

REPORT

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Datto's 2017 State of the MSP Report

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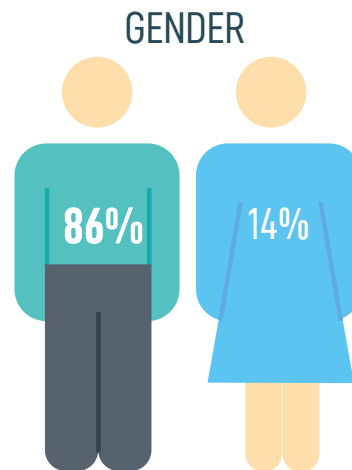
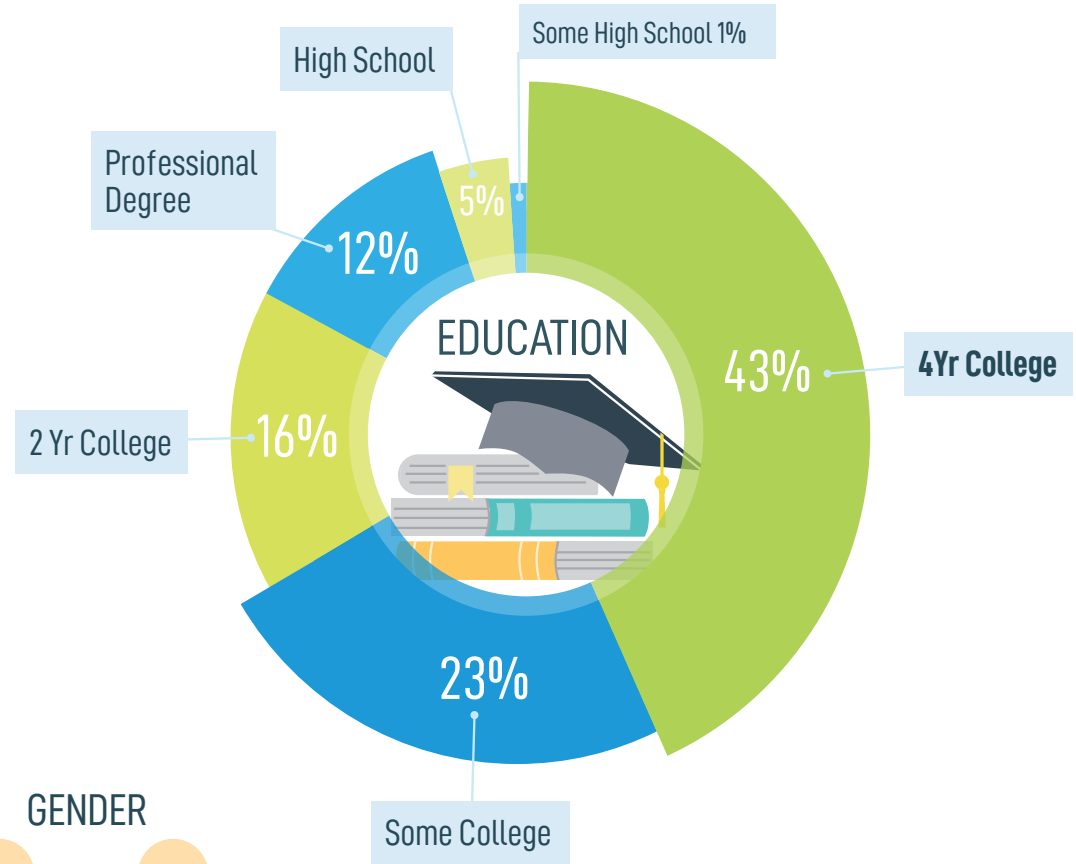
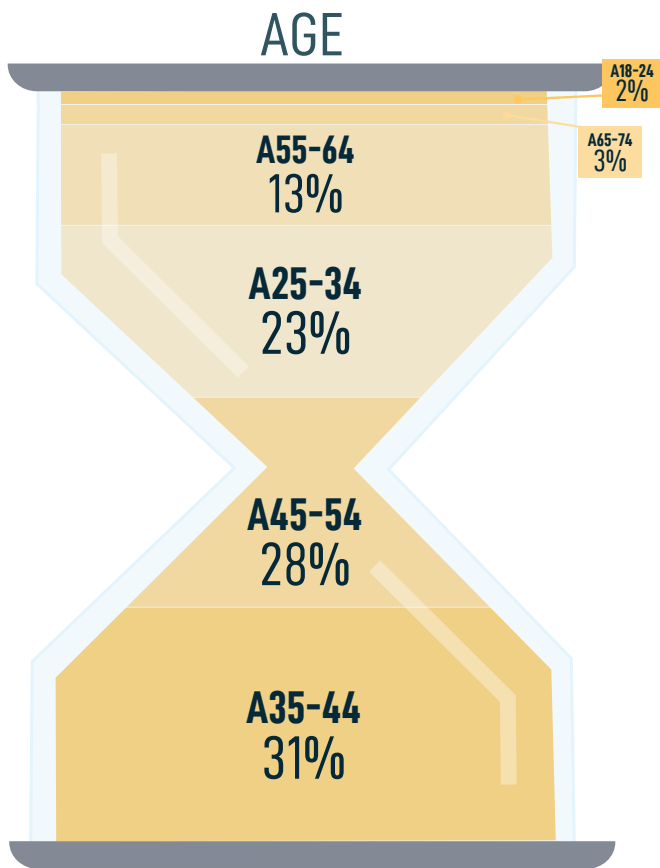


2017 MSP Challenges and Trends, Stat-by-Stat

Datto surveyed nearly 1,200 managed service providers (MSPs) about their day-to-day lives. The result: a wealth of statistics all about the state of today's IT service providers, including everything from education and income to media consumption and go-to business resources.

Datto's 2017 State of the MSP Report provides a unique profile of IT service professionals today and shines a light on the key business struggles of the community while providing a variety of useful resources and solutions for mitigating these common pain points.

