

# MSPS FACE MYRIAD OF ANYTHING-AS-A-SERVICE OPPORTUNITIES

## GAUGING GTM INNOVATION

Enterprises are increasingly preferring an OPEX-based IT model over CAPEX. In fact, Deloitte estimates that 87% of organisations are consuming more than half of their enterprise IT as-a-service, citing predictable costs, access to more innovative technology, risk mitigation and the time and resource freed up by outsourcing IT expertise as the central benefits.

This brings MSPs face to face with a wide range of opportunities to break out of traditional cookie-cutter relationships, cement long-term partnerships, and deepen their trusted advisor status to leverage growth areas including endpoints, infrastructure, data centers and service delivery.

The scale of these opportunities is clear, with the IaaS market alone set to be worth \$150bn by the end of this year according to The Business Research Company. However, there is a disconnect around how that spending will take place within organisations, and the role of MSPs in that process.

At a recent roundtable in London, hosted by IT



*IT Europa Leaders in Discussion sponsored by Lenovo, London, December 2024*

Europa in collaboration with Lenovo, MSP thought leaders explored the scale and scope of opportunities, talking collaboratively to build a roadmap for capitalising on the untapped potential of new as-a-service revenues.

## CLOUD RE-EVALUATION

As-a-service models were buoyed in the 2000s by mass migration to cloud-based services and the adoption of SaaS and adjacent offerings. However, a key trend highlighted during the roundtable was a significant cloud re-evaluation. According to one attendee, around 80% of major customers of his business

are actively involved in egress from the cloud at any one time. He cites security and cost concerns as the top reasons for repatriation.

“To say everyone is going to the cloud makes good headlines but this isn’t the case,” started one delegate. “There has been an erosion of trust as too many of these cloud transitions were viewed as IT projects and not a business transformation. Clients have then ended up with a like-for-like environment with a different cost profile, not seeing the benefits or flexibility that it brings.”

Another MSP leader added to this, stating: “Much of the re-



evaluation has been around resilience and data, especially having seen cloud outages from bigger providers. People want to bring it back in-house and regain control. Furthermore, people are realising that public cloud isn't the solution at the cost they thought it was. As they've grown, so has their data set and infrastructure requirements and they are now scratching their heads about where this cost came from."

### **HYBRID MODEL HITS THE RIGHT NOTE**

One attendee highlighted that the constant two-way stream between cloud and on-premise has eroded the tribalism that occurred between the two models. He said: "In the early days of cloud, investors either wanted to be ahead of the curve or were digging in their heels. However, as organisations are maturing, they are realising that they are best served by a shared responsibility model."

The resounding consensus amongst attendees is that most clients are now seeking a hybrid cloud environment to meet increasingly complex and varied data needs. Another attendee noted: "Businesses have understood there are workloads suited to public cloud and there are some better suited to on-premises." Attendees agree that the best process here is to lead by working with IT teams to discuss their desired business outcomes from a hybrid cloud strategy and then design a solution that can deliver this using skills and resources they

may not have in-house.

One delegate noted: "Businesses tend to prefer a split with big workloads running in public cloud, but critical applications being hosted in a private space. Businesses evaluate this by looking at cost, risk and time and we can then work with them to build a hybrid environment accordingly."

This flags the critical role of MSPs in educating end-users on best practice in an ever-evolving landscape. "The decision-makers are often people who don't understand the full extent of what we are talking about, but organisations at the top of SME, and the bottom of enterprise are starting to understand that internal IT teams have knowledge limited to the four walls of their single entity whereas MSPs work with hundreds of thousands of customers with lots of moving parts and can add real value to that internal IT team."

"Companies with IT teams have a better idea of the business outcomes that they want to achieve and will leverage a service provider to execute on what that strategy is. In terms of education, you can add value by explaining the nuances within the non-homogenous term of 'cloud'."

### **RISKS OF DOING IT WRONG**

Just as not all cloud is designed the same, neither are all MSPs, but this creates an opportunity for those willing to abide by best practice to benefit. One

attendee stated: "The arrival of public cloud meant more risk is now on the customer as it spawned a plethora of businesses that can sell public cloud SaaS services. Those end-users that made poor partner decisions in the last decade are now realising that their original choice doesn't have the depth of expertise to support their journey and this is the main reason we acquire new business."

### **CYBERSECURITY AND REGULATORY CLIMATE**

With a competent MSP, organisations are realising that they've only been scratching the surface of what's available via SaaS but are also realising the breadth of risk and its continued expansion. This dovetails with regulation such as DORA and NIS2 driving cloud reconsideration to make compliance and disaster recovery two critical parts of an MSP's as-a-service offering.

One delegate noted that cybersecurity is now taken for granted in this model and is expected as part of the managed service as part of the value add. "The nature of these services has changed," he said "Recovery and testing are much more regulated so has to be much more formalised."

Another added that, because this is taken for granted, many decision-makers will be reluctant to invest as this is an additional cost, where they don't see value until something has gone wrong. A delegate from an established



MSSP offered advice to counter this. He said: "You need to visually present and prove your worth to clients." His business creates a risk scoring system for functions within client organisations and gives every client a monthly walkthrough of the top five risks. "This often leads to technology investment conversations," he finished.



Larisa Lucaciu, UK&I Marketing Lead, Lenovo

## LENOVO AND THE CHANNEL

Lenovo has made great investments to position itself as a solution provider rather than just a hardware vendor and has done so through a genuine desire to help MSPs win niche and unique opportunities in this evolving market.

Concluding the roundtable, UK&I Marketing Lead Larisa Lucaciu explained that Lenovo is a channel first company that always wins through its dedication. She stated: "We have developed a strong partner-led strategy that involves going all in for MSPs with tailored support and incentives.

"We recognise the critical role of partners in our success, and

we want to offer them nothing by the book," she added. One existing Lenovo partner testified to this approach during the roundtable. He stated: "My relationship with Lenovo has been unlike my relationship with any other tier one vendor, and during my lengthy channel career I have worked with almost all of them.

"The strength in this partnership comes from having two or three communication touchpoints a week which is unheard of for most organisations, who will see you once a month and only if you are a top spender," he added. We aren't spending silly amounts of money, but Lenovo invested fully from the start."

The vendor achieves this by intentionally focusing on a strategic group of MSP partners

that get its full attention. Lucaciu added: "We look case-by-case at partners to determine if we can provide value and growth and when we are in a position to say "Yes", we ensure that our teams will go over and beyond to achieve that joint success."

Lucaciu also emphasised that Lenovo has a multitude of channel pricing policies available to their partners, empowering them to win deals against competitors by matching prices on comparable products and always enabling the partner network to stay competitive.

To learn more, please visit: <https://www.partnerwithlenovo.com/en>

