

Report

datto

Datto's Global State of the MSP Report

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Introduction

Datto surveyed 1,800+ managed service providers (MSPs) worldwide to learn more about who they are and what they care about. The result: a wealth of data and insights on topics that range from how they run their business, what solutions they plan to offer, and what is driving growth in today's challenging environment.

For the first time, we identified the specific behaviors of high-growth MSPs that separate them from their competition, developing a roadmap for growth. This year, we delved deeper into the technologies MSPs rely on to deliver services to their clients and how they expect that to change in the years ahead. Additionally, we expanded our research to include MSPs who are not Datto partners and focused on ensuring we had strong representation for the Americas, Europe, and Asia Pacific. We've also included a Table of Figures at the end of this report to share findings on a regional level.

We conducted our initial research before the COVID-19 pandemic shook the economy worldwide. To better reflect the current mindset of MSPs, we conducted a second, shorter survey* to find out if and how MSP priorities had shifted. You will find information from this second round of research peppered throughout the report.

MSPs are not just the core of the IT Channel and Datto's business, but essential service providers for millions of small and medium businesses. We hope that this report helps shed light on how MSPs can overcome challenges and grow their businesses in the face of a new SMB landscape.

**Datto's State of the MSP Follow-Up Survey*

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Major Findings

1 **MSPs that set specific growth goals for their business and increase the portion of their revenue from managed services grow faster than their peers.** For every 10% of total revenue derived from managed services, MSPs add 0.25 to 0.75 additional points of annual growth to their business. Setting specific revenue targets adds an additional 2 points of annual growth, on average.

2 **Cloud migrations and security are expected to drive the managed services opportunity through 2020.** MSPs were already expecting cloud migrations and security to be major drivers of managed services, and the impact of COVID-19 on SMBs is accelerating those trends.

3 **COVID-19 presents new challenges for MSPs, as well as opportunities.** After expecting significant growth in 2020, MSPs revised expectations downward to be nearly flat in light of COVID-19.



The Business of Managed Services

When asked how long they've been in business for, MSP respondents ran the gamut from seasoned pros to relative newcomers. Nearly 40% said their organizations have been around for more than 16 years, with many transitioning to managed services from another business model.

However, 18% have been in business for less than 5 years, indicating that there's plenty of room in the market and the managed services industry is attracting new blood. This is reflected in the 84% of MSPs that said, "now is a good time" to be in the industry.

Additionally, many MSPs are larger than one might expect. While 64% of MSPs have fewer than 25 employees, larger firms are becoming prominent due to industry growth and M&A activity—15% have over 100 employees.



Geo trend: Managed services as a business model is a newer trend outside of the Americas. In EMEA, for example, **only 31% have been in business for 15+ years**. In APAC, only 20% have been in the industry for that long.



Nearly 40%
have been in business
for 16+ years



84%
believe now is
good time to be
an MSP



36%
have over
25 employees

Table of Figures:

See Figure 1. for age of business by region.

See Figure 2. a regional breakdown of organization size by employees.

See Figure 3. for industry perceptions by region.

Who MSPs Serve

On average, MSPs report a client base of 122 clients. However, this number is skewed upward by the relatively few MSPs that serve more than 250 clients (16%). Most MSPs (69%) have fewer than 100 clients, up a bit from last year (59%).

The sweet spot for MSPs continues to be businesses with between 1 and 150 employees. 60% said their typical client fell within that range. Not surprisingly, 89% identify their clients as small or micro businesses.

Of the other 11%, some are serving very large businesses, even pushing into the enterprise. 5% reported clients with over 500 employees. As reported in Datto's SMB Market Report for MSPs, MSPs usually move to serve larger organizations with a co-managed IT model.

5%
of MSPs reported
clients with over
500 employees

60%
of MSP's clients
have between 1 and
150 employees

69%
of MSPs have
between 1 and
100 clients

SMB Market Report for MSPs



Table of Figures:

See Figure 4. for number of clients by region.

See Figure 5. typical clients by region.

Managed Services Revenue by the Numbers

Annual Revenue

More than half of MSPs said over 50% of their total revenue came from recurring services, a key marker of MSP maturity. This makes sense—there is always going to be project-based work (e.g., server migrations, major network upgrades, etc).

That being said, 26% of MSPs reported over 75% of revenue coming from managed services and 2% reported that 100% of revenue comes from managed services.

Finally, 50% of MSP contracts are less than \$15k per year. However, larger contracts exist as MSPs go upmarket, serving bigger businesses or providing specialized co-managed services, as evidenced by the 9% of MSPs that reported average annual contracts over \$100k.



Geo trend: In North America, the highest percentage of MSPs (43%) report \$2.5M+ in annual revenue. In EMEA, 39% of MSPs report annual revenue surpassing \$2.5M. In APAC, the lowest percentage of MSPs (26%) report \$2.5M+ in annual revenue.

Table of Figures:

See Figure 6. annual revenue by region.

See Figure 7. percentage of revenue from managed services by region.

See Figure 8. typical client Contract value by region.

Total annual revenue:

Nearly 40% of MSPs report \$2.5M+



Percentage of revenue from managed services:

Over half (53%)



31% of MSPs

have an average annual contract amount of \$10,000-\$14,999

Managed Services Revenue by the Numbers

Annual Growth

The managed services industry has been growing rapidly in recent years as SMBs increasingly entrust their IT to an MSP. Individual MSPs are benefiting from that growth: Over the past three years, 22% of MSPs said that their total revenue per year grew by up to 5% and 24% reported growth of up to 10%. Meanwhile, 19% of respondents saw growth of up to 20% per year while 12% remained the same.

Not surprisingly, the largest percentage (42%) of respondents experienced medium growth, with revenue increases of 6% to 20% per year, on average. One in five MSPs report rapid growth of more than 20% per year, on average, sustained for the past three years. Only 3% of respondents stated growth has declined by more than 5% annually.

71% of MSPs
set specific goals
for their business

78% of MSPs
grew revenue at 5%
or more annually over
the past three years

40% of MSPs
expect to reduce their
growth projection by
between 10% and 20%
due to COVID-19

Table of Figures:

See Figure 9. growth goal perceptions by region.

Managed Services Revenue by the Numbers

COVID-19 Pandemic Impact

When we initially conducted this survey, MSPs reported they expected 17% growth on average over the next three years. This, of course, was weeks before the outbreak of COVID-19 drastically changed economic outlooks globally. Our follow-up survey revealed that MSPs are still expecting to grow through the crisis, albeit at **a much slower pace than originally planned.**

When MSPs were asked how they expect the pandemic to impact 2020 revenue, nearly 40% said they expected to reduce their growth projection by between 10% and 20%. 23% said they expect to remain on plan or reduce their plan by less than 10%. Interestingly, 11% are actually revising their growth projections upward, expecting revenue to increase during the crisis compared to their original plan.

In a recent CompTIA survey, 67% of respondents said they are likely to seek third-party assistance for remote work capabilities in the wake of COVID-19. Additionally, their report said that the rising unemployment rates may have less of an impact on MSPs than other businesses, because many serve professional service clients that can work remotely during the pandemic.

Table of Figures:

See Figure 10. annual growth over the past three years by region.



MSP Growth Drivers

With overall SMB spending on managed services growing at 15% per year,* it's no surprise that most MSPs are growing. But how do certain MSPs outpace the market? For the first time, we were able to identify traits that set high-growth MSPs apart from their peers. Backed by more than 800,000 data points from 1,800 MSPs, we identified two consistent drivers of MSP growth: generating a higher portion of total revenue from managed services, and setting specific revenue and growth goals. Combined, these two activities enable MSPs to roughly double their rate of growth compared to the baseline.

Generating a Higher Portion of Revenue from Managed Services

For every 10% increase in the proportion of revenue from managed services, MSPs' annual growth rates increase by 0.25 to 0.75 points. So, increasing the percentage of your managed services revenue stream from 20% to 70% improves annual growth by 1-4 points. Compounded over time that's significant, and has a multiplier effect on business valuation.

A higher portion of revenue from managed services also helps MSPs improve their business resiliency by maintaining steady cash flow and revenue during economic downturns. The bottom line: while project work and one-time hardware sales may be tempting, there's no better way to grow and strengthen an IT practice than by shifting as much business as possible to the managed services model.

From Break-Fix to MSP



Takeaway: Mature your business to capture more revenue from managed services, rather than project work or hardware sales.

**Canalys, 2020-2023 market forecast*

MSP Growth Drivers

Setting Specific Growth Goals

Not all MSPs are looking to grow; in fact, nearly a third (pre-COVID-19) told us they intended to simply maintain the size of their business for lifestyle reasons. However, being intentional matters: MSPs who set specific growth goals see about 2 points of additional annual growth compared to MSPs who don't.

Other Attributes of Growth

We also identified a few variables outside MSPs' control that are correlated with growth—or decline.

Size of the business: Larger MSPs, measured by both employee and client count, are generally growing faster than smaller MSPs. Larger MSPs benefit from increased efficiencies of scale, typically have PSA and RMM systems in place to support their growth, are more likely to have managed security and cloud management offerings, and benefit from larger than average client and contract sizes than smaller MSPs.

Years in business: On the flip side, the number of years in business is negatively correlated with growth, meaning small, upstart MSPs are generally growing faster than older MSPs. However, the number of clients and employees offsets this number, so larger MSPs that have been growing consistently do not see a similar drag.

Geography: Individual MSPs based in the Americas are growing fastest, followed by Europe, and finally, APAC. We expect APAC MSPs to see faster growth once the managed services model becomes more commonplace there.



Takeaway: Set specific revenue targets for your business and build a plan to achieve them.

**Canalys, 2020-2023 market forecast*

MSP Growth Drivers

So, What *Doesn't* Drive Growth?

It doesn't appear to matter where MSPs get new clients, what specific managed services are offered or planned, the pace of cloud migrations or security offerings, or the percentage of employees dedicated to any specific function such as sales and marketing.

That's not to say new service offerings or sales and marketing investments don't matter: there is a baseline of investment MSPs need to simply compete and grow at the overall rate of the market; however, accelerating any one of investments alone will not necessarily have a material impact on an MSPs growth rate over and above their peers. More research is needed in this area.

**Canalys, 2020-2023 market forecast*



MSPs and Media

Most Popular Channel Sites/Publications for MSPs, by Region



Americas

CompTIA	23%
IT Business	21%
CRN	20%
ChannelPro	18%
Channel Partners	17%

EMEA

IT Business	42%
TechTarget	25%
CRN	24%
Heise	20%
IT Europa	19%

APAC

IT Business	33%
CRN	31%
TechTarget	31%
ARN	29%
MSSP Alert	25%

Table of Figures:

See Figure 11. media preferences by region.

