

REPORT

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datto

# Datto's 2018 State of the MSP Report

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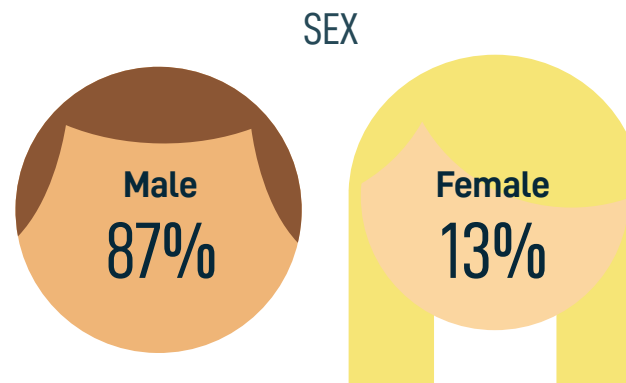
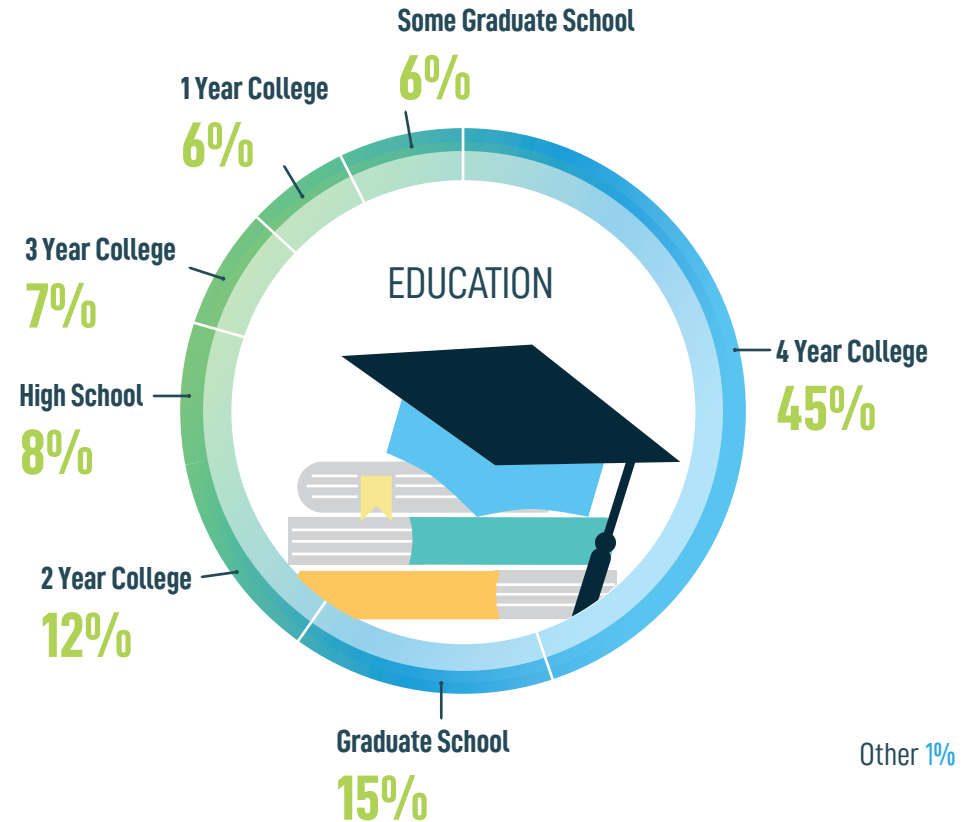
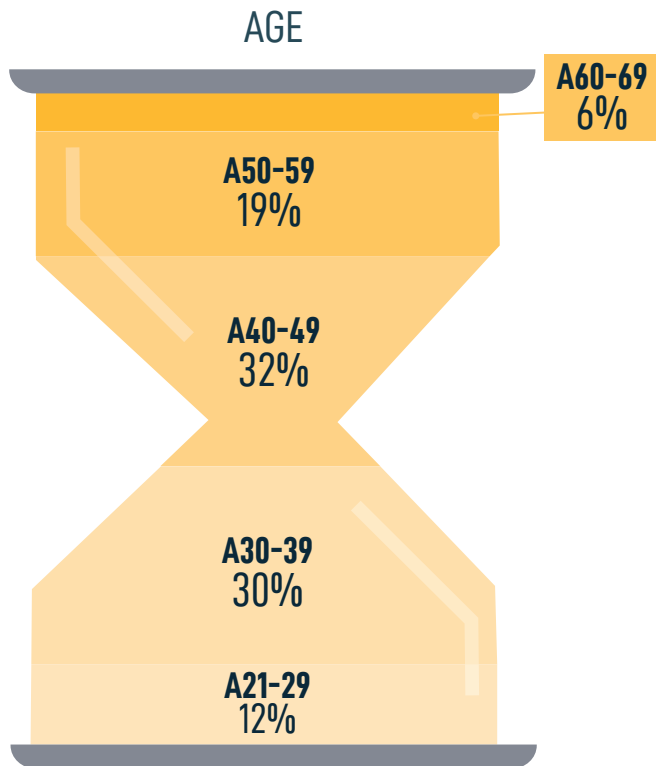


## 2018 MSP Challenges and Trends, Stat-by-Stat

Datto surveyed roughly 2,300 managed service providers (MSPs) worldwide about their day-to-day lives. The result: a wealth of statistics about the state of today's MSPs, including everything from basic demographics and media consumption preferences to business goals and challenges.

With Datto's Global State of the MSP Report, we aim to provide an accurate profile of managed services today, the good, the bad, and the ugly. By sharing these insights with the channel, we aim to spread awareness about the struggles of today's IT service providers and offer the community a variety of resources and solutions for mitigating these common pain points.