DEMOGRAPHICS OF MSPs

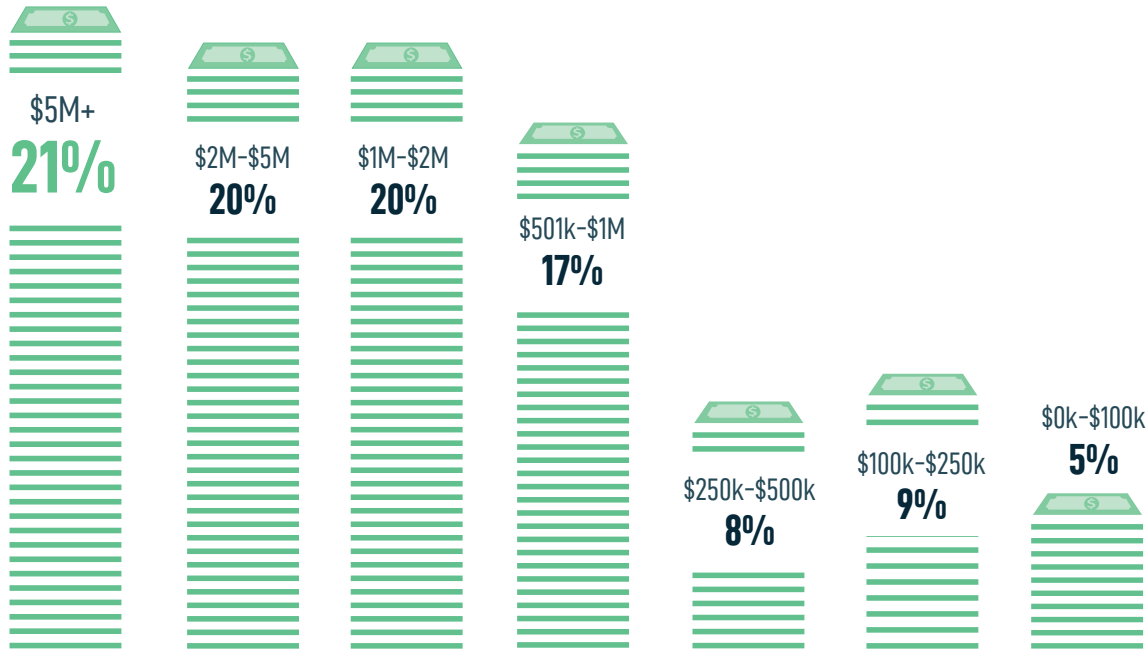


Takeaway

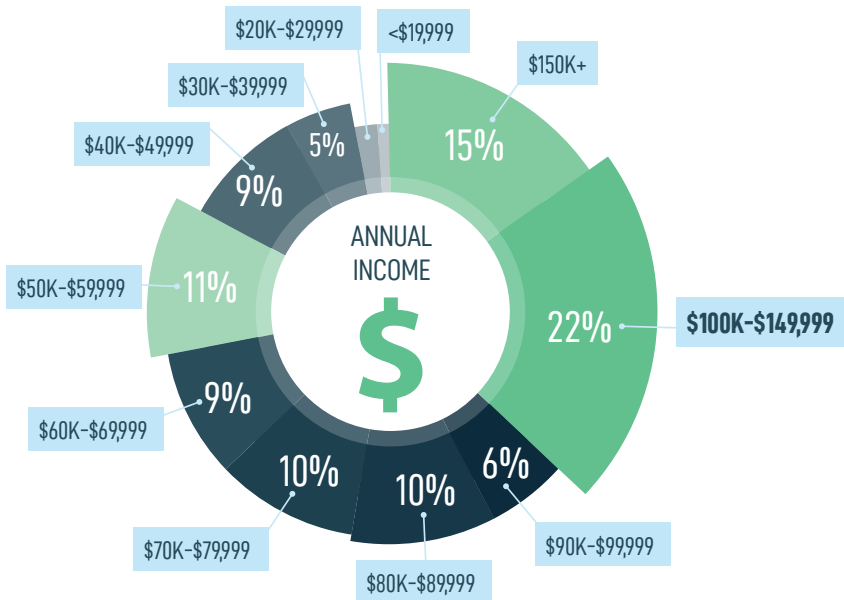
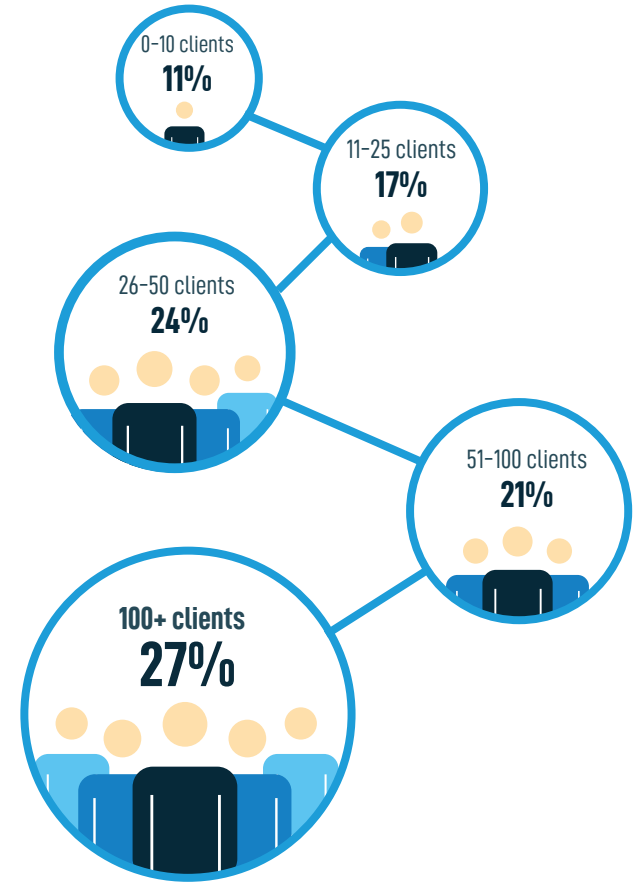
The majority of MSPs are between the ages of 35-54, male and college-educated. No major surprises there!

THE BUSINESS OF MANAGED SERVICES

ANNUAL REVENUE



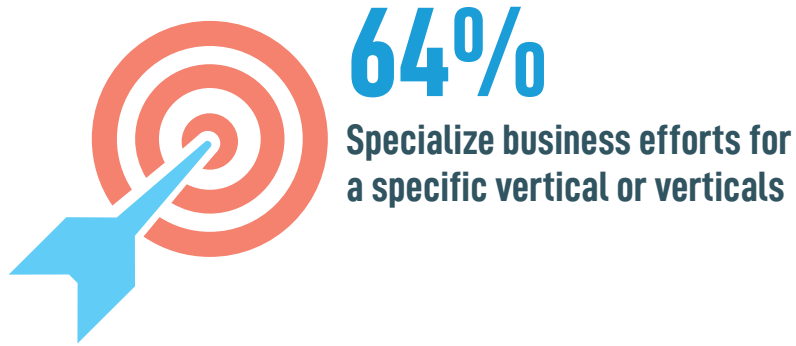
NUMBER OF CLIENTS



Takeaway

Most MSPs serve over 100 clients and are seeing more than \$5 million in annual revenue.

MSPs SPECIALIZE FOR VERTICALS



TOP VERTICALS TARGETED BY MSPS



YOU ALSO MIGHT BE INTERESTED IN:
3 Tips for Beating the MSP Competition



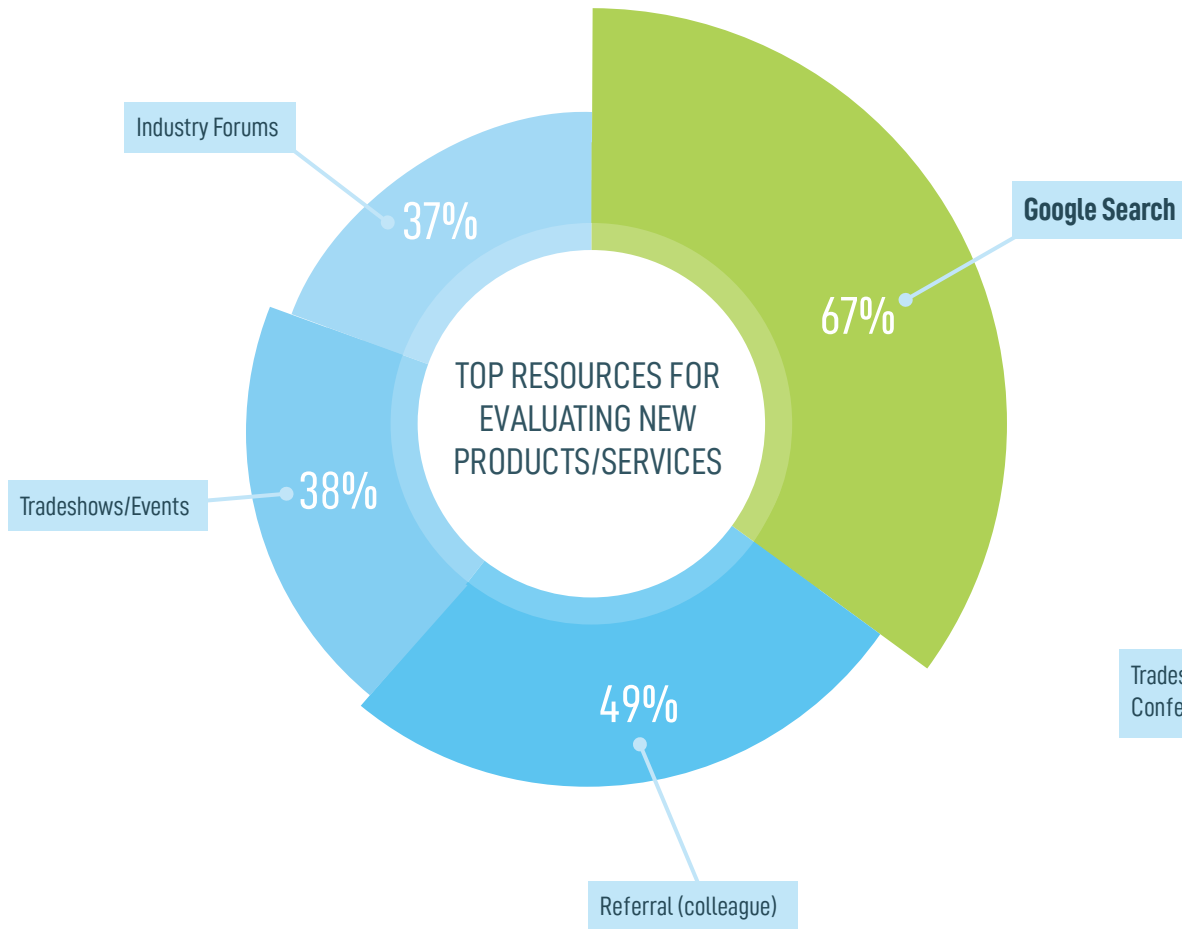
"Focusing on a specific vertical can be efficient from an operations standpoint, because you're providing similar services for all or most of your clients."