How MSPs Find New Clients

Top three sources of new client prospects/opportunities:

Recommendations and word of mouth came out on top as the best ways for MSPs to score new clients. Sales calls and prospecting was number two on the list and vendor referrals rounded out the top three.



63%

Recommendations and word of mouth



42%

Sales calls and prospecting



38%

Vendor referrals

Table of figures:

See Figure 12. top prospect/opportunity sources by region.

See Figure 13. social media marketing platform use by region.

Top three social media platforms used to engage clients and prospects:

MSPs use a variety of social media platforms to reach their target audience. LinkedIn came out on top again this year followed by Facebook and Twitter, matching last year's top three.



LinkedIn

68%



Facebook

54%



Twitter

42%



Cold Calling Made MSPeasy

Survey respondents were able to enter multiple responses.

What's Keeping MSPs Up at Night?

MSPs reported that economic uncertainty due to the global health crisis will likely have downstream effects for their own business revenue, cash flow, and receivables. However, some MSPs reported that an increase in cloud migrations may offset those losses.

"This definitely has the potential to speed up the pace of cloud migrations. It helps us put security front and center—and get it the attention it deserves—from a client perspective," said Cameron Brister, CEO of SquarePlanIT.

Client cybersecurity was top of mind for MSPs this year, followed by work/life balance, and hiring. Given the events that unfolded after our initial survey, hiring is likely less of a focus than it was going into the year. Sales and marketing, a perennial challenge for MSPs, followed shortly after.

The rise in concern about cybersecurity may be due to several well publicized attacks in which criminals leveraged MSP credentials to gain access to their clients' systems. Or, it could indicate a rise in demand from clients, indicating an increase in awareness about IT security among SMBs.

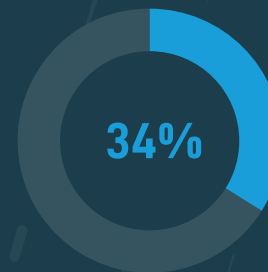
**Datto's State of the MSP Follow-Up Survey*

Survey respondents were able to enter multiple responses.

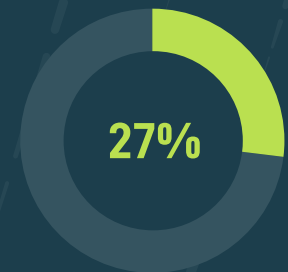
Table of Figures:

See Figure 14. for top MSP concerns by region.

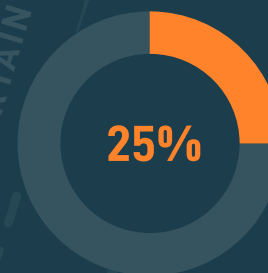
Top issues keeping MSPs up at night: Economic Uncertainty*



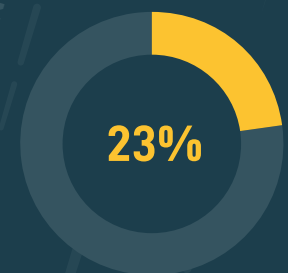
Client Cybersecurity



Work/Life Balance



Hiring

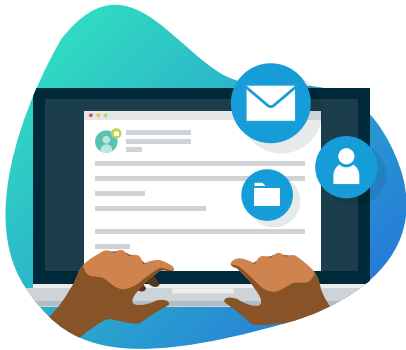


Sales/Marketing

The Technology of Managed Services

Top Products and Services Offered by MSPs

Current Managed Services Offerings:



75%

Cloud productivity services (Office 365, G Suite, etc.)



73%

Technical support/helpdesk



73%

Networking (WiFi, switching, routing)



70%

Business Continuity & Disaster Recovery (BCDR)

Selling SaaS Backup Made MSPeasy



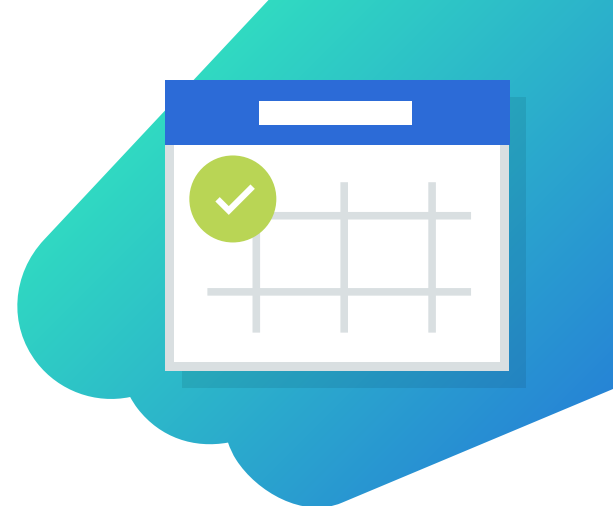
Selling BCDR Made MSPeasy



Survey respondents were able to enter multiple responses.

**Datto's State of the MSP Follow-Up Survey*

The Technology of Managed Services



Planned Managed Services Offerings (next 12 months):

Cloud productivity services topped the list of current managed service offerings (75%), up two slots from last year, as businesses continue to migrate away from on-premises productivity tools. Networking and Helpdesk services were tied in second place (73%), and BCDR took the third spot (70%). While the order changed, the popularity of these services did not: the same four services were on top last year as well.

Most MSPs will offer all of these as the core of their SMB IT service. However, the growth of co-managed IT means more specialized MSPs are targeting a segment of the client IT environment in partnership with in-house IT teams, and/or partnering with other IT firms.

Cloud-based infrastructure design and management (Azure, AWS, etc.) took the top spot for services MSPs are planning to offer within the next year (29%). Security management software/tools (25%) and intrusion monitoring (22%) rounded out the top three, in keeping with client IT security concerns, which topped the “what keeps you up at night” category.

*Challenges may have changed in the wake of the pandemic, but technologies and services have not. In our follow-up survey, MSPs reported the top opportunities through 2020 were the improvement of remote access solutions, security, and cloud migrations. In other words, trends identified in our initial survey will likely be accelerated in the wake of the pandemic. VoIP, business continuity, Azure migrations, hardware sales, and business resilience solutions are also expected to drive revenue as clients continue to recover.



29%
Cloud-based infrastructure design and management (Azure, AWS, etc.)



25%
Security management software/tools

Table of Figures:

See Figure 16. for planned managed services offerings (next 12 months) by region.

Survey respondents were able to enter multiple responses.

**Datto's State of the MSP Follow-Up Survey*

Top Security Offerings

Most important security tools:

MSPs reported that client security keeps them up at night, and antivirus, two-factor authentication, and firewall topped the list of tools they rely on to keep them safe.

However, it's worth noting that patch management and remote monitoring filled out the top five, showing that a robust security offering requires more than just antivirus. Since cyber attackers leverage vulnerabilities in software and operating systems, it is essential to stay on top of patching and other updates. It's nice to see that MSPs rank these things so highly.



61%
Antivirus



60%
**Two-factor
authentication**



58%
**Firewall - Advanced
(UTM, NGFW, etc.)**

Table of Figures:

See Figure 17. for critical security tools and technologies by region.

Survey respondents were able to enter multiple responses.

Emerging Technologies

On a scale of 1 to 5, valuable new technology or just hype?

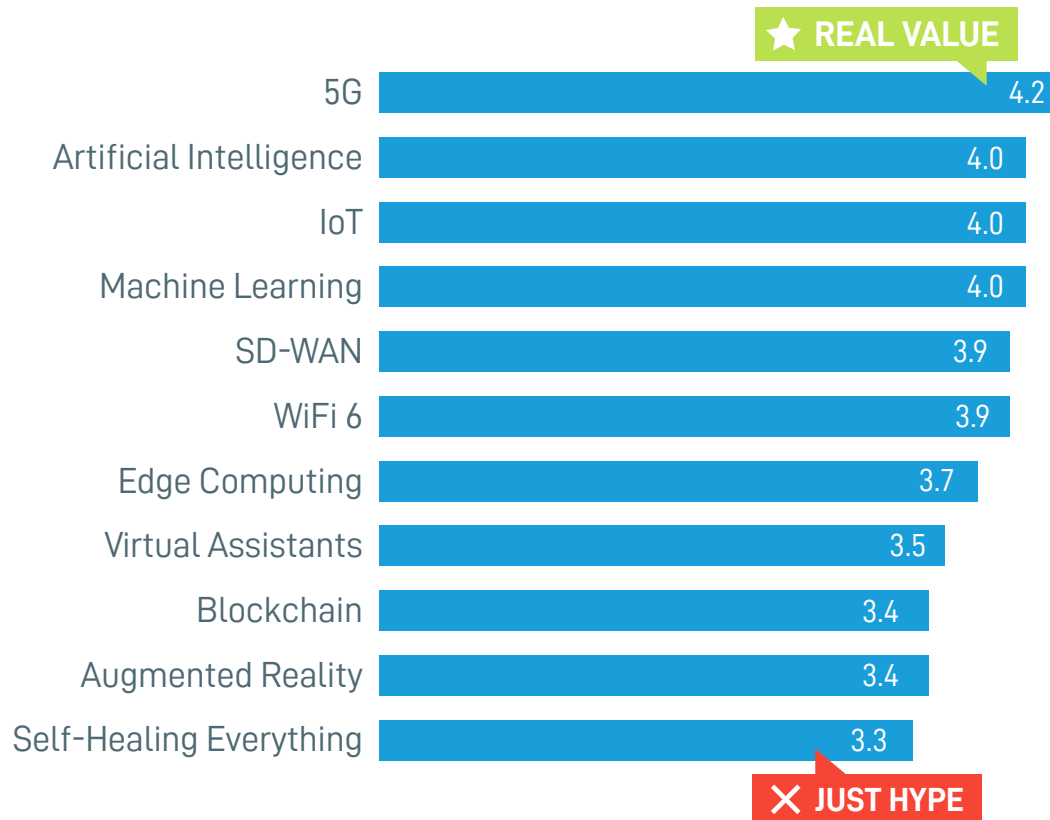


Table of Figures:

See Figure 18. for emerging technologies by region.