# DEMOGRAPHICS OF MSPs



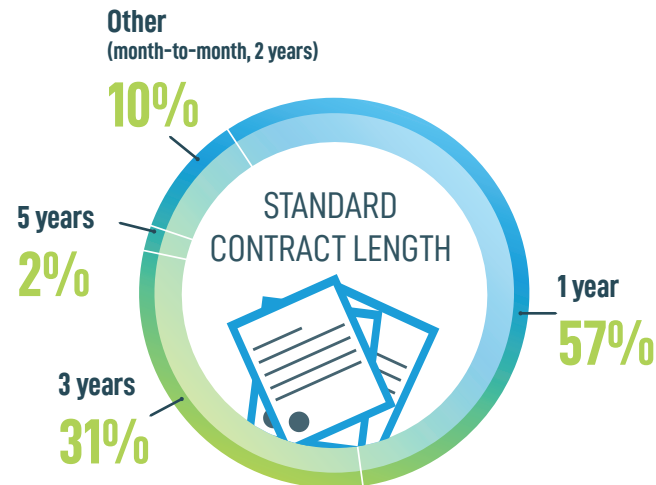
## Takeaway

The average MSP is male, college-educated, and between the ages of 30 and 59. No major surprises there.

# THE BUSINESS OF MANAGED SERVICES

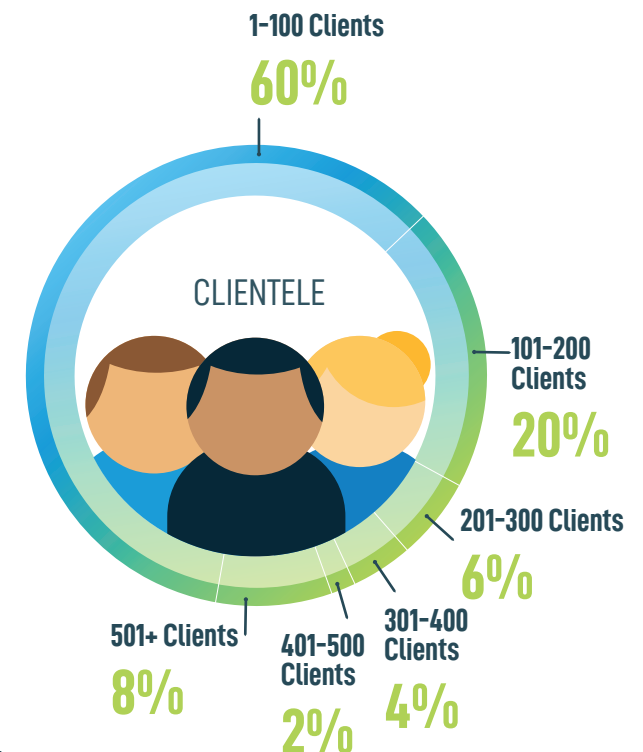
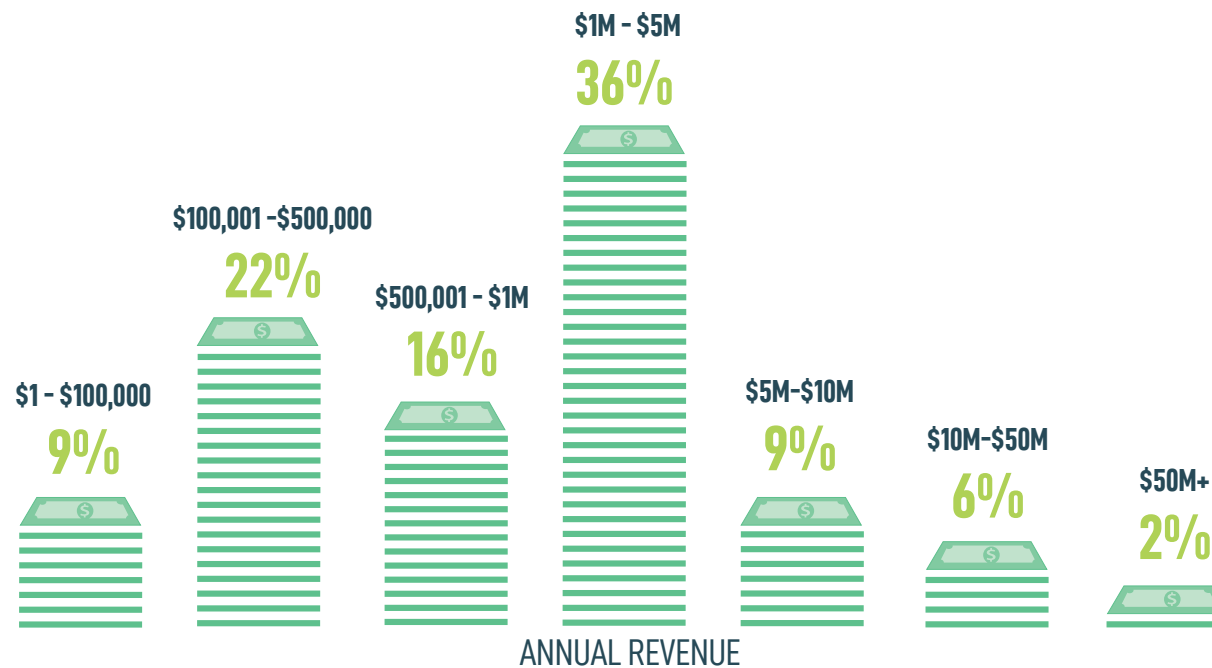
**STILL OFFERING  
BREAK-FIX SERVICES?**