-Dale Shulmistra, Invenio IT

Takeaway

The majority of MSPs focus on recruiting customers from a specific industry (or industries), such as Professional Services, Manufacturing, Construction and Healthcare.

GO-TO MSP BUSINESS RESOURCES

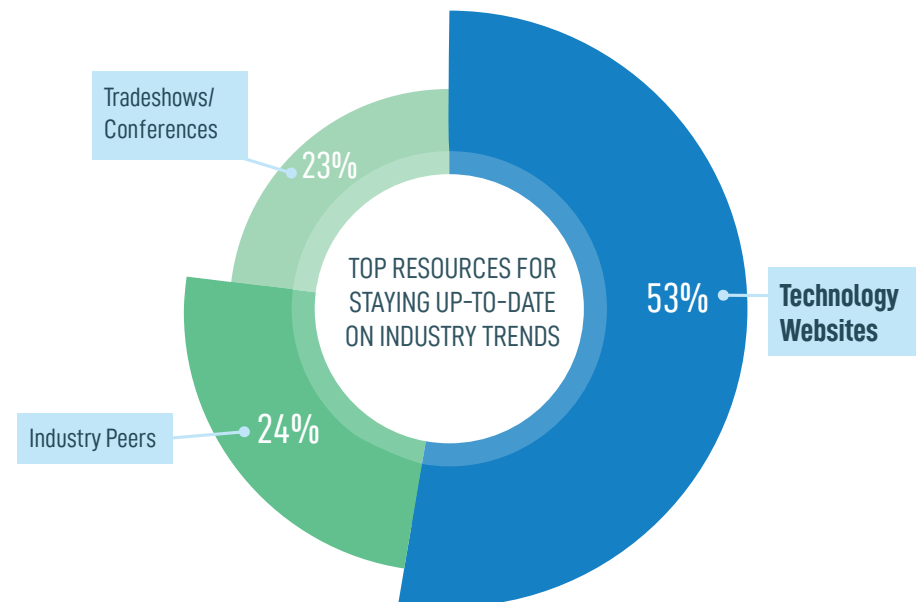


"I start each day reading tech, marketing and business articles to keep up with everything. I pass the good articles to my staff to keep them informed."

- Dale Shulmistra, Invenio IT

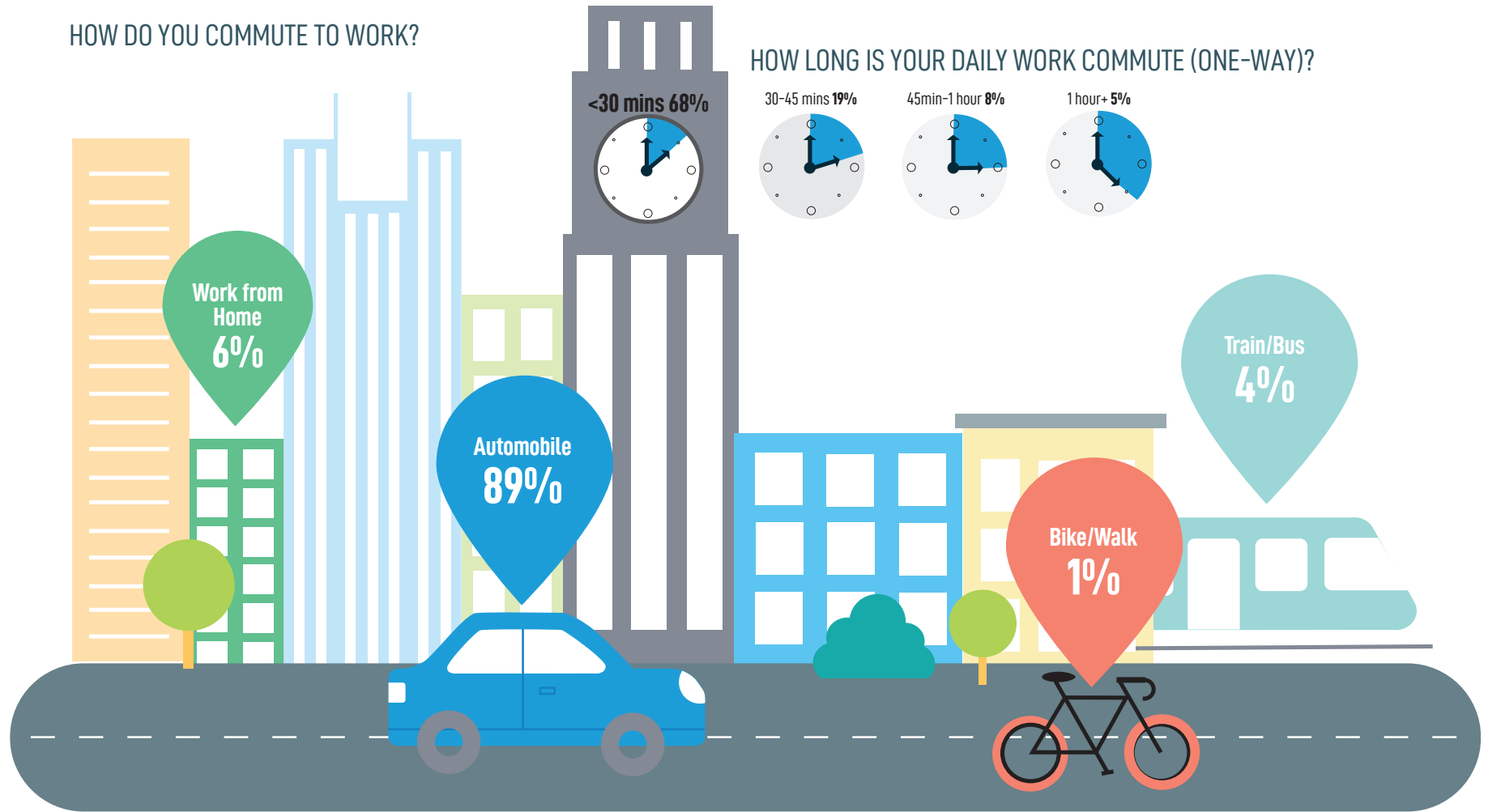
Takeaway

"Googling" is the most popular method of evaluating new products and services, but word-of-mouth reviews from colleagues are also effective. Technology websites are the leading source of information around industry trends.