MSPs are most excited about the promise of 5G technology. Given MSPs reliance on remote management technology, the benefit of a faster wireless network makes sense. Additionally, 5G will enable new opportunities for their customers. MSPs will play a part in everything from identifying potential opportunities to deploying and managing the necessary infrastructure.

At the other end of the spectrum, MSPs aren't buying the concept of self-healing everything. Most MSPs have experienced in one way or another that everything that can go wrong, will go wrong. While self-healing sounds cool, they'll have to see it to believe it.

5G offers real value, but smaller clients may initially shy away at the cost. Bigger businesses, however, can easily adopt it with the budgets and controls they have in place today. When speaking to smaller clients, it's crucial to highlight that 5G will allow them to support more devices, more data, and provide better connectivity as they continue to digitally transform.

- Paul Birbeck, Operations Director, Eventura

Solutions that Positively Impact MSP Businesses

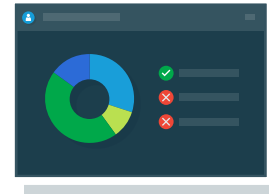
Most valuable tools for MSPs:



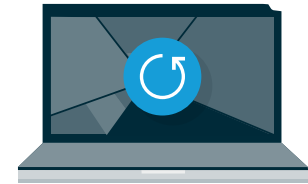
**Remote
Monitoring and
Management**
(RMM)



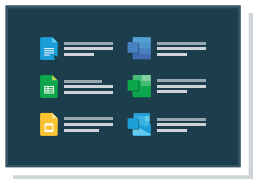
Security tools:
Router, Switches,
Firewalls, Security
Software, 2FA



**Professional
Services
Automation (PSA)**



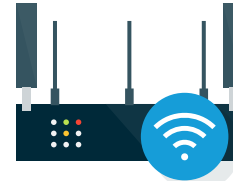
**Business
Continuity and
Disaster Recovery**
(BCDR)



**Cloud
Productivity
Services**
(Microsoft Office
365, G Suite)



**Documentation
Software**



Networking:
Hardware and
software



**Voice over
Internet Protocol**
(VoIP)



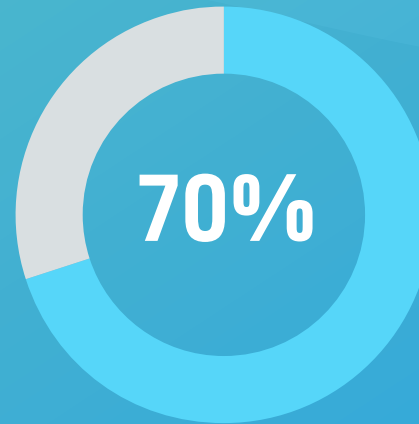
Unlike big enterprise IT shops that are often inward looking and sometimes overvalue complexity, MSPs value simplicity, stability, and quality. **When we are at our best, we deliver technology that is aligned with these MSP values.**

- Bob Petrocelli, Chief Technology Officer, Datto, Inc.

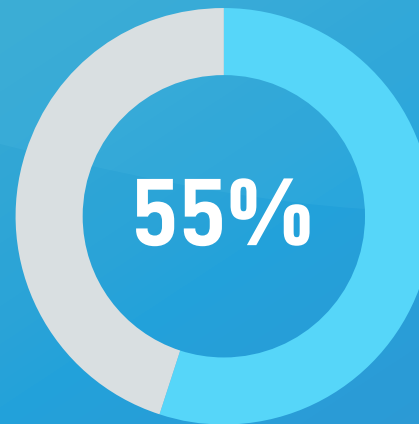
Data Protection and Business Continuity Trends

There is considerable disparity between clients with traditional backup vs. full BCDR protection. MSPs said that, on average, 70% of client's servers are protected with some kind of backup solution, while only 55% are protected with a full business continuity solution. Finally, 38% of endpoints are protected.

This could simply point to the fact that not all servers need the fast recovery capabilities that BCDR solutions deliver. On the other hand, it may represent an opportunity for MSPs, as some of these clients might be better suited with full BCDR protection. Endpoint protection also represents an opportunity for MSPs, especially clients that work from home or on the road.



of MSPs' clients' servers are protected with **some type of backup solution**.



of MSPs' clients' servers are protected with **full business continuity**.

Table of Figures:

See Figure 19. for server backup rates by region.

Cloud Trends

Many MSPs expect to move critical client workloads off local hardware now or in the near term. 38% of respondents said that they expect a moderate decrease in on-premises servers, and 19% expect to see a significant decrease over the next three years. However, on-prem hardware isn't going away. 43% of MSPs expect on-premises workloads to stay the same or even increase in three years time.

44% said they do not maintain a data center, instead opting to use a cloud provider for offsite compute and storage. Just over half of respondents said they use Microsoft Azure, followed by Amazon Web Services and Google Cloud. 80% of MSPs pointed to various cost concerns as cloud migration challenges.

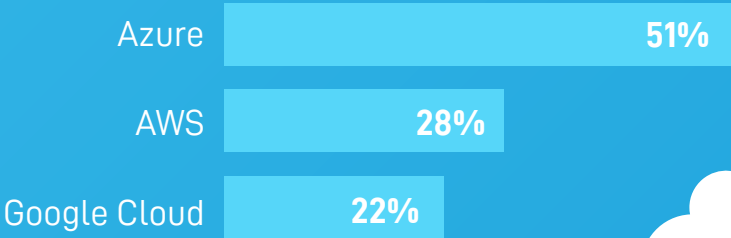
Adoption of cloud services among MSPs is growing, especially Microsoft services. Respondents said that 62% of their clients are currently using Microsoft 365 cloud services and they expect that 70% will be using them within two years. Windows server and desktop virtualization implementation is rising at an even faster rate, although a smaller percentage of clients are currently using those services.

Table of Figures:

See Figure 20. for on-prem server expectations by region.
See Figure 21. for cloud workload destinations by region.

57% of MSPs
expect the use of on-premises servers for critical applications to decline over the next three years.

Cloud workload destinations (next 12 months):



Percent of clients using the following solutions today and in two years:

Technology	Today	Two Years	Increase
Office 365 / Microsoft 365	62%	70%	13%
Windows Virtual Desktop	22%	34%	50%
Virtual Machines (VMs) in Azure	21%	33%	62%
G Suite	23%	28%	20%

Security Trends

Nearly 75% of MSPs currently have a managed security offering, but are more likely to offer it in partnership with an MSSP or other vendor (43%), likely due to the complexity of IT security. Managed security offerings vary widely, but most focus on the same tools and technologies: antivirus, backup and disaster recovery, email security, patch management, endpoint detection and response, and content filtering.

"It is incredibly promising to see that so many MSPs either already offer or plan to offer security services in the near future," said Datto CISO Ryan Weeks. "I am further excited by the trend of MSPs partnering with MSSPs to assure high value and a successful entry into the space. IT security is a complex environment and surrounding yourself with experts is a great way to bootstrap your knowledge."

Top three managed security offerings:



70% Antivirus



69% Backup and disaster recovery



64% Email security

Table of Figures:

See Figure 22. for managed security offered by region.
See Figure 23. for managed security plans by region.
See Figure 24. for managed security offering inclusions by region.

43% of MSPs offer managed security in partnership with an MSSP or other vendor.

While 31% offer their own managed security services.

Of MSPs not currently offering managed security,

44% plan to offer it in partnership with an MSSP or other vendor in the next 12 months.

25% plan to offer their own security services within that same time frame.



Survey respondents were able to enter multiple responses.

Key Takeaways

1. **High growth MSPs shared two key attributes and activities:** generating a higher portion of revenue from managed services and setting specific growth goals.
2. **39% of MSPs have been in business for over 16 years.** However, there is a solid crop of newcomers, as well. 18% have been in business less than 5 years. 84% said that now is a good time to be an MSP.
3. **24% of MSPs report their businesses make between \$1M-\$2.49M in annual revenue.** More than half of MSPs said over 50% of their revenue came from recurring services.
4. **On average, MSPs have 122 clients. However, 69% of MSPs have fewer than 100 clients.** 50% of MSPs have an average annual contract of less than \$15,000 annually and 89% said that the majority of their clients are micro or small businesses.
5. **Over the past three years, 22% of MSPs said that their total revenue per year grew by up to 5% and 24% reported growth of up to 10%.** 19% of respondents saw growth of up to 20% per year. 12% remained the same and only 3% saw declining revenues per year.
6. **Economic uncertainty was troubling for MSPs in the aftermath of the COVID-19.** Cybersecurity for clients was another top pain point for MSPs, followed by work/life balance.
7. **61% of MSPs consider antivirus the most critical security solution for SMBs,** followed by advanced firewall and RMM.
8. **MSPs believe that COVID-19 will accelerate cloud migration projects for many clients.**



Table of Figures

The Business of Managed Services:

Figure 1. Age of Business

How many years has your organization been in business?

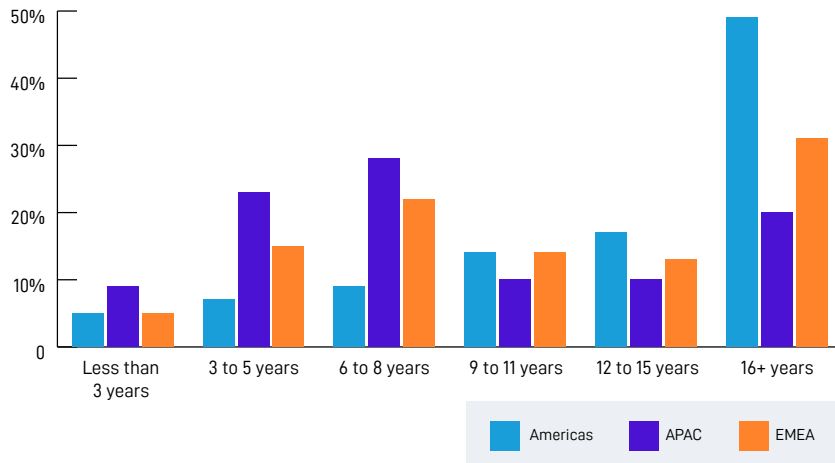


Figure 2. Agree/Disagree: It's a good time to be in my industry

Please rate the extent to which you agree or disagree with the following statements: It's a good time to be in my industry.