**75% OF MSPs  
SAID, "YES."**



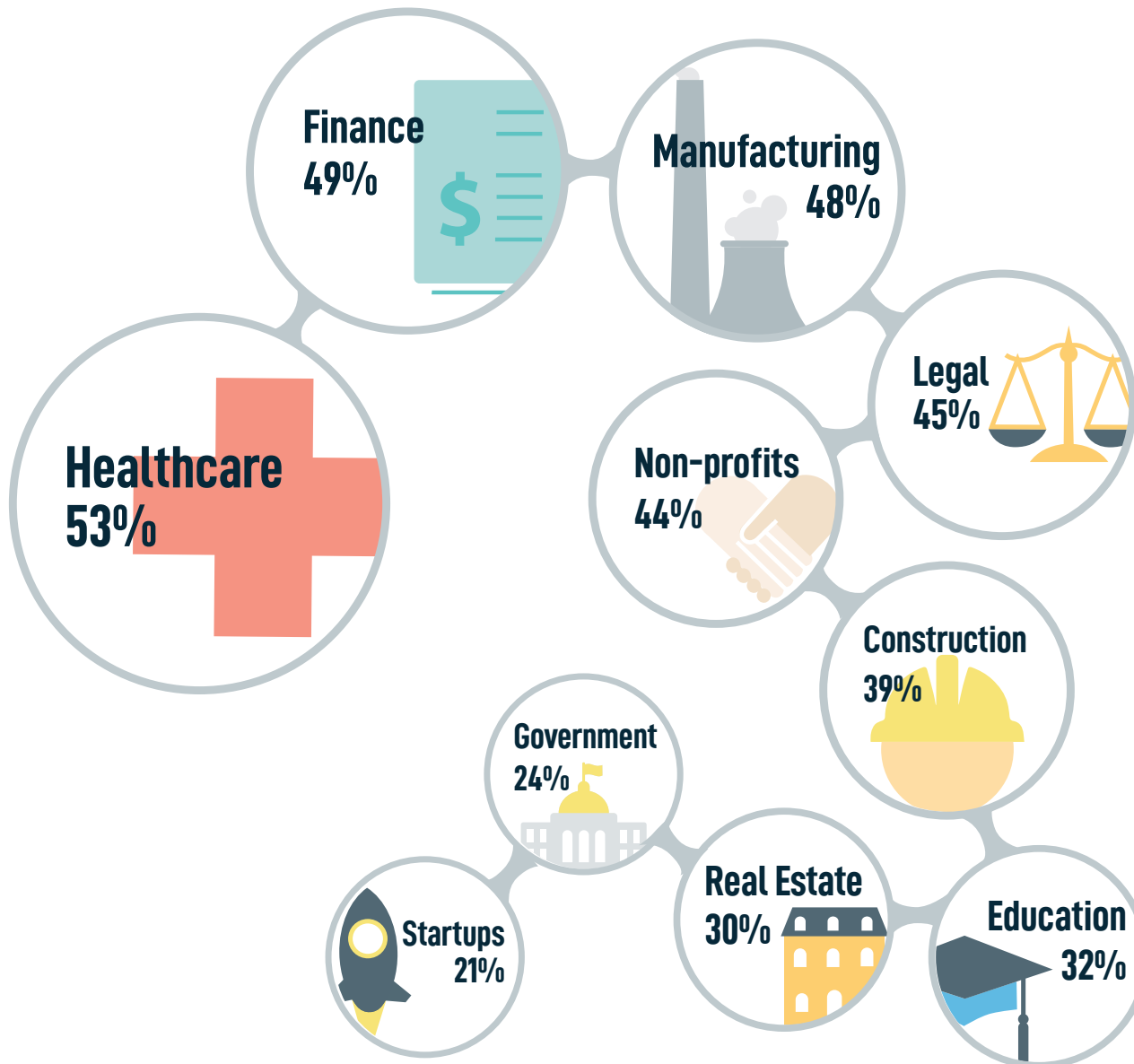
## Takeaway

Most MSPs serve less than 100 clients, offer 1 year contracts, and still offer break-fix services in some shape or form.



# SPECIALIZED SERVICES

## TOP INDUSTRIES TARGETED BY MSPS



YOU ALSO MIGHT BE INTERESTED IN:  
Operations Made MSPeasy



*"Focusing on a specific vertical can be efficient from an operations standpoint because you're providing similar services for all or most of your clients."*

-Dale Shulmistra, Invenio IT

## Takeaway

More than 50% of MSPs specialize services for the Healthcare industry.

# GO-TO MSP BUSINESS RESOURCES

## Top Resources for Evaluating a New Product/Service:

1. Google

56%

2. Referral (colleague) 24%  
3. Industry Forum 15%  
4. Other 5%

## Top Channel Sites for Staying Up-to-Date on Industry Trends:

THE **CHANNEL** CO.

Channel Futures

CP Channel Partners

ChannelPro

Datto Downtime Blog

MSSP Alert

Redmond Channel Partner

CHANNELe2e

CHANNELNOMICS

Other favorites:  
Tweakers, Reddit,  
CompTIA,  
Spiceworks

*"I start each day reading tech, marketing, and business articles to keep up with everything. I pass the good articles to my staff to keep them informed."*