MSPs AND THE DAILY COMMUTE

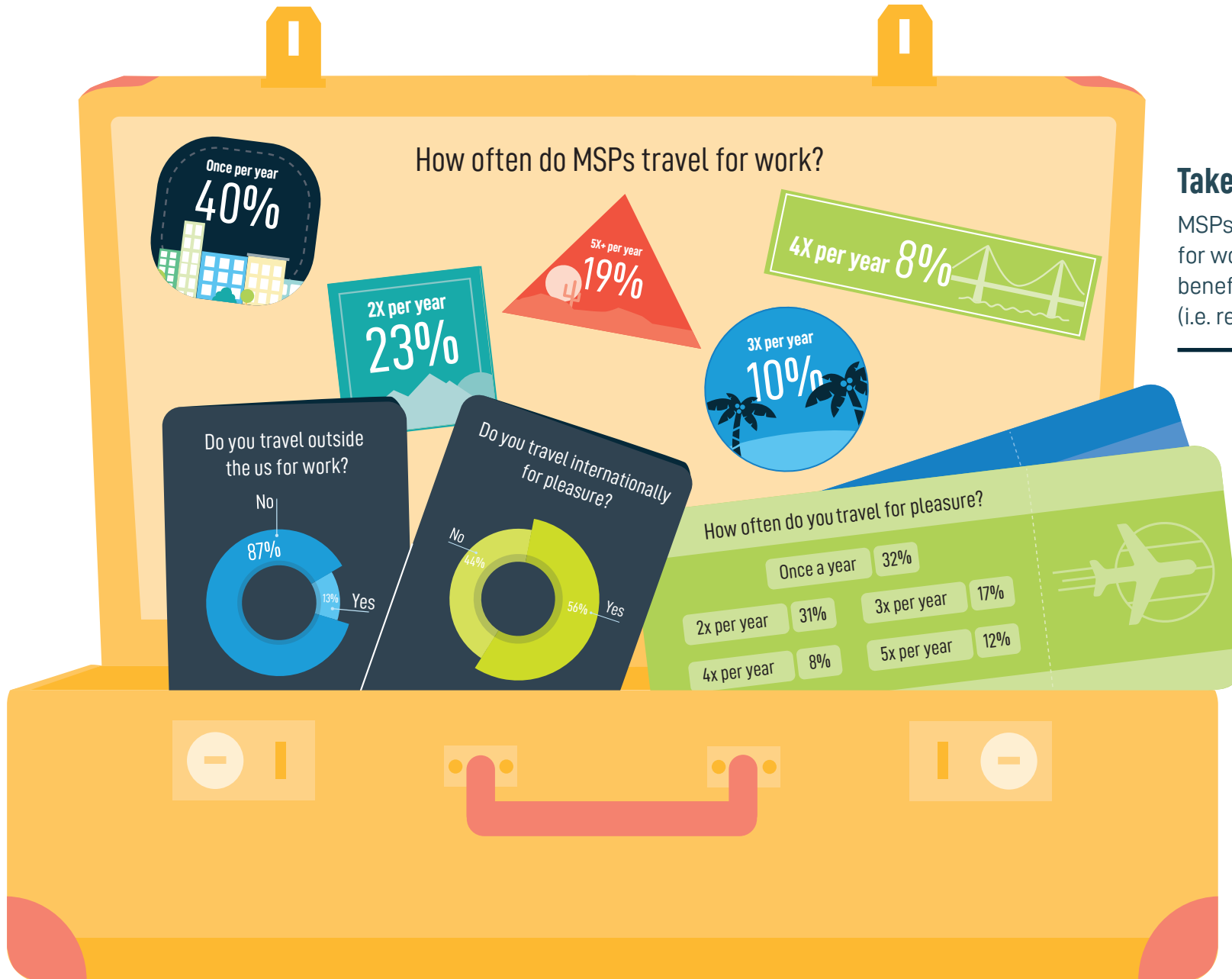
HOW DO YOU COMMUTE TO WORK?



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.

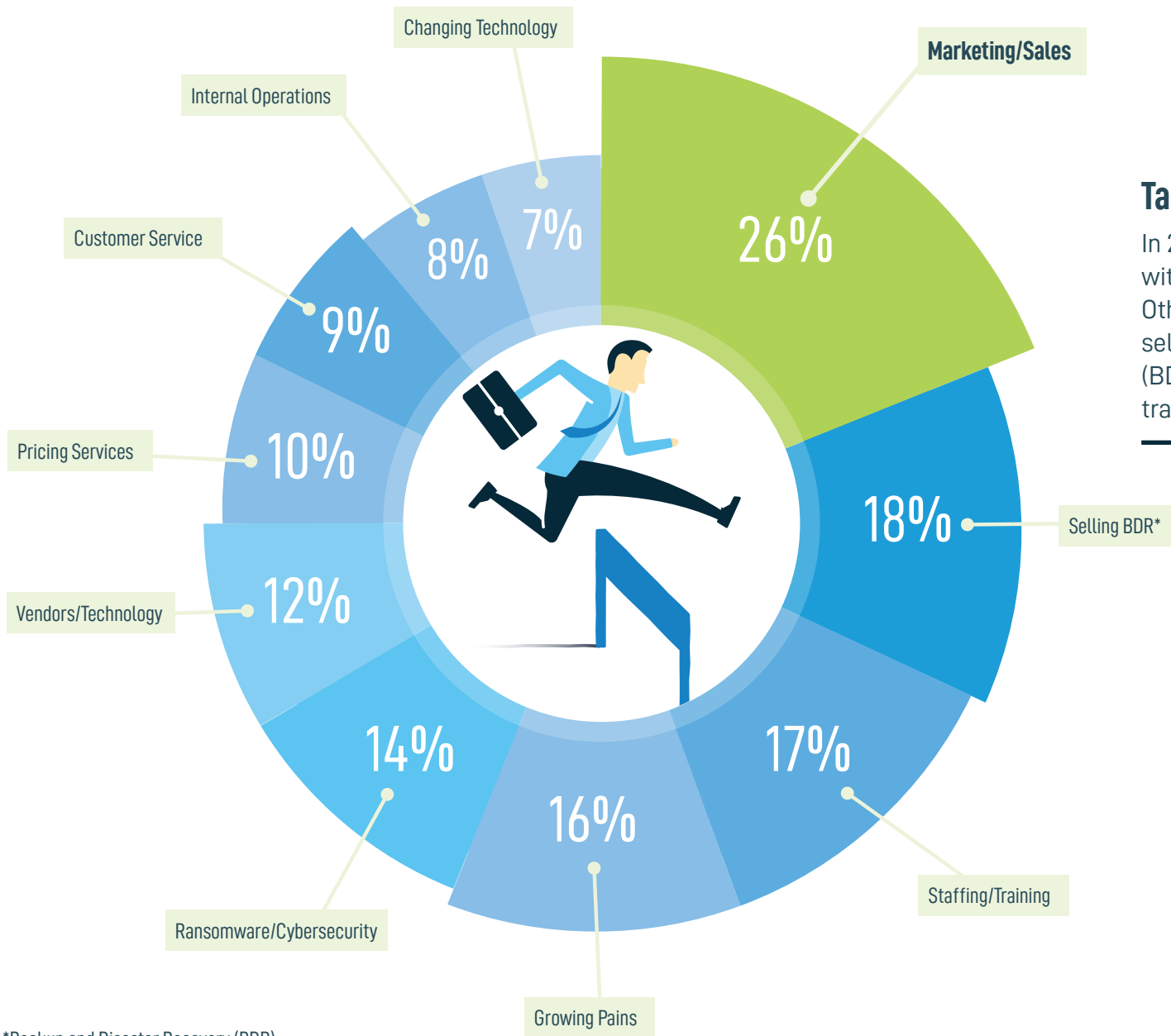
MSPs AND TRAVEL



Takeaway

MSPs only travel 1-2X per year for work, for some, a major benefit of managed services (i.e. remote monitoring).