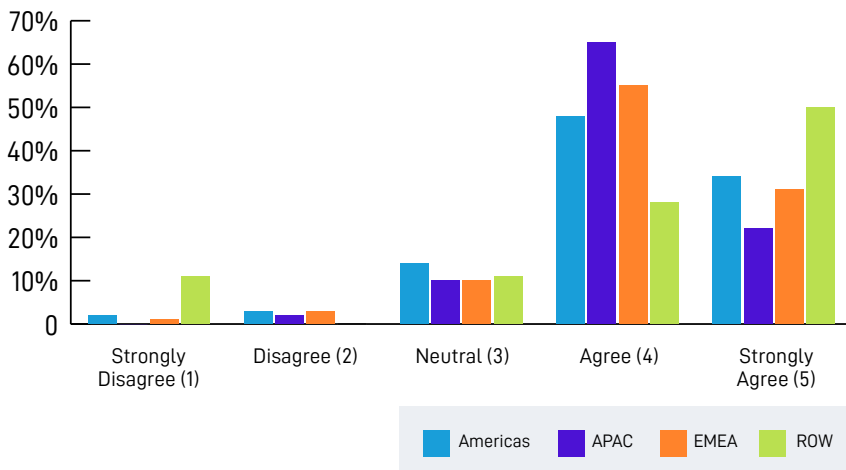
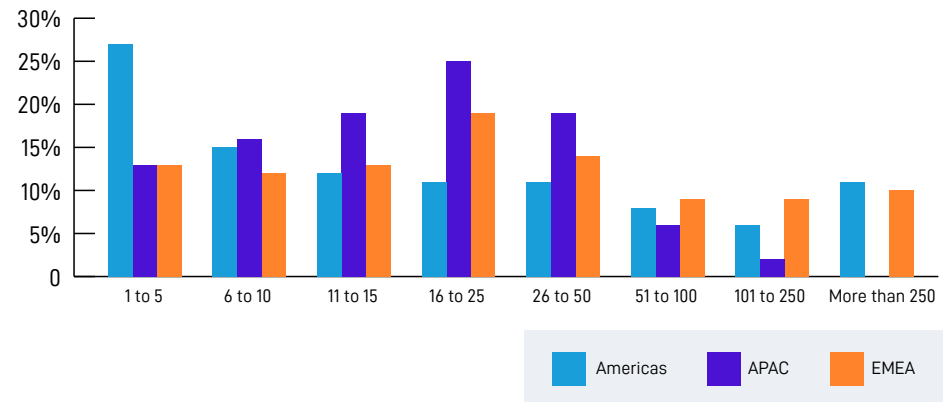


Figure 3. Employee Size

How many employees are in your organization?



Who MSPs Serve:

Figure 4. Number of Clients

Approximately how many clients does your company currently provide managed services to?

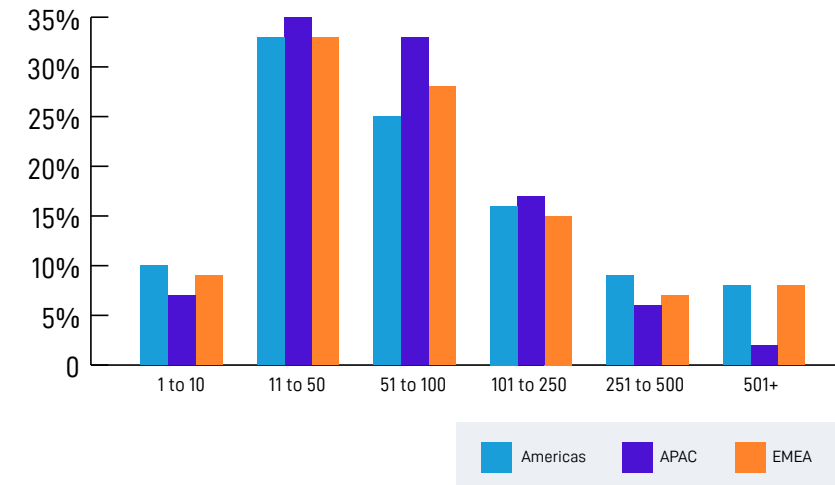
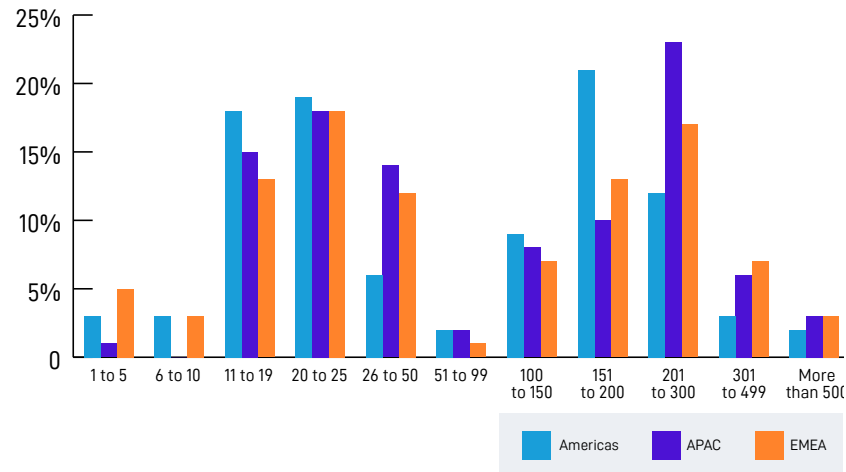


Figure 5. Typical Client End Users

How many employees would your average managed services client have? Include the number of employees in their entire organization, including all of their branches, divisions, and subsidiaries.



Managed Services Revenue by the Numbers:

Figure 6. Annual Revenue

What is your organization's annual revenue?

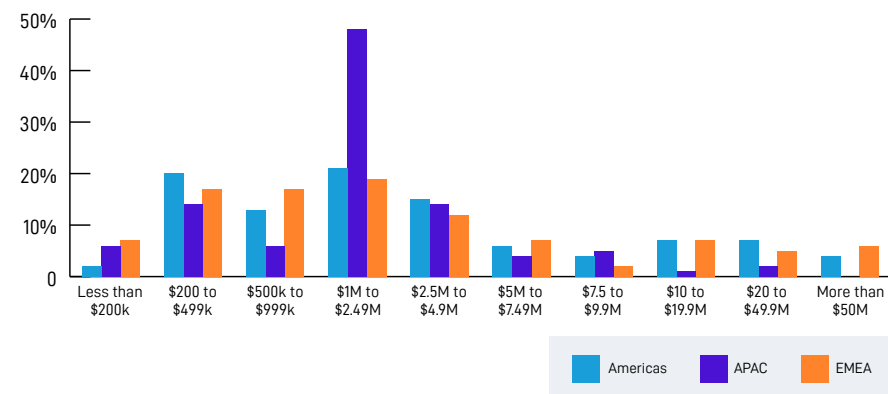


Figure 7. Percentage of Revenue from Managed Services

In the past 12 months, roughly what percentage of your total revenue was from managed services (e.g. recurring monthly or annual fees for IT services)?

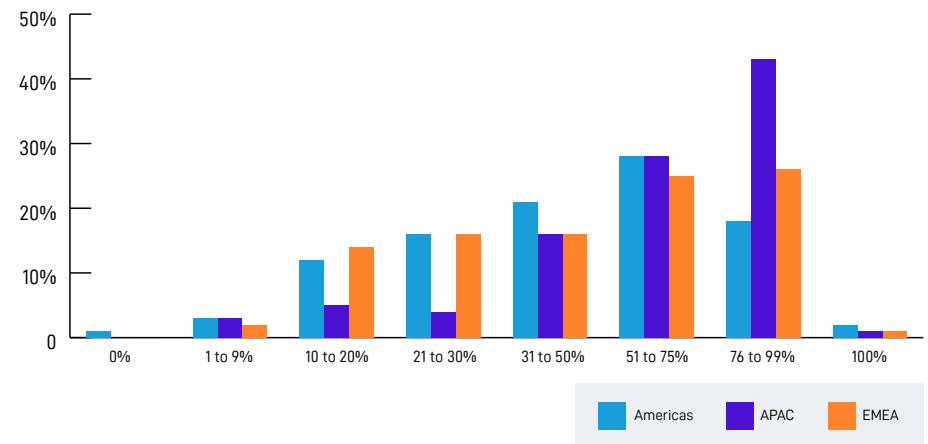


Figure 8. Typical Client Contract Value

Consider the companies that you currently provide managed services to. Roughly how much would your typical managed services customer spend per year, based on their contract, in your local currency?

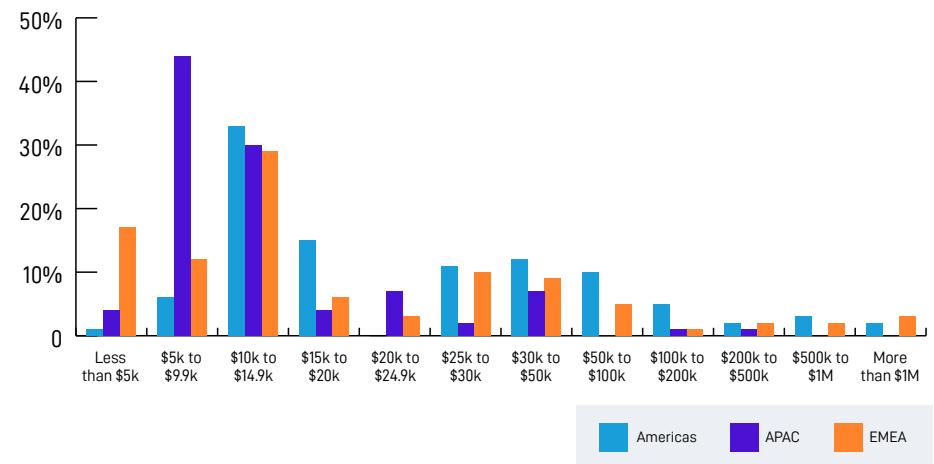


Figure 9. Agree/Disagree: I set specific growth goals for my business

Please rate the extent to which you agree or disagree with the following statements: I set specific growth goals for my MSP business.