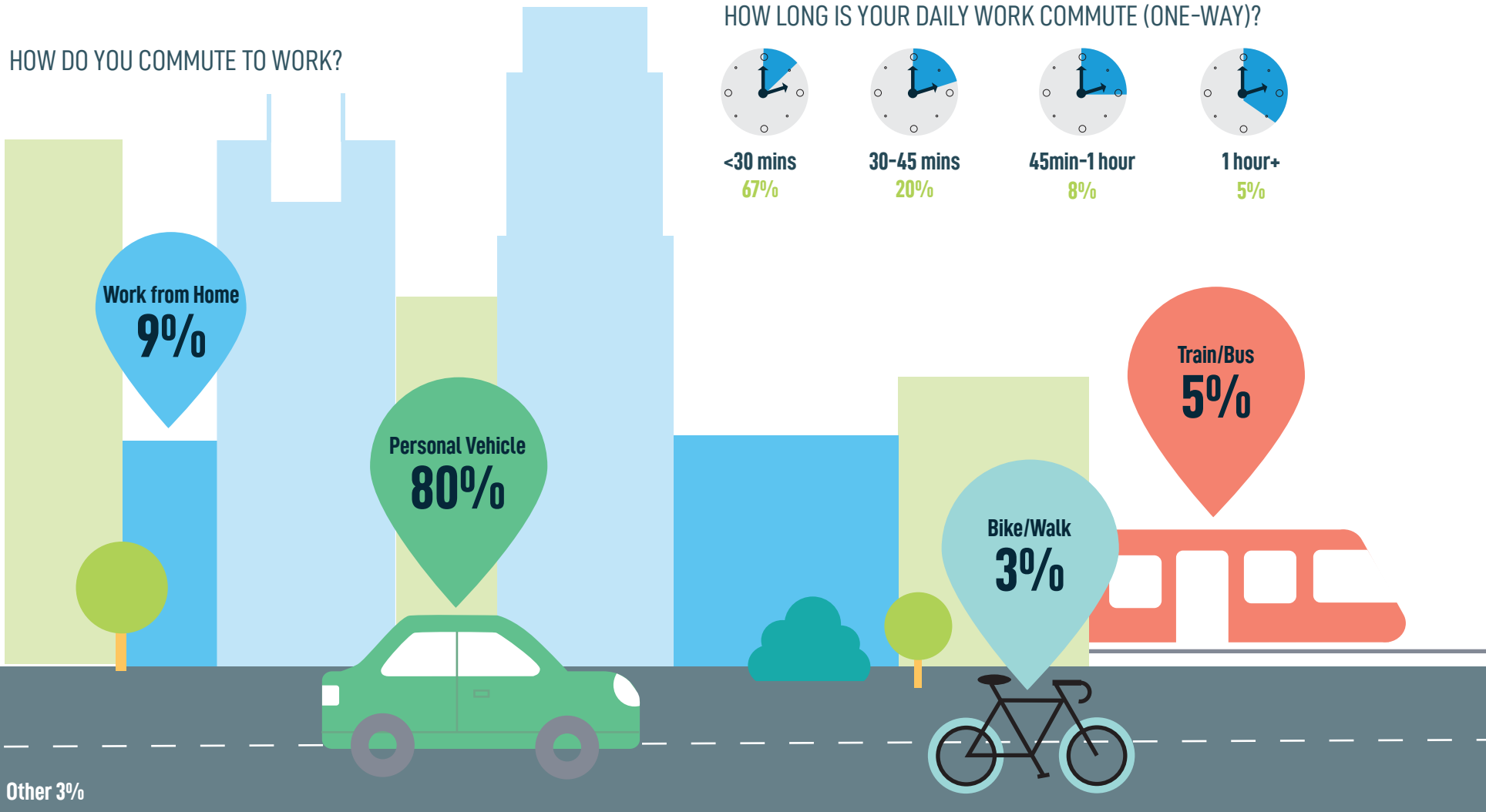
-Dale Shulmistra, Invenio IT

## Takeaway

To keep on top of industry trends, MSPs subscribe to a variety of channel publications, including The Channel Co, Channel Futures, and Channel Partners.

# MSPs AND THE DAILY COMMUTE

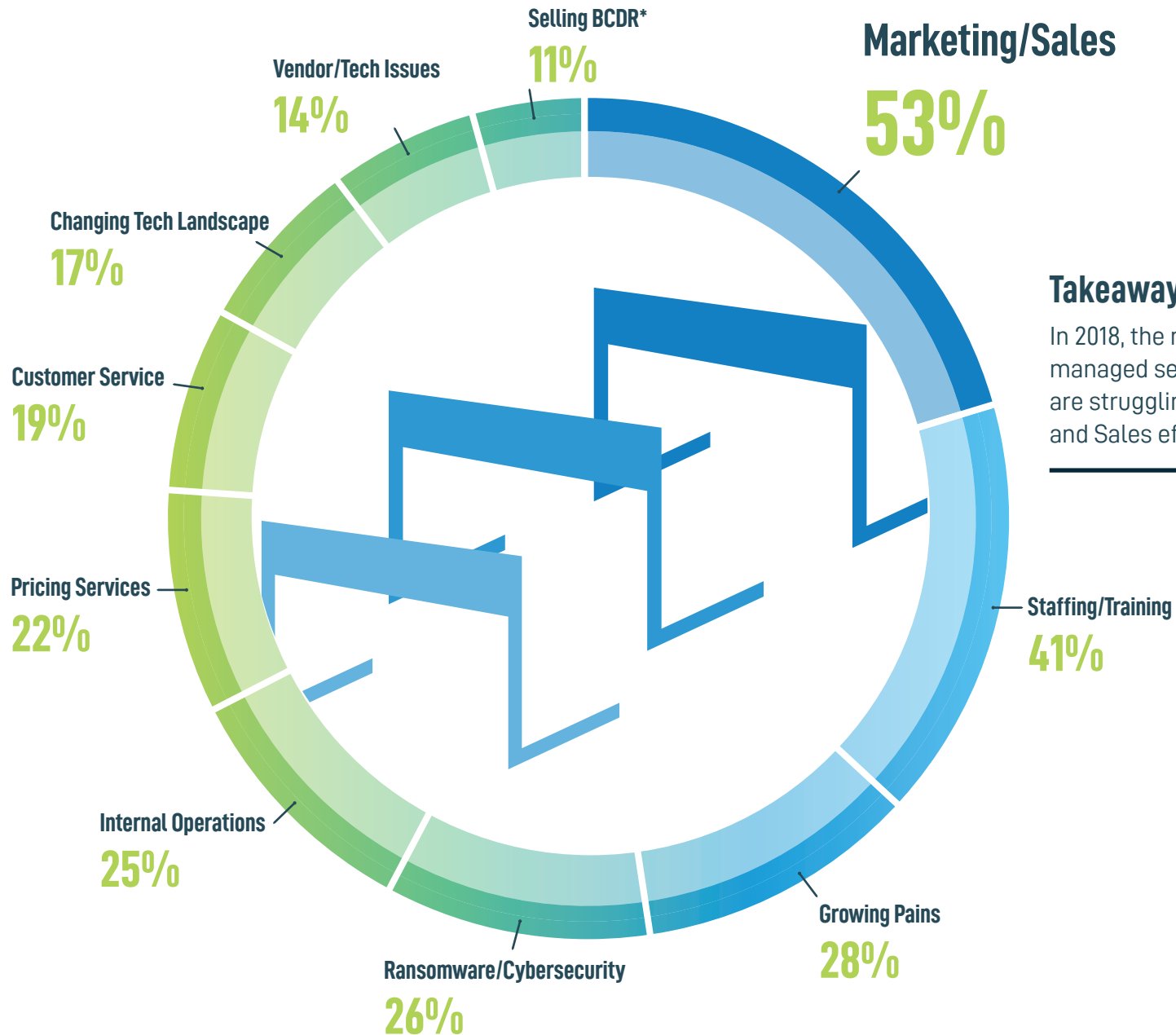
HOW DO YOU COMMUTE TO WORK?