TOP MSP CHALLENGES IN 2017



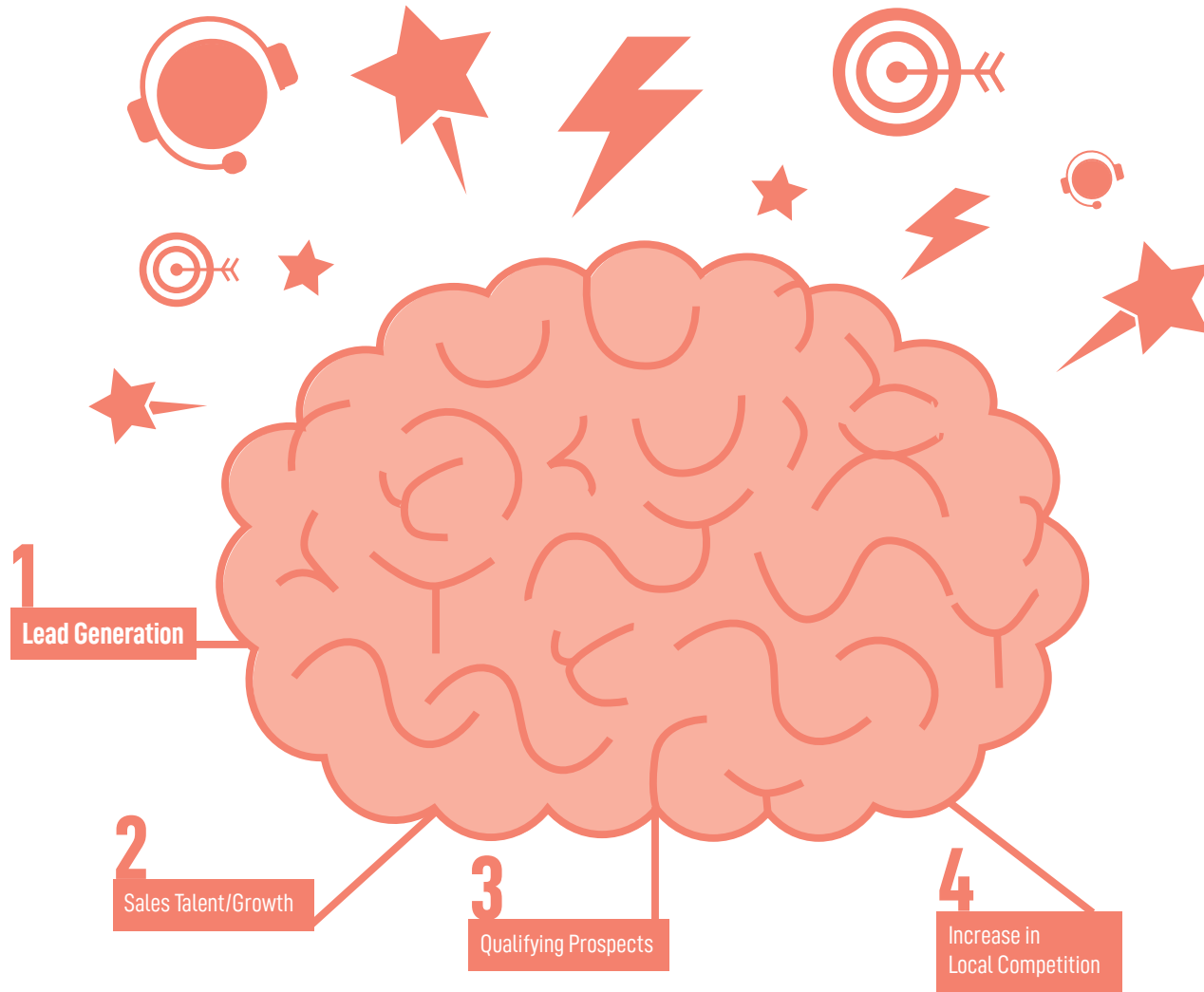
Takeaway

In 2017, the majority of MSPs struggle with marketing and sales efforts. Other major challenges include selling Backup and Disaster Recovery (BDR) solutions, and staffing and training efforts.

*Backup and Disaster Recovery (BDR)

In graphs denoting amounts beyond 100%, participants were able to choose multiple answers.

MSP PAIN POINT #1: MARKETING/SALES



Takeaway

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

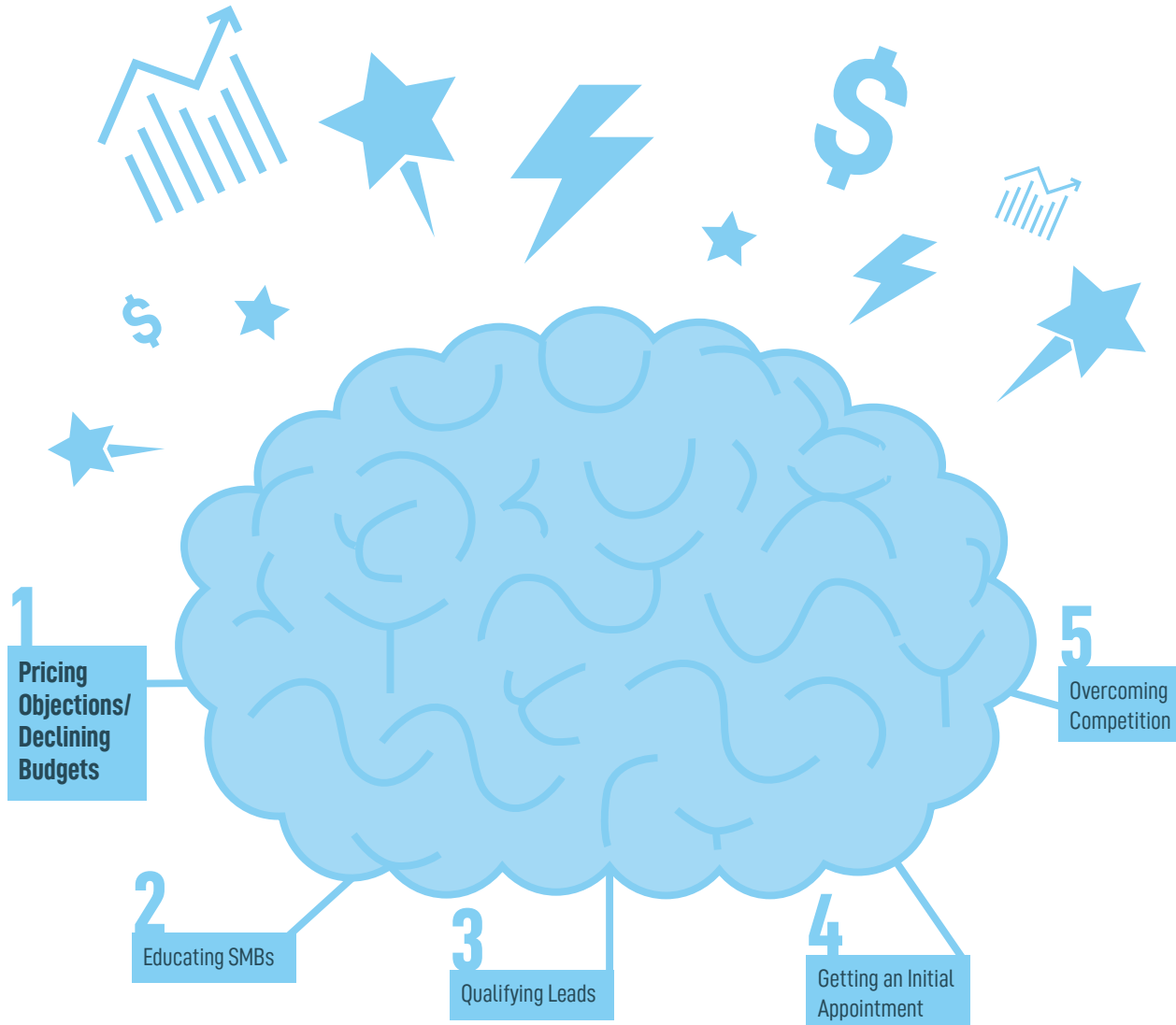
"It's all about end user education. In smaller cities, many businesses don't understand the value of managed services, so you have to show them."

-Sitima Fowler, Capstone IT

YOU ALSO MIGHT BE INTERESTED IN:
Tips and Tricks to Fill Your Pipeline



MSP PAIN POINT #2: SELLING BDR



Takeaway

The state of the economy and declining budgets are constant hurdles to overcome during the MSP sales process.