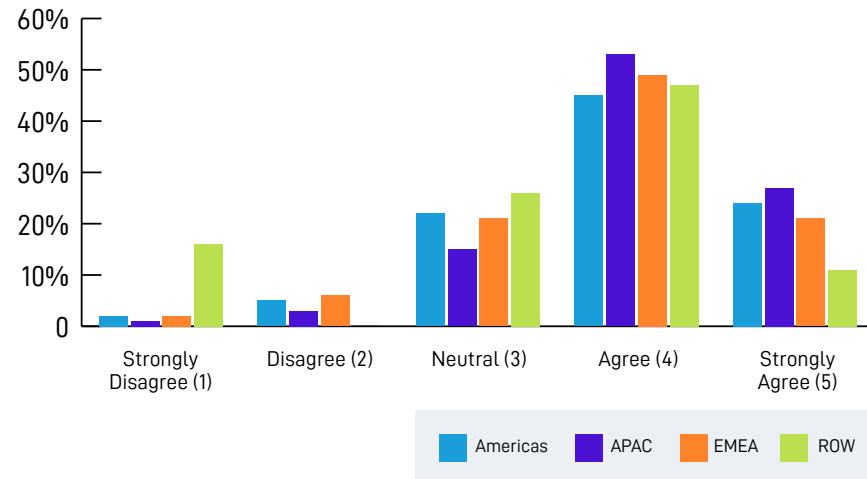
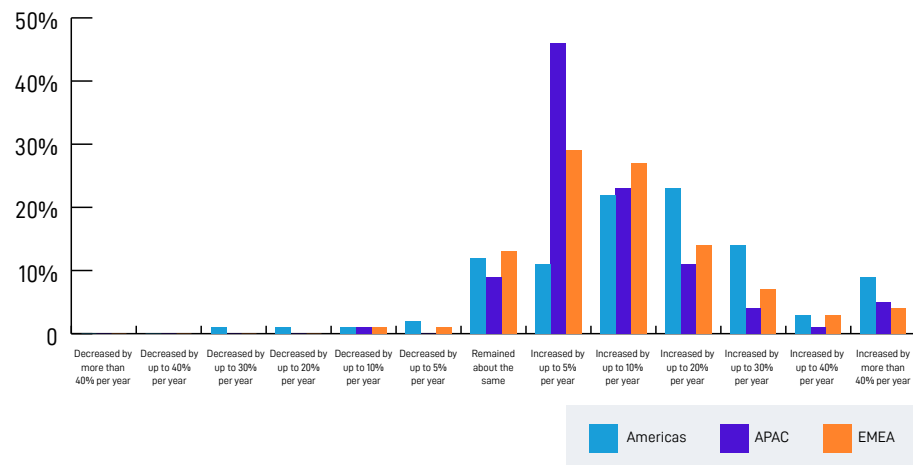


Figure 10. Annual Growth Over past Three Years

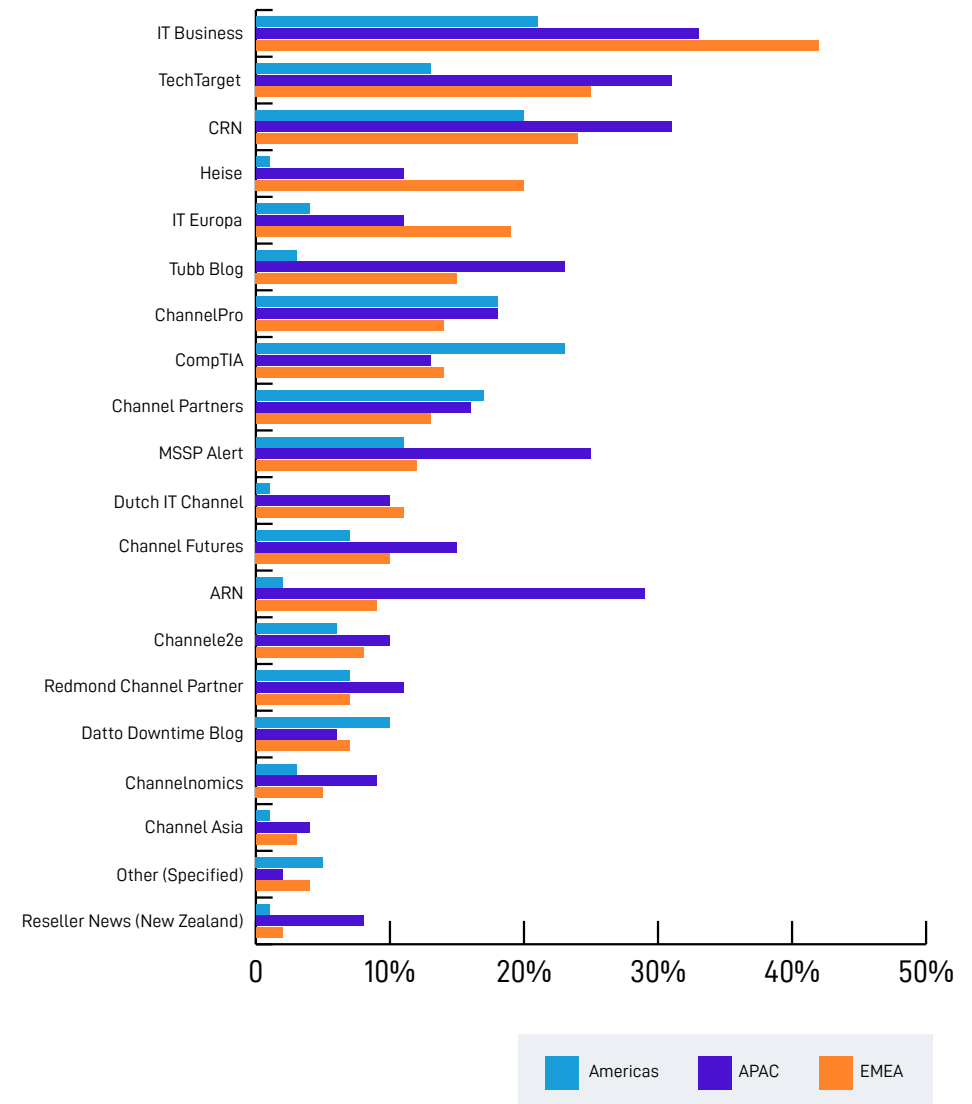
In the past 3 years, on average, how much growth or decline in total revenues per year did you experience?



MSPs and Media:

Figure 11. IT Channel Sites/Publication Preferences

Which of the following IT Channel sites/publications do you read? Select all that apply.



How MSPs Find New Clients:

Figure 12. Top Prospect/Opportunity Sources

What are your top sources of new client prospects/opportunities? Select all that apply.

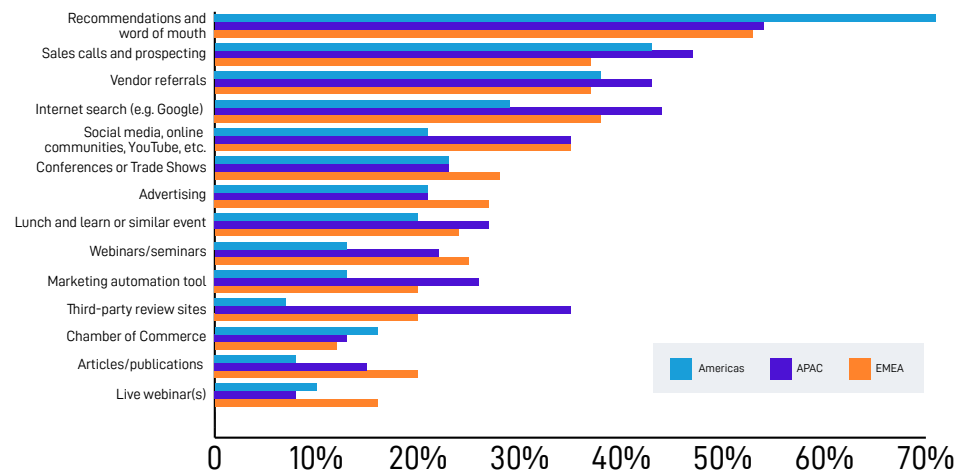
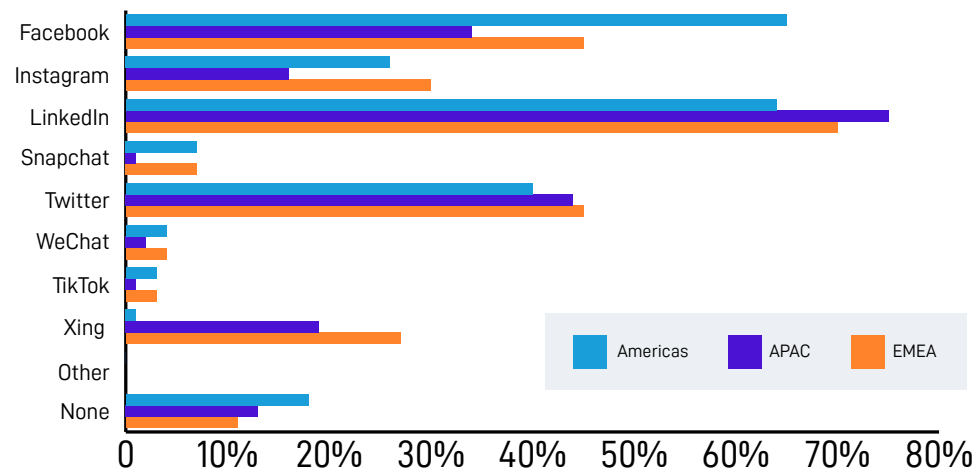