## Takeaway

The majority of MSPs experience a short commute (under 1 hour) and rely on their own vehicles to get them to and from the office.

# TOP 10 GLOBAL MSP CHALLENGES IN 2018



## Takeaway

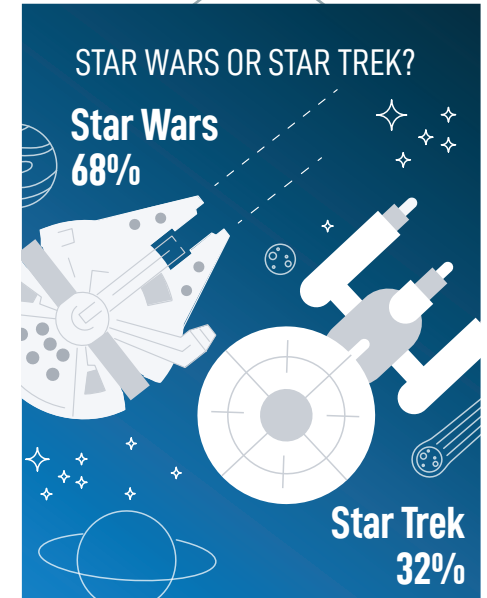
In 2018, the majority of managed service providers are struggling with Marketing and Sales efforts.

\*Business Continuity & Disaster Recovery (BCDR)



# MSPs AND SCREEN TIME

## MSPS ARE BINGING:



## Takeaway

The channel has spoken.  
For the majority of MSPs,  
the force is very much  
with Star Wars.

# MSPs GET SOCIAL

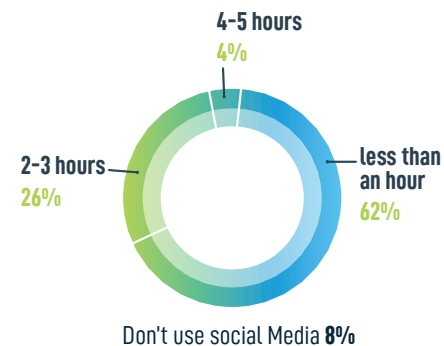


## Takeaway

Believe it or not, the majority of IT service providers are active on social networks every single day (Facebook + LinkedIn especially). But when it comes to socializing with industry peers, Reddit is the go-to forum of the channel.



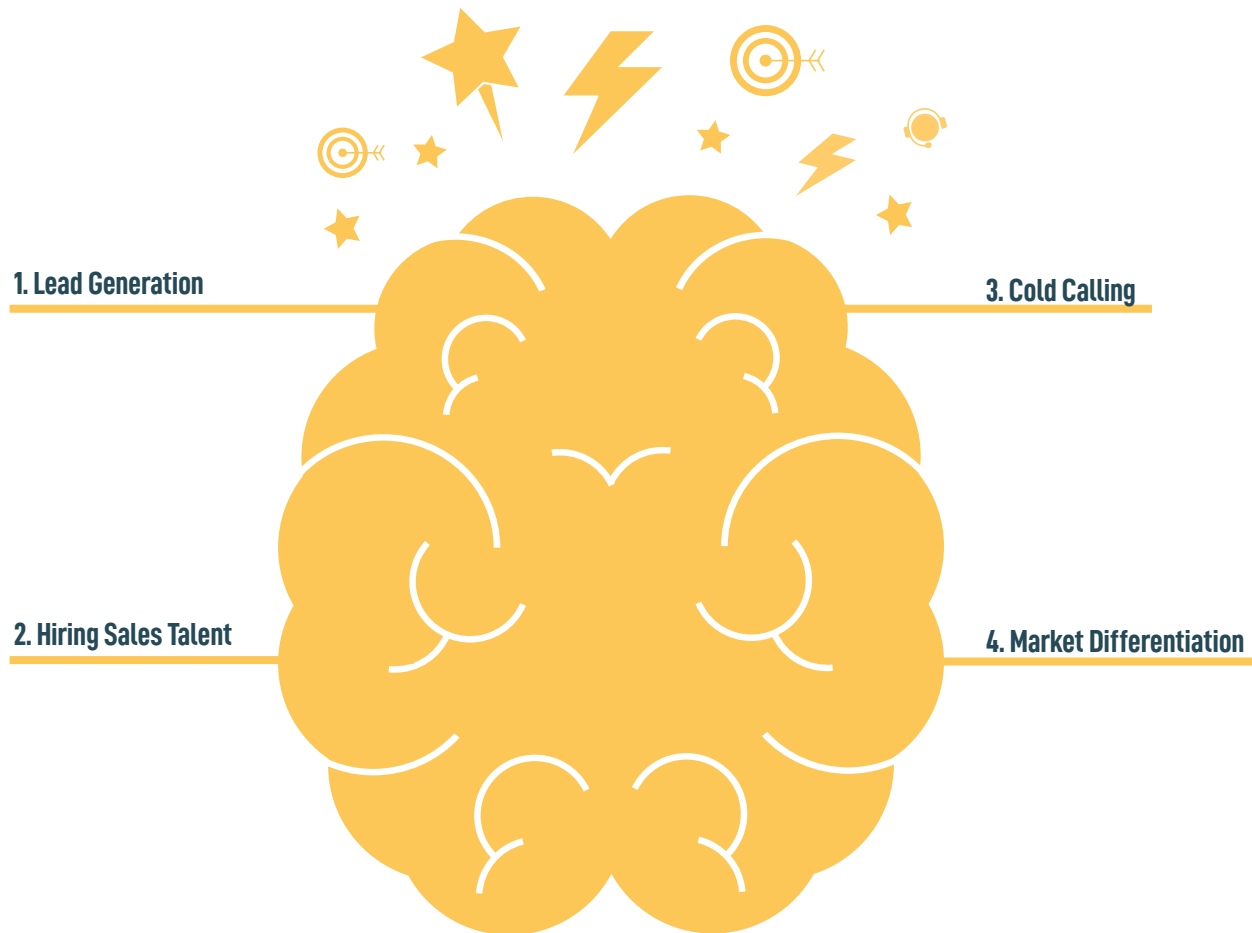
Number of Hours Spent (Per Day) on Social Media:



Top Channel Community Forums of MSPs

- |                 |                         |
|-----------------|-------------------------|
| 1. Reddit       | 6. Experts Exchange     |
| 2. Spiceworks   | 7. CompTIA              |
| 3. ASCII        | 8. Autotask             |
| 4. HTG Forums   | 9. LinkedIn Communities |
| 5. Robin Robins | 10. LabTechGeek         |

# MSP PAIN POINT #1: MARKETING/SALES



## Takeaway

The majority of MSPs struggle with a strong lead generation strategy in their marketing plan.

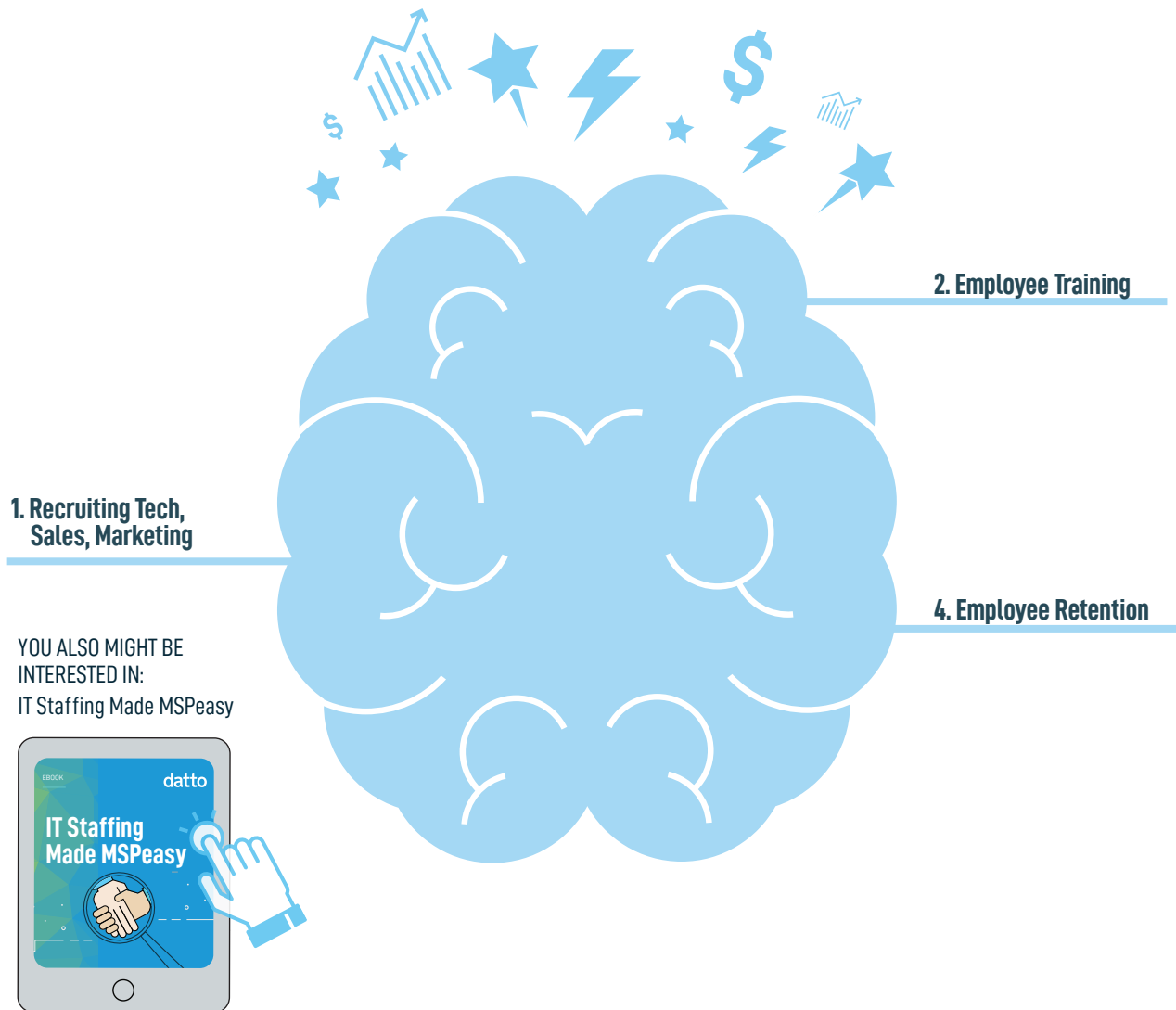
YOU ALSO MIGHT BE INTERESTED IN:  
Cold Calling Made MSPeasy