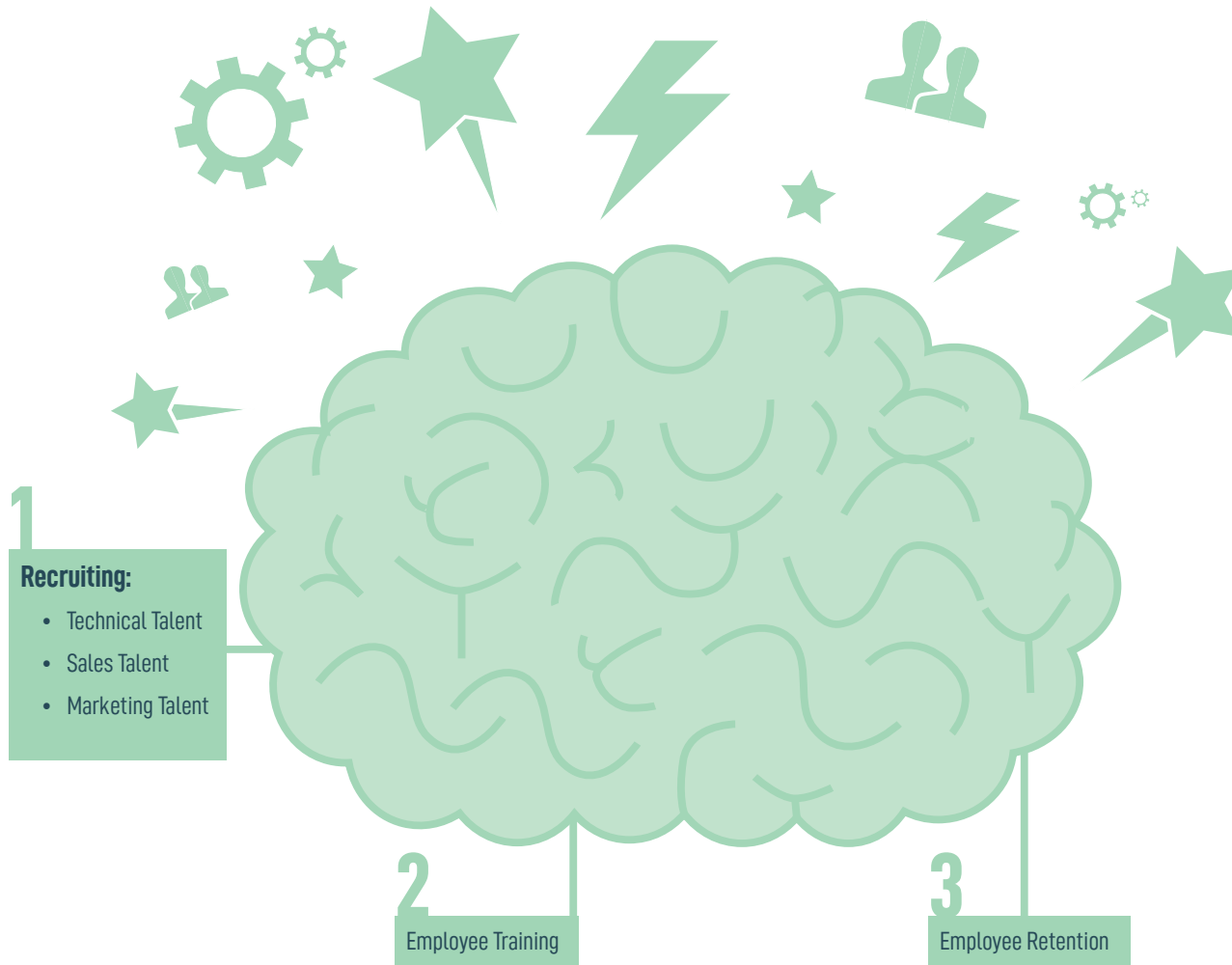
“Think of a BDR investment like an insurance premium to protect your business data. The cost of a single event that would result in downtime will easily pay for years of service, if not longer.”

- Mark Lantry,
Dynamic Business Solutions

YOU ALSO MIGHT BE INTERESTED IN:
Find the Best Pricing Model for Your Needs



MSP PAIN POINT #3: STAFFING/TRAINING



"Right now, finding good tech people is hard. Period. Candidates need to have the skills to perform the job, but technical acumen is only part of the equation. Look for people with accountability, drive, and confidence, but without cockiness. Communication is also huge."

-Jeff Cohn, ADNET Technologies

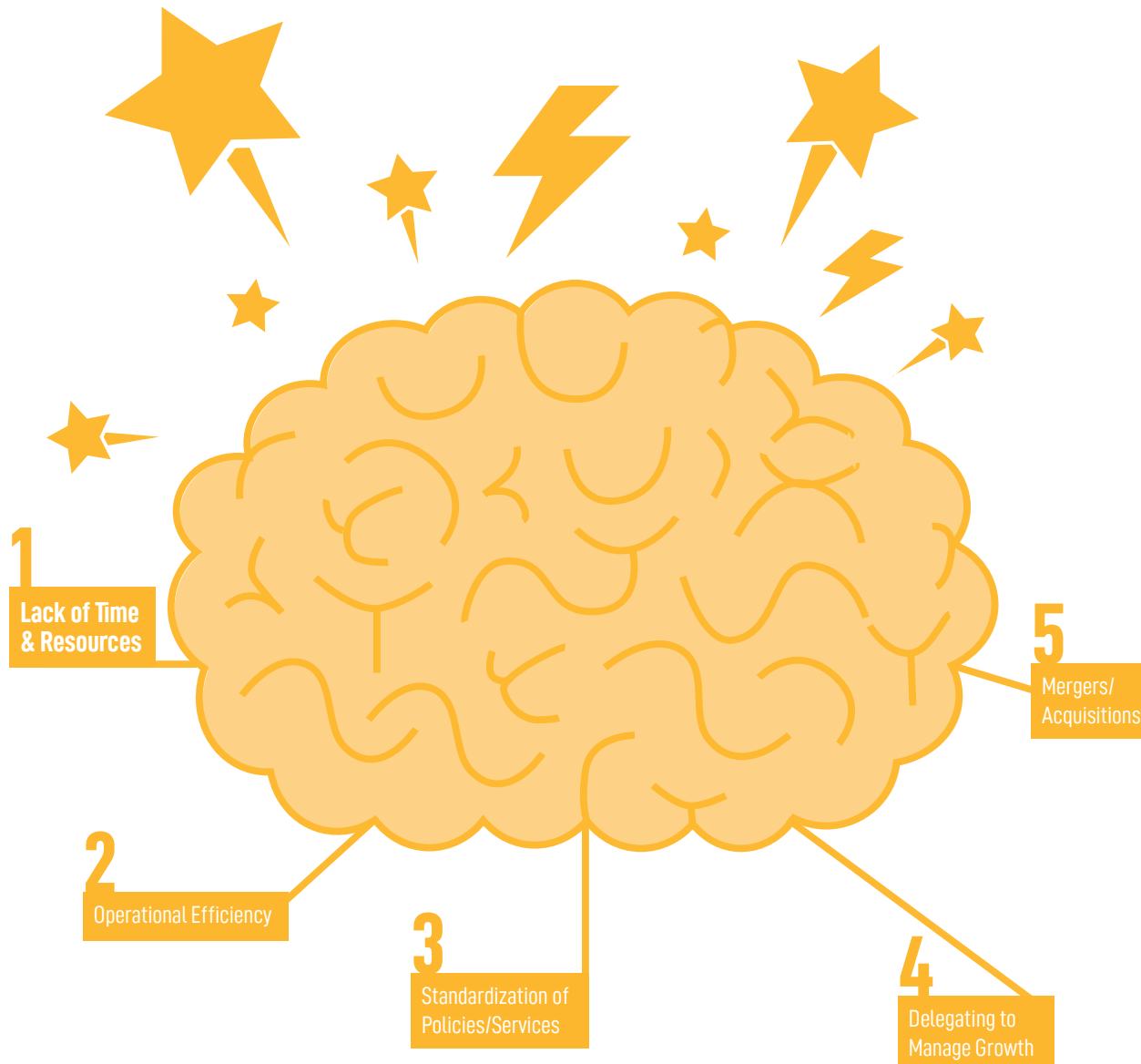
Takeaway

Recruiting technical talent is the biggest staffing challenge for MSPs of any size. Training and retention are also common struggles for this group.

YOU ALSO MIGHT BE INTERESTED IN:
Find Quality Employees for Your MSP Business



MSP PAIN POINT #4: GROWING PAINS



"Many technology vendors offer training for partners looking to expand service offerings. We take advantage of that whenever possible."