Figure 13. Social Media Marketing Platforms

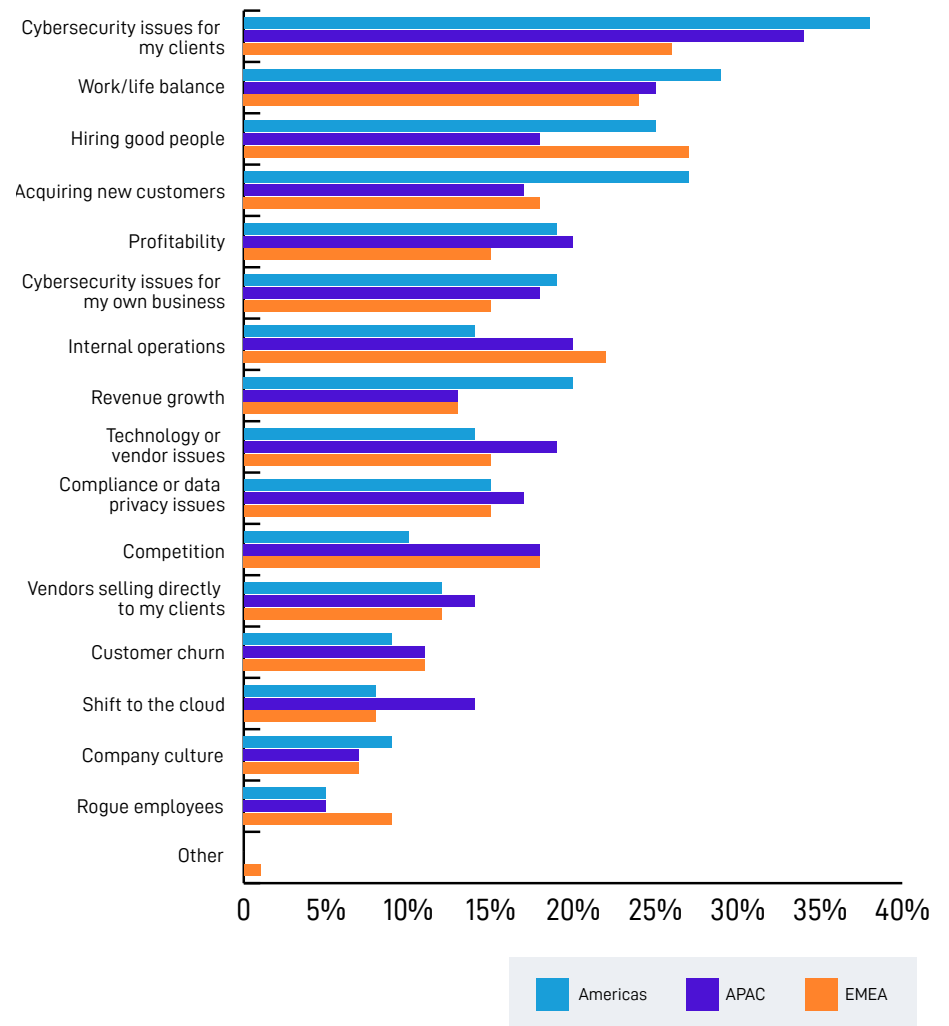
Which social media platforms does your organization use to reach clients and prospects? Select all that apply.



What's Keeping MSPs Up at Night?

Figure 14. Top MSP Concerns

What are the top issues that keep you up at night? Select up to three.



Top Products and Services Offered by MSPs:

Figure 15. Current Managed Service Offerings

What products, services and technologies are you currently offering as a managed service? Select all that apply.

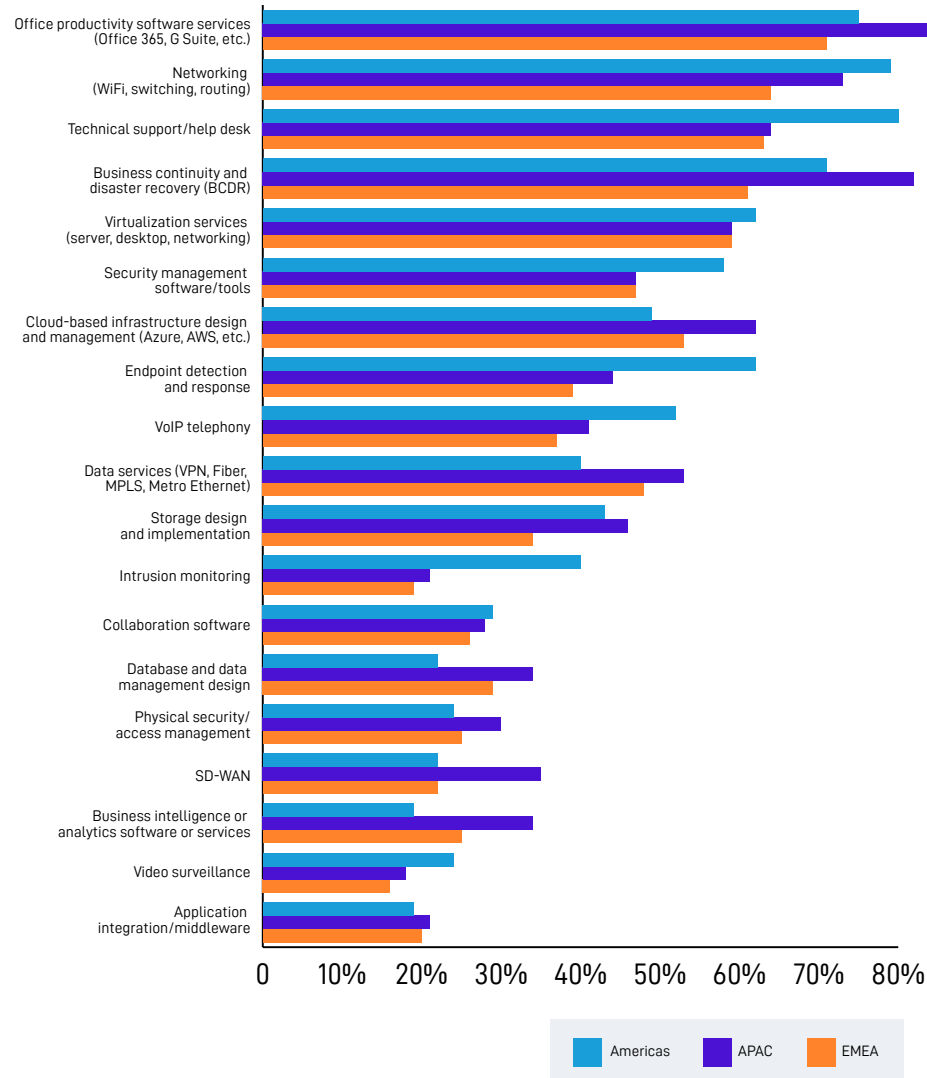
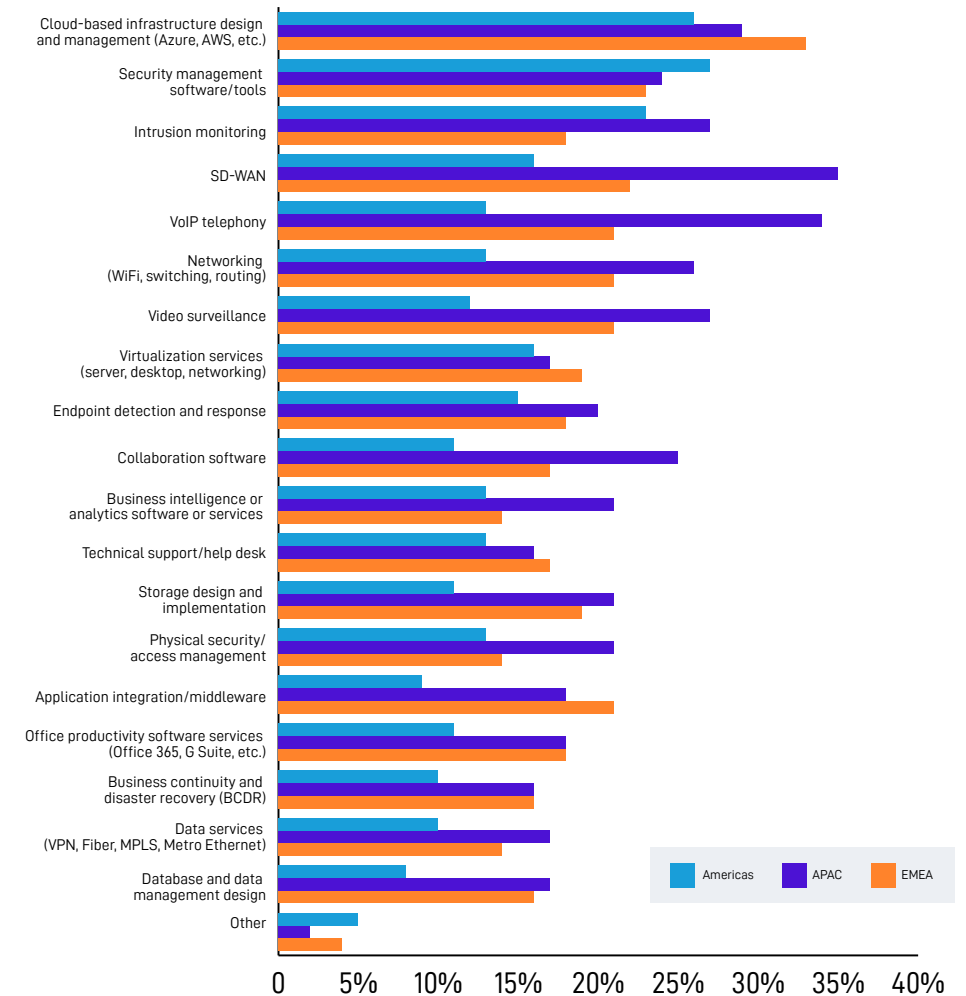


Figure 16. Planned Managed Services Offerings (next 12 months)

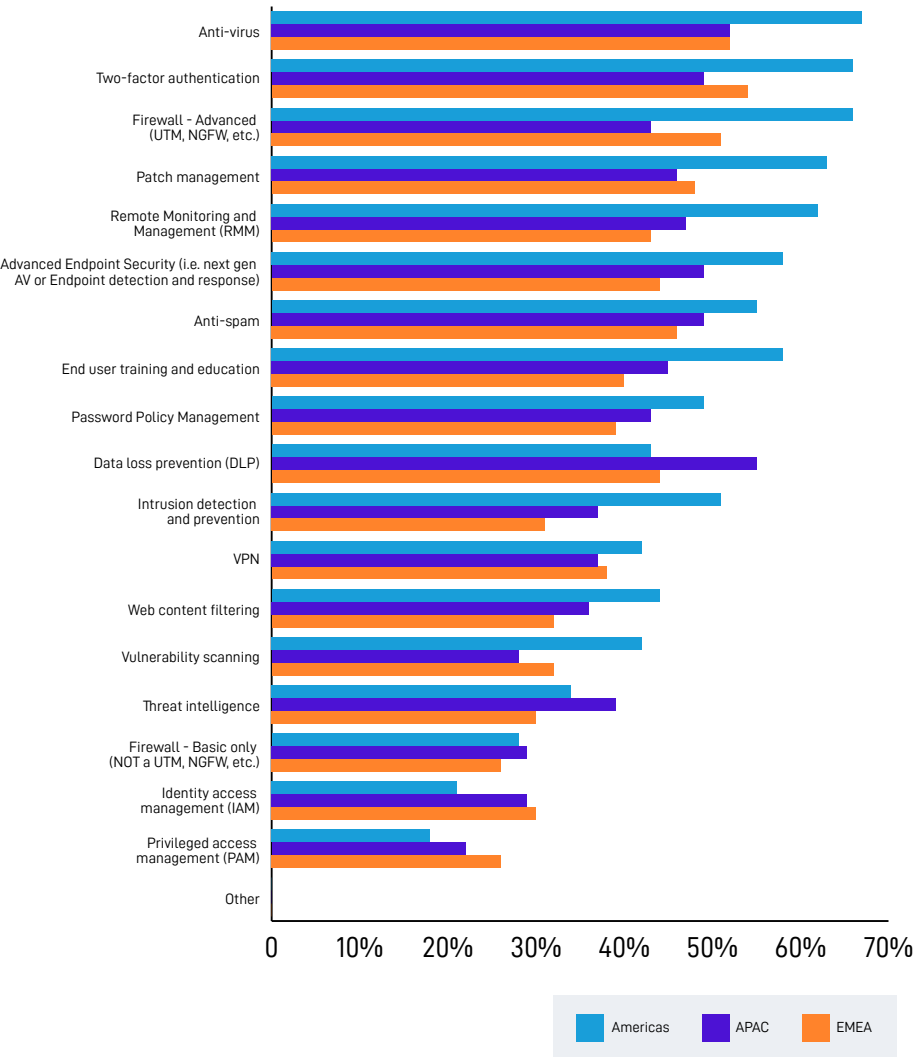
What new product, service or technology do you plan to add to your managed services offering in the next 12 months, if any? Select all that apply.