*"Role-playing allows you to get more comfortable with the act of cold calling and work out any kinks. It also enables employees to bounce ideas off one other and share strategies that work best for them. It may feel silly, but it truly works.."*

-Eric Torres, Datto  
(and Former MSP)

# MSP PAIN POINT #2: STAFFING/TRAINING



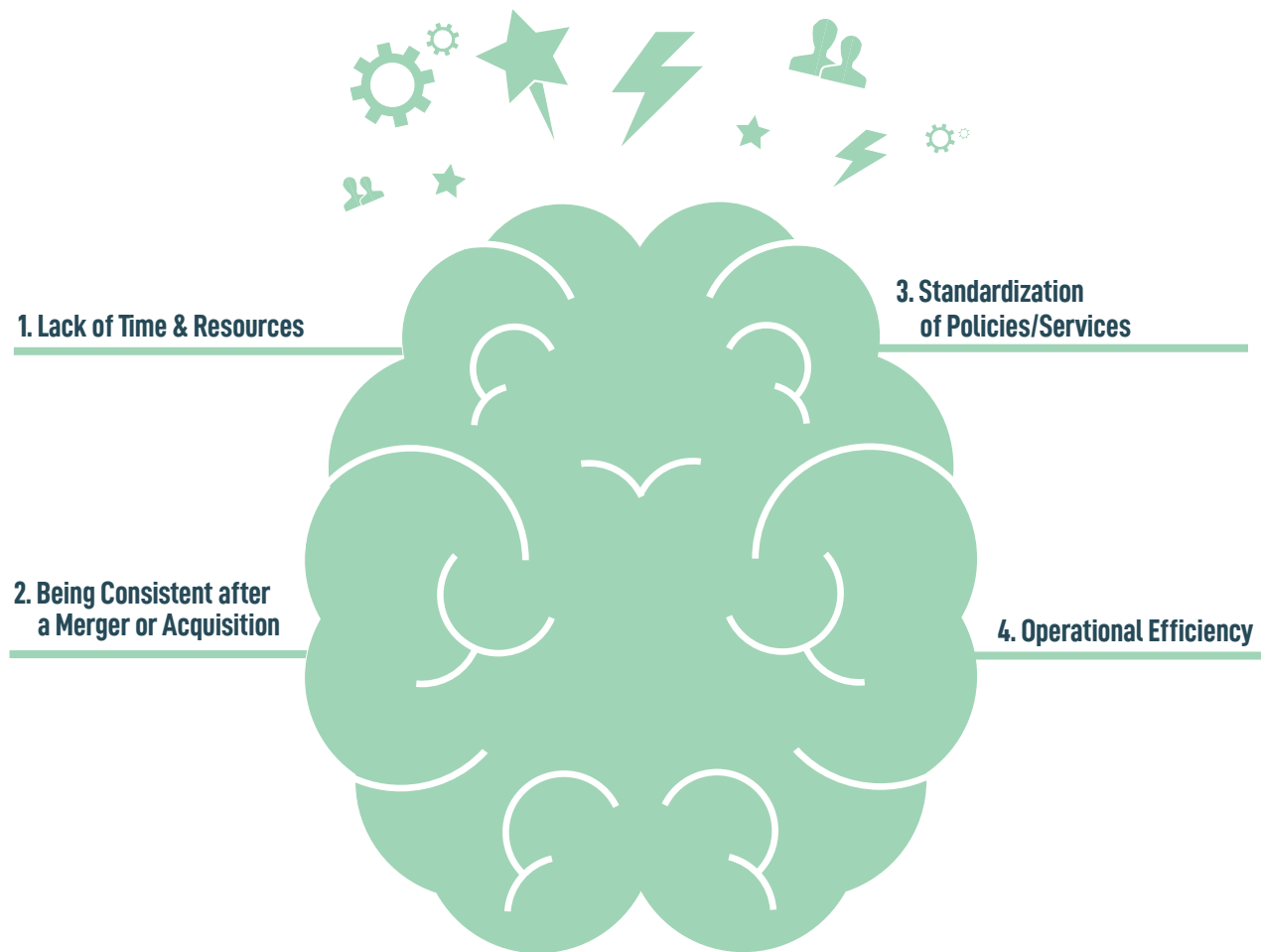
*"The majority of our employees come from relationships we have in the community. We've built a good reputation over time, so people are talking about us — that attracts candidates."*

- Jordi Tejero,  
CRS Technology Consultants

## Takeaway

The #2 pain point for MSPs?  
Recruiting quality technical, sales, and marketing candidates.