-Mark Calzone, Ash Creek Enterprise

Takeaway

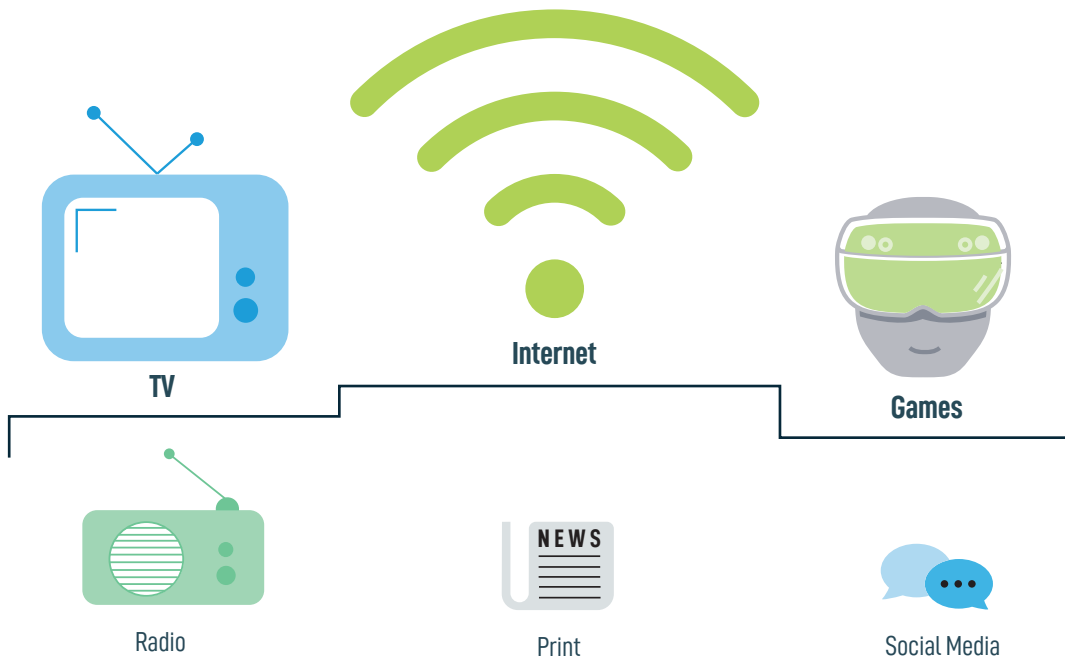
As MSPs grow, the lack of time and resources prove to be their biggest challenge. Many find it difficult to delegate duties to manage sudden growth and, as a result, operational efficiency tends to suffer.

YOU ALSO MIGHT BE INTERESTED IN:
Boost Operational Efficiency in 2017



MSP MEDIA CONSUMPTION

MEDIA PREFERENCES

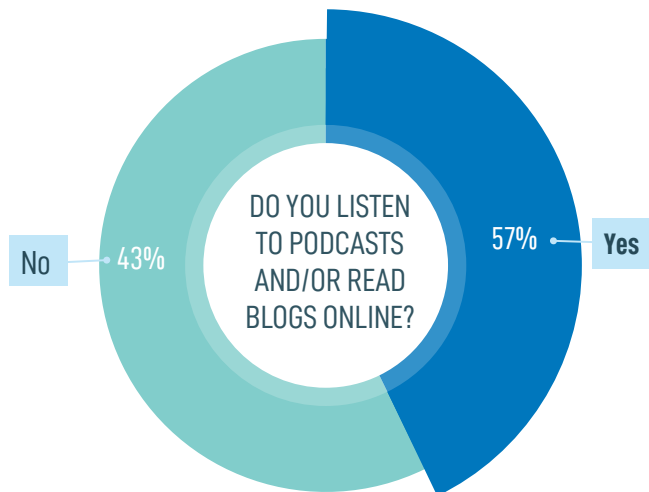


TOP PODCASTS/BLOGS/WEBSITES:

A central teal person icon is surrounded by a circular arrangement of text listing top podcasts, blogs, and websites. The text includes: NPR: Freakonomics, Serial, Marketplace, Planet Money; and TWiT: Security Now (Steve Gibson), Windows Weekly.

A screenshot of a web browser displaying the Reddit homepage. The Reddit logo is prominent at the top left. Below it, there are logos for 'STITCHER SMART RADIO' and 'THE TIM FERRISS SHOW'.

Other: Krebs On Security, Gizmodo, The Verge, Adam Savage, Joe Rogan, Nerdist



Takeaway

When it comes to media consumption for MSPs, Internet is #1. The majority of MSPs enjoy podcasts and/or blogs, especially content on NPR, TWiT and Reddit.

MSP DIGITAL NEWS CONSUMPTION

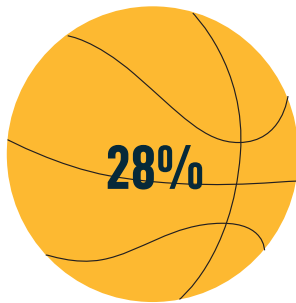
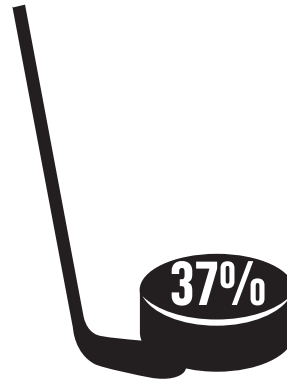
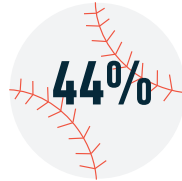


Takeaway

MSPs consume media from a variety of publications, with MSPMentor, CNN and CNet being the most popular. Of all the websites mentioned by MSPs, nothing came up as often as Reddit. Reddit serves as an MSP's one-stop shop for networking as well as staying abreast of industry and tech news.

MSPs AND SPORTS

FAVORITE SPORTS:

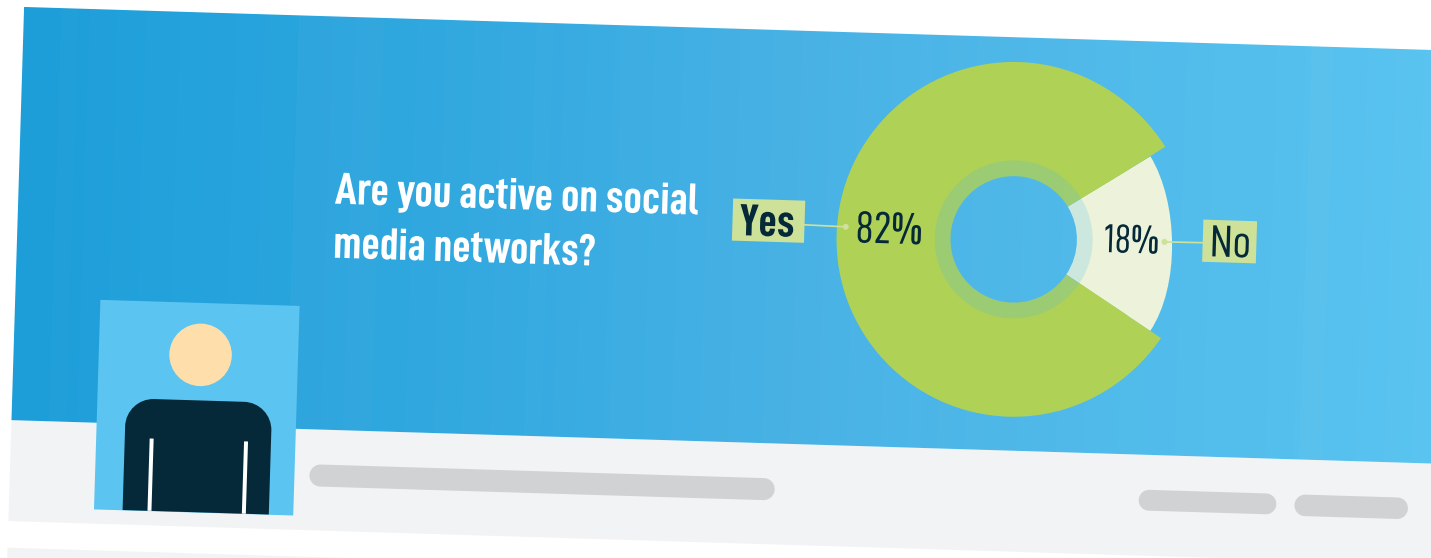


Participants were able to choose multiple answers.

Takeaway

While more than 50% of MSPs surveyed aren't following major sports publications, 8 in 10 of them are football fans.