Top Security Offerings:

Figure 17. Critical Security Tools and Technologies

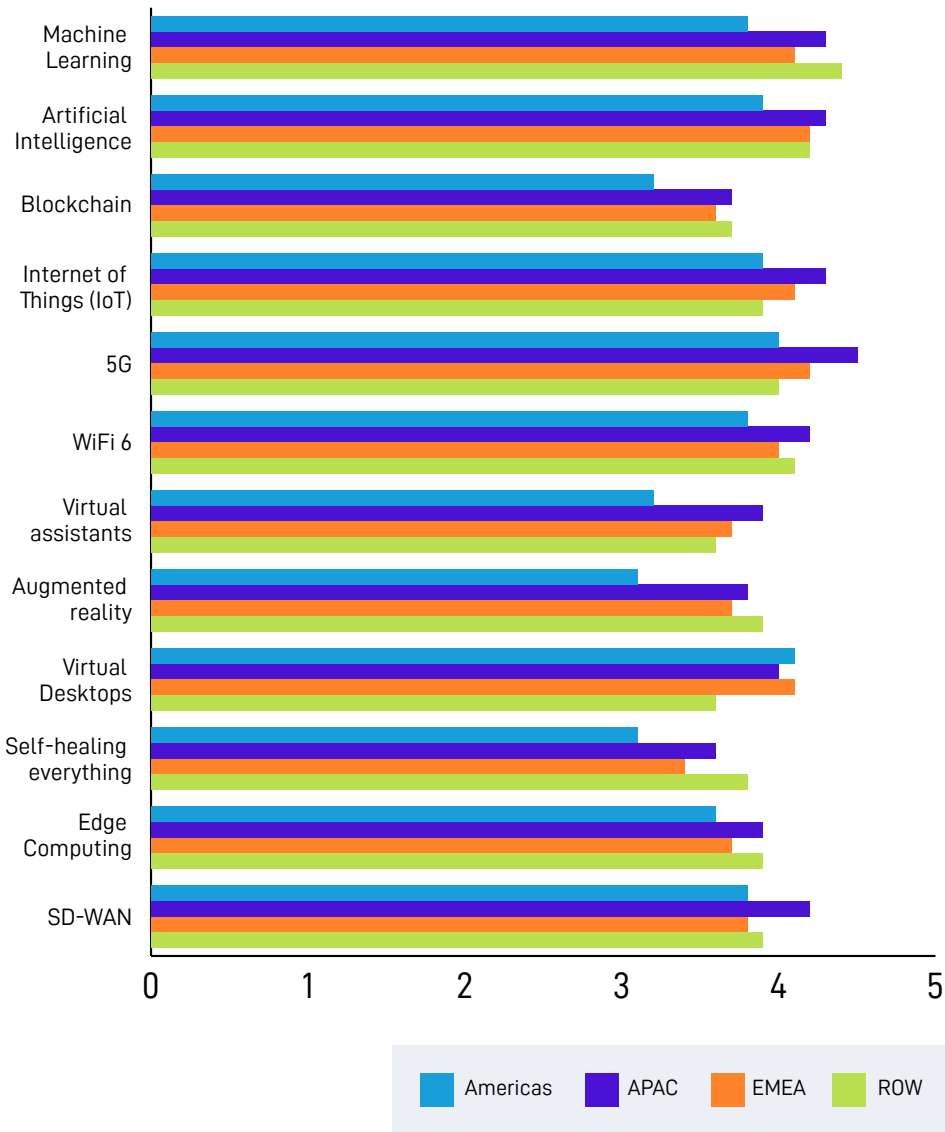
Which of the following security tools and technologies would you consider critical for the majority of your clients today? Select all that apply.



Emerging Technologies:

Figure 18. Emerging Technologies

Which of the following technologies are just hype, and which do you expect to deliver real business value in the next 2-3 years? Higher scores equate to more business value; lower scores indicate more hype than value. For each, rate on a scale of 1 to 5.



Data Protection and Business Continuity:

Figure 19. Server Backup Rates: Any Solution

Approximately what percentage of your clients' servers are backed up with ANY solution, EITHER basic backup or full business continuity and disaster recovery (BCDR)?

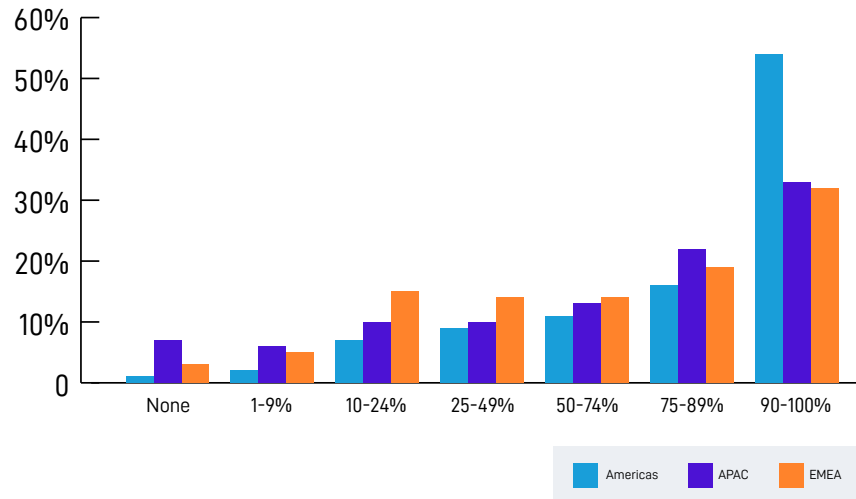
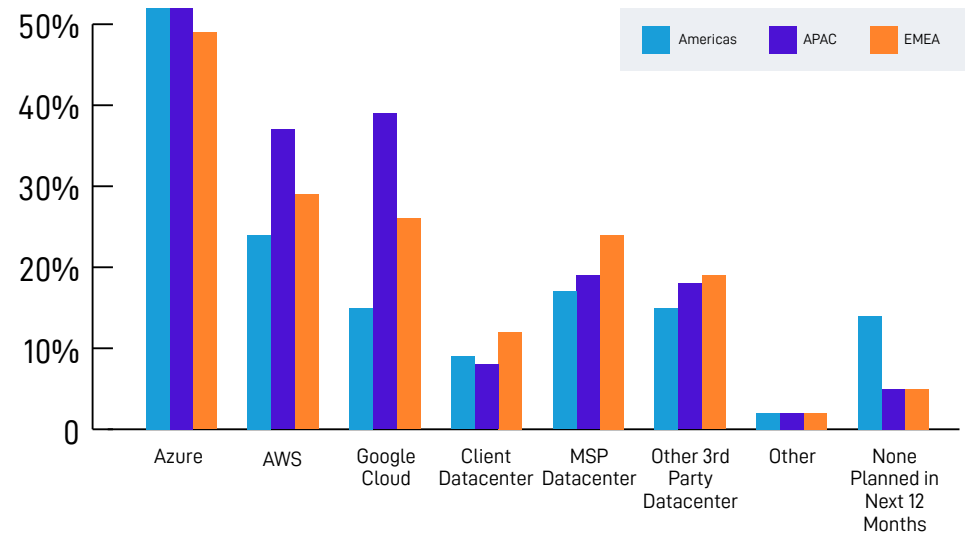


Figure 21. Cloud Workload Destinations

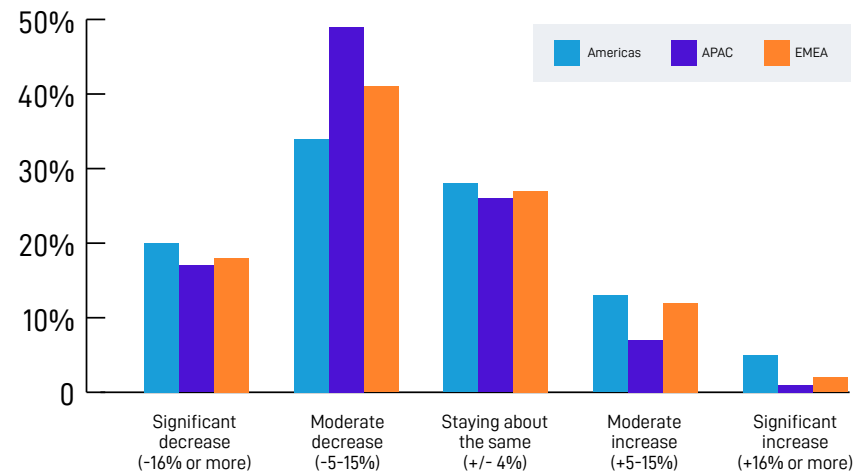
Related to moving to the cloud, where do you see your clients' workloads moving in the next 12 months? Select all that apply.



Cloud:

Figure 20. On-Prem Server Expectations

How do you expect your clients' usage of business-critical on-premises servers to change in the next three years?



Security:

Figure 22. Managed Security Offered

Do you currently offer a managed security service?