# MSP PAIN POINT #3: GROWING PAINS



## Takeaway

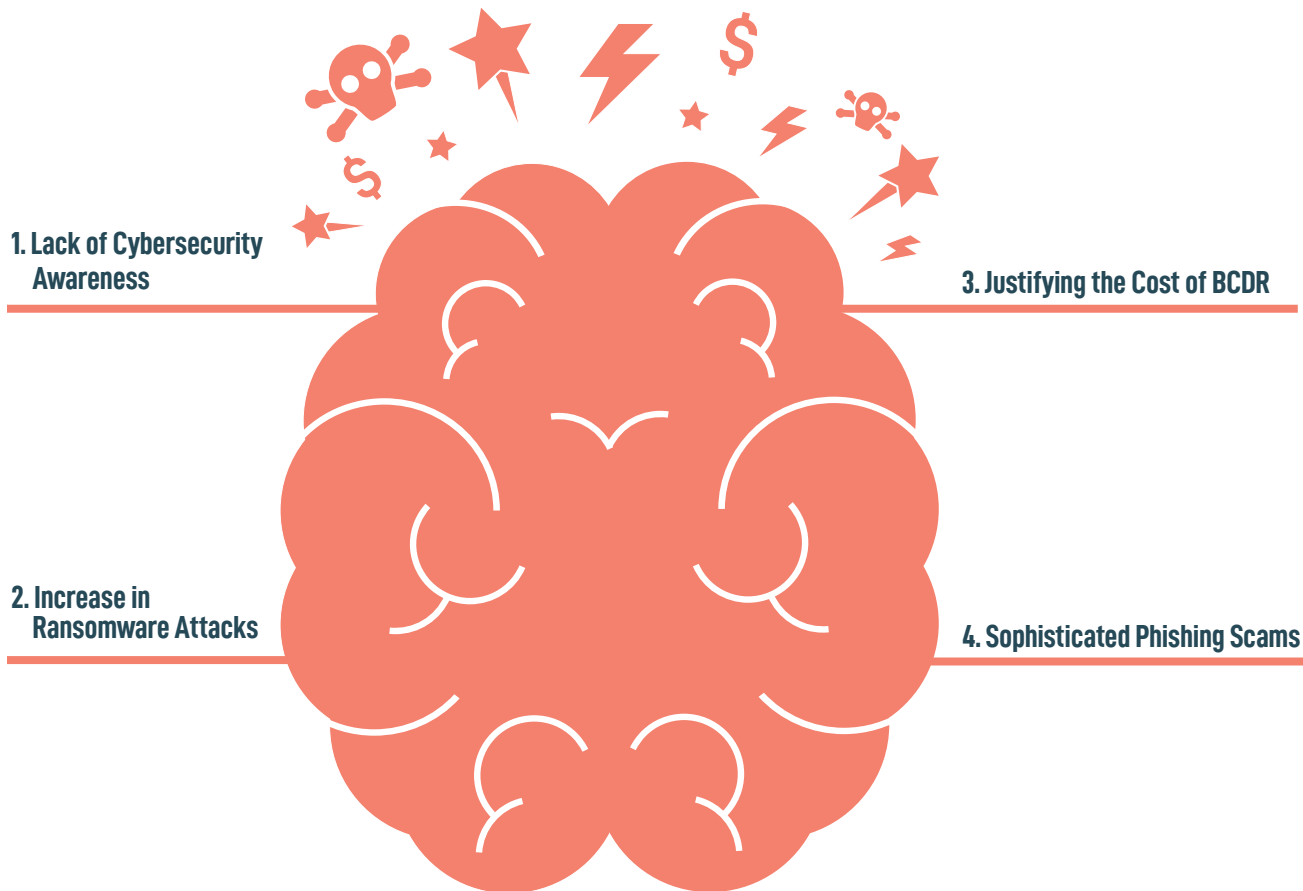
As MSPs grow, the lack of time and resources prove to be their biggest challenge. As a result, operational efficiency and service consistency tend to suffer.

*"My biggest challenge? Transitioning from a small MSP where owner wears multiple hats to hiring a sales and marketing person to amp up the sales."*

YOU ALSO MIGHT BE INTERESTED IN:  
7 Best Practices of Successful MSPs



# MSP PAIN POINT #4: RANSOMWARE/CYBERSECURITY



*"Ransomware is a big problem, but it's also a big opportunity to educate clients and give them the tools they need to protect their data. I usually start the conversation with 'I don't want to scare you, but ransomware is something you need to think about. Just politely preface the subject. It's not a hard sell—once you educate, they get it.'"*

-Frank Slattery, TeamLogic IT

## Takeaway

Ransomware is a global cybersecurity problem that isn't going away anytime soon. For MSPs, it can be a massive opportunity to be the hero as long as you pitch it the right way.

YOU ALSO MIGHT BE INTERESTED IN:  
The Global State of the Channel Ransomware Report



# TAKEAWAYS

- The average MSP is male, college-educated, and between the ages of 30 and 59. No major surprises there.
- Most MSPs serve less than 100 clients, offer 1 year contracts, and still offer break-fix services in some shape or form.
- The majority of MSPs today focus their business efforts for a specific vertical (or verticals). More than 50% of MSPs specialize services for Healthcare companies.
- To keep on top of industry trends, MSPs subscribe to a variety of channel publications, including The Channel Co, Channel Futures, and Channel Partners.
- The majority of MSPs experience a short commute (less than 30 minutes) and rely on their own vehicles to get them to and from the office.
- The majority of MSPs are active daily on social networks, particularly Facebook, LinkedIn and Reddit.
- MSPs across the globe are watching Game of Thrones, Stranger Things, and Black Mirror.
- When it comes to Star Wars versus Star Trek, the channel has spoken. For the majority of MSPs, the force is very much with Star Wars.
- The top business challenges for global MSPs: Marketing/Sales, Staffing/Training, Growing Pains, and Ransomware/Cybersecurity.



# ABOUT THE REPORT

## Additional Resources:



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**SIGN UP NOW**

## You Also Might Be Interested In:

**Cold Calling Made MSPeasy**

**Lead Generation Made MSPeasy**

**IT Staffing Made MSPeasy**

**Marketing Made MSPeasy**

**Sales Made MSPeasy**

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Datto's 2018 State of the MSP Report is comprised of statistics pulled from a survey of roughly 2,300 managed service providers across the globe. To learn more about the results, please reach out to [Katie Thornton](#), Senior Manager of Content Marketing at Datto, Inc.

## ABOUT DATTO

At [Datto](#), our mission is to empower the world's small and medium-sized businesses with the best in enterprise-level technology. We do it by equipping our unique community of Managed Service Provider partners with the right products, tools and knowledge to allow each and every customer to succeed. It's an approach that's made us the world's leading provider of MSP delivered IT solutions. Datto is headquartered in Norwalk, CT, with offices worldwide.

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