horse has bolted."

Another guest from a telecom-focused ITSP highlighted the growth in home working. "Most of our clients now have more staff working remotely. We thought this would go back to normal after COVID, but most of them still are running some kind of work-from-home initiatives."

This shift has promoted more Unified Comms deployments and his firm is now looking at including more 'value added' services like remote backup and even helping clients to standardise on home networking equipment. "It is not a big area for us, but it is growing nicely."

Integrated services

The Luncheon was hosted by ConnectWise, and as Sam Callaghan, Vice President of EMEA explains, "These sessions are invaluable for helping us to gain a deeper understanding of the channel communities' objectives and where we can find ways to help them to grow their businesses."

"A common theme we heard back was that MSPs are keen to move towards a unified platform approach," says Callaghan, "This was particularly clear from MSPs that are growing and adding new services into their portfolio that integrate different strengths like IT monitoring with cyber security."

The continued issues around recruiting and retaining skilled staff was also an area where Callaghan highlighted ConnectWise's innovative approach to helping its partner community. "Our Integrated services offering has grown consistently over the last few years," he says, "Our ability to deliver a fully staffed help desk, NOC, SOC, and consultants to handle day-to-day support and labour extensive networking, technical, and cybersecurity issues offers a scalable method of overcoming many of the challenges MSP face."

This move to on-demand access to third-party services was a trend supported by several of the attendees. As one guest, a director of an MSP with a growing cyber security practice commented, "We have used some of these integrated services and they have proven invaluable in certain cases. The main advantage for us is that it allows us to skill up when we need – for things like major projects – and then scale back when the client is just ticking along. I think this approach is going to be where most MSPs will eventually end up," he concluded.

Sam Callaghan, VP of Sales EMEA, ConnectWise