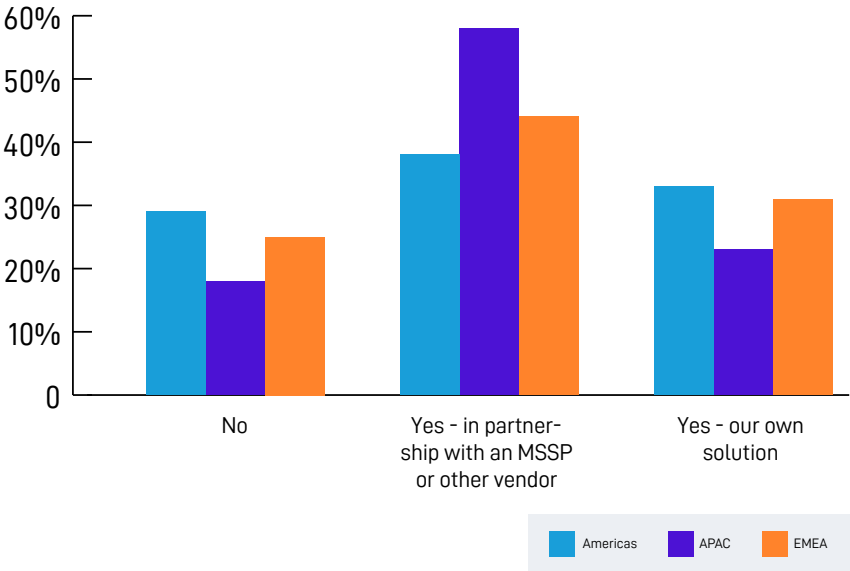


Figure 23. Managed Security Plans

Are you planning to offer a managed security service in the next 12 months?

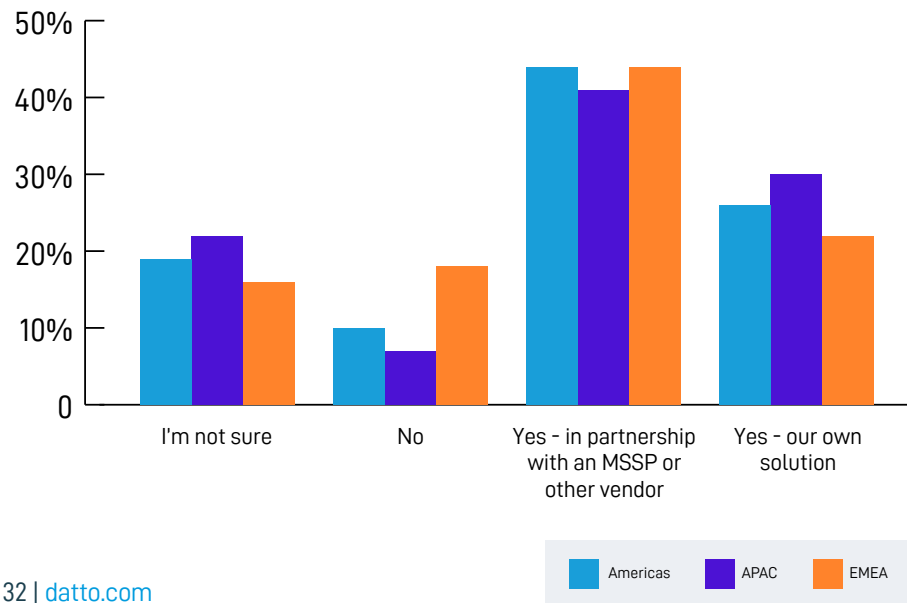
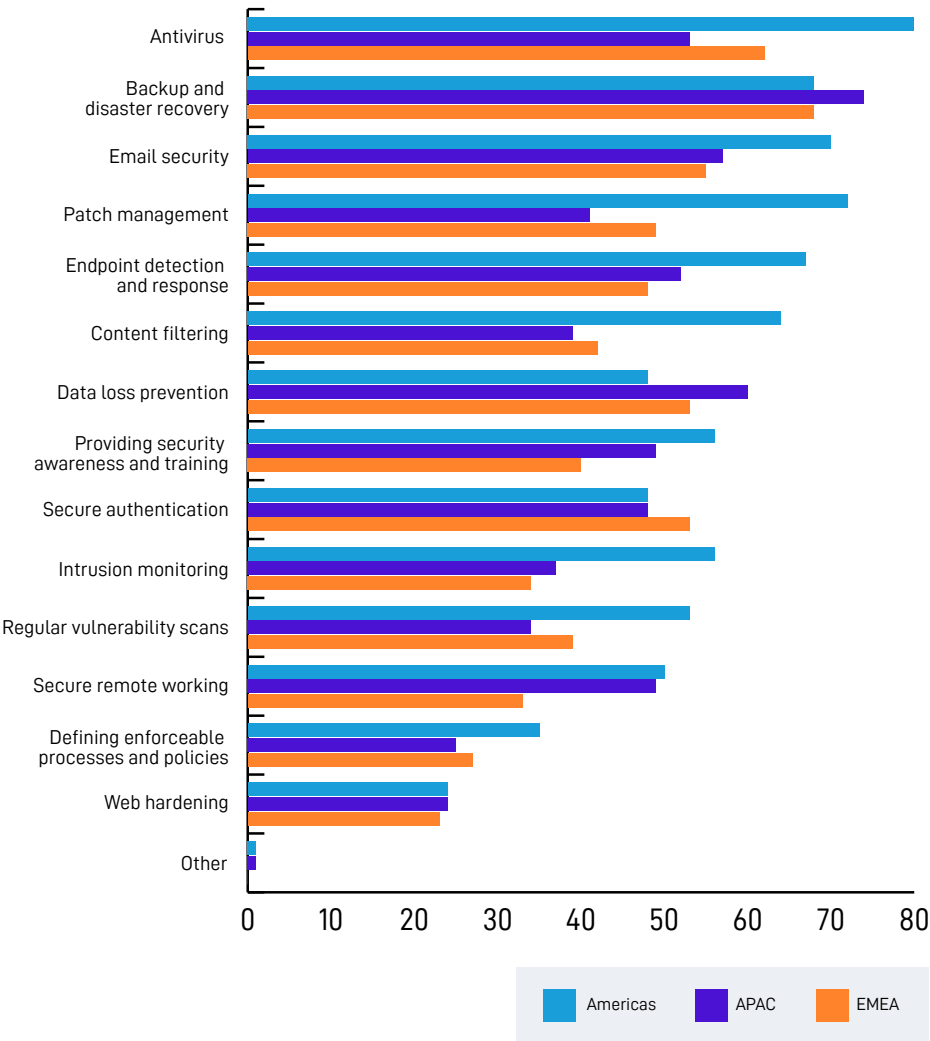


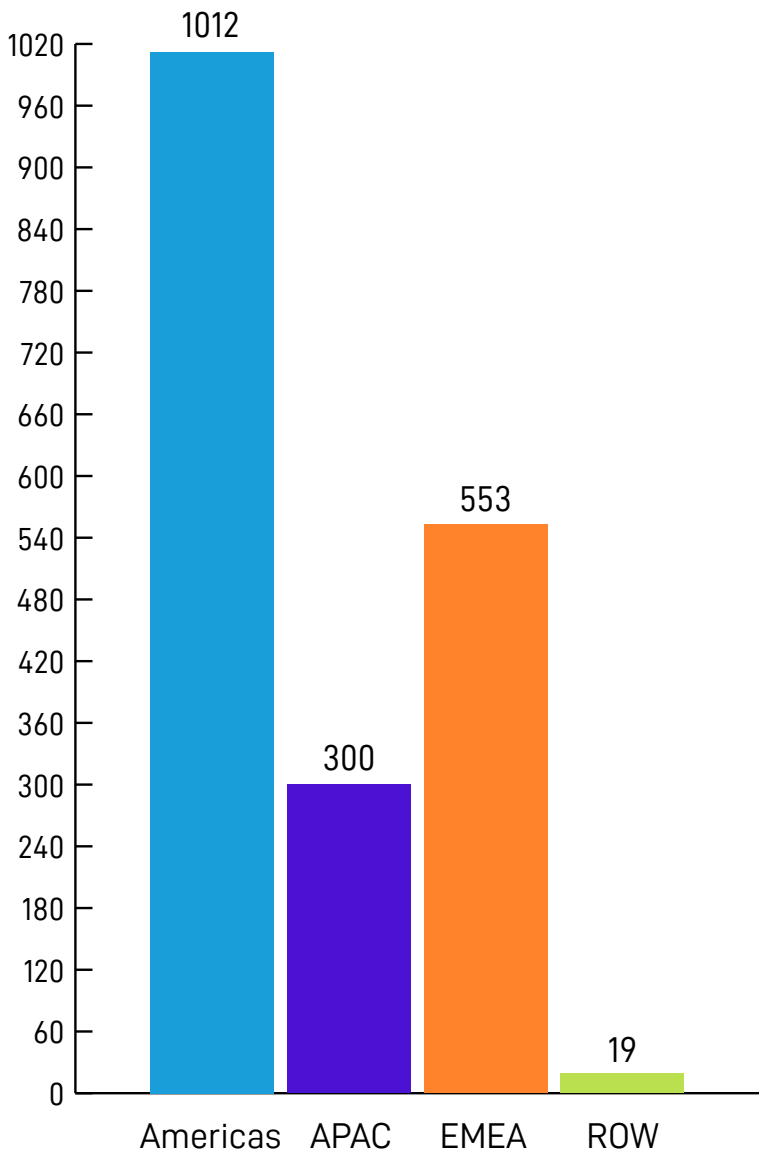
Figure 24. Managed Security Offering Inclusions

What is included in your managed security offering?



Sample:

Figure 25: Respondents by Region



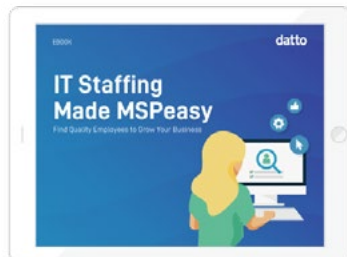
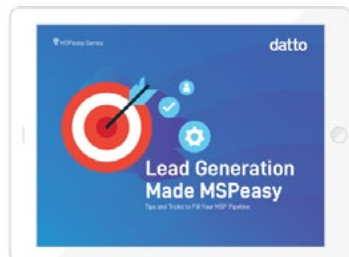
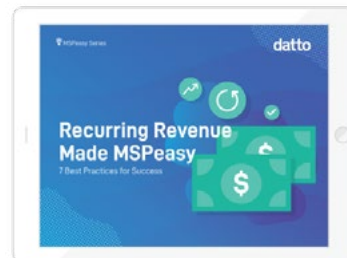