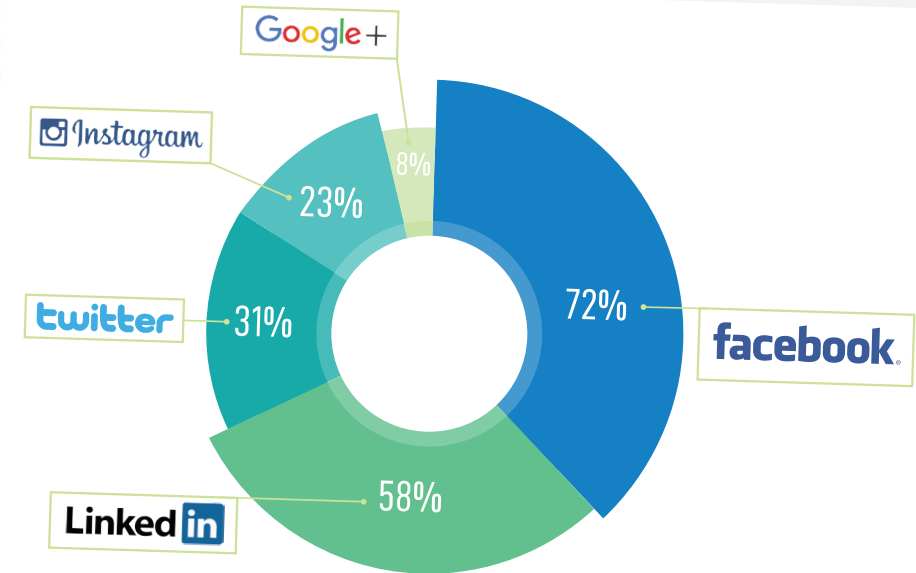
MSPs GET SOCIAL



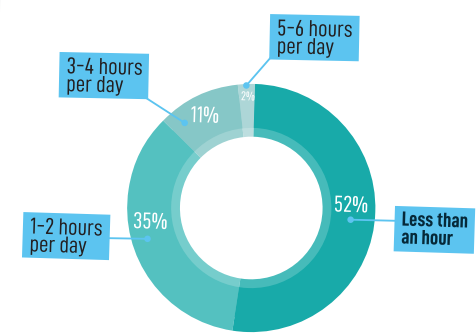
Takeaway

Believe it or not, the majority of MSPs are active on social networks every single day, particularly on Facebook and LinkedIn.

Which of the following Social Media networks do MSPs use on a daily basis?



Number of Hours Spent (in a day) on Social Media Networks:



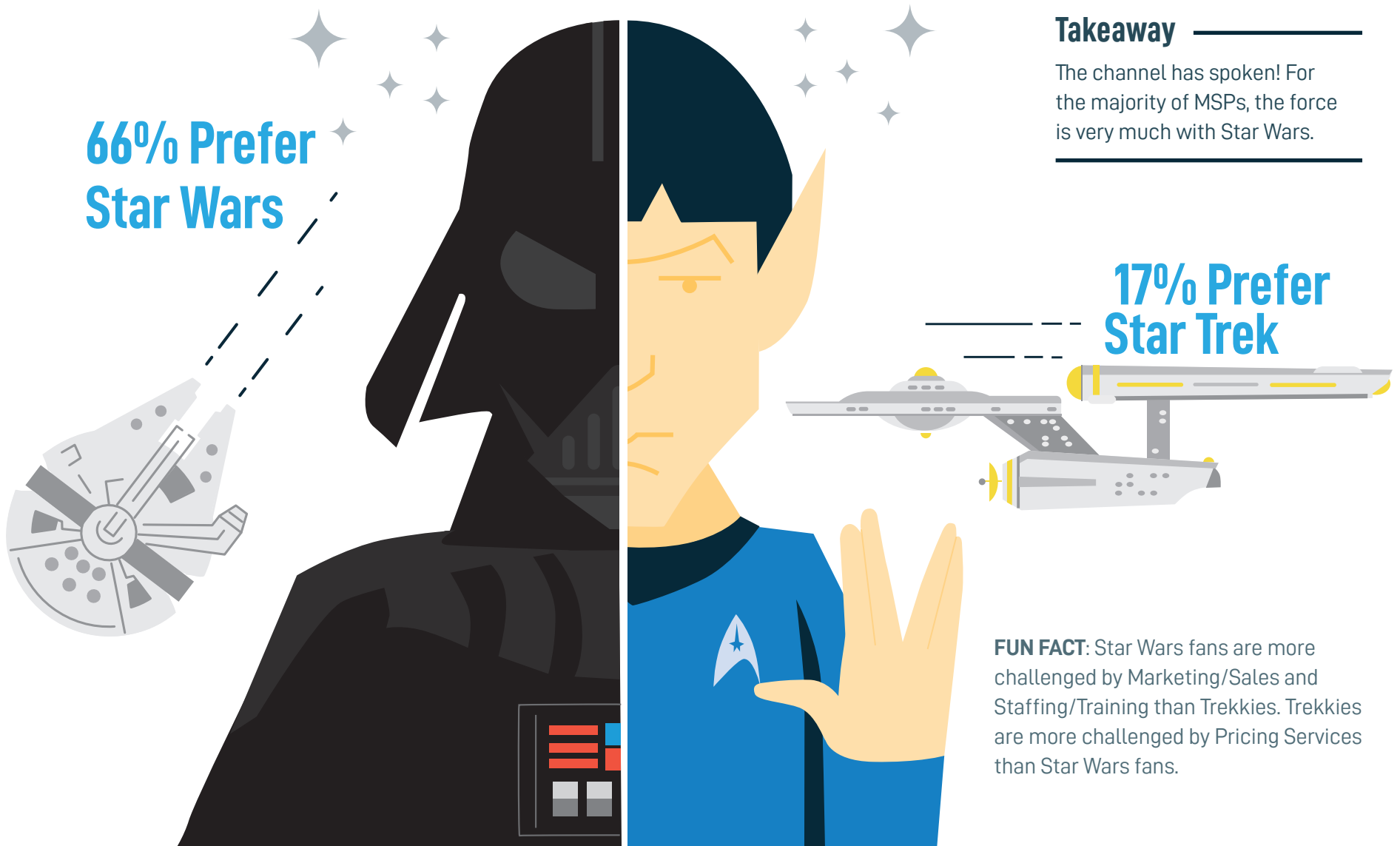
In graphs denoting amounts beyond 100%, participants were able to choose multiple answers.

Top Channel Community Forums of MSPs

- Reddit
- Spiceworks
- ASCI
- LinkedIn Communities
- Microsoft Technet



MSPs: TALK NERDY TO ME (JUST FOR FUN)



Takeaway

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

FUN FACT: Star Wars fans are more challenged by Marketing/Sales and Staffing/Training than Trekkies. Trekkies are more challenged by Pricing Services than Star Wars fans.

DO MSPs PREFER: STAR WARS, STAR TREK, NEITHER OR OTHER?

Neither 9%

Other: 8%

Firefly, Babylon 5, Battlestar Galactica, Guardians of the Galaxy, Harry Potter, Stargate

CONCLUSION:

- The majority of MSPs are male, college educated and between the ages of 35-54.
- Most MSP shops serve 100+ clients and make over \$5 million in annual revenue.
- MSPs focus their business efforts on a specific vertical or verticals. The most popular industries targeted by MSPs are Professional Services, Manufacturing, Construction and Healthcare.
- When evaluating new products and services, a Google search is the most common method for MSPs followed by word-of-mouth reviews.
- 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.
- MSPs travel 1-2X per year for work, for some, a major benefit of managed services (i.e. remote monitoring).
- The #1 business challenge for MSPs today is Marketing and Sales efforts. Other major pain points: Selling BDR solutions, Staffing and Training, and Growing Pains.
- When it comes to marketing, the majority of MSPs struggle with generating a continuous flow of quality leads into their sales funnel.
- The state of the economy and declining budgets are constant hurdles MSPs have to overcome during the sales process.
- Recruiting technical talent is the biggest staffing challenge for MSPs of any size. Employee training and retention pose additional issues.
- As MSPs continue to grow, the lack of time and resources prove to be a challenge and, as a result, operational efficiency and consistency of services tend to suffer.
- MSPs largely consume their media online. The most popular blogs/podcasts of the channel are NPR and TWiT.
- MSPs regularly read a variety of online publications, the most popular being MSPMentor, CNN and CNet.
- Reddit is the MSP's one-stop shop for networking with peers and tuning into entertainment, industry and technology news.
- While more than 50% of MSPs surveyed aren't following sports publications online, nearly 8 in 10 of them are football fans.
- The majority of MSPs are active daily on social networks, particularly Facebook, LinkedIn and Reddit.
- 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.

ABOUT THE REPORT

Datto's 2017 State of the MSP Report is comprised of statistics pulled from a survey of over 1,200 managed service providers in the United States and Canada. To learn more about the results, please reach out to [Katie Thornton](#), Senior Manager of Content Marketing at Datto, Inc.

Additional Resources:



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ABOUT DATTO

Datto protects business data and provides secure connectivity for tens of thousands of the world's fastest growing companies. Datto's Total Data Protection solutions deliver uninterrupted access to business data on site, in transit and in the cloud. Thousands of IT service providers globally rely on Datto's combination of pioneering technology and dedicated services to ensure businesses are always on, no matter what.

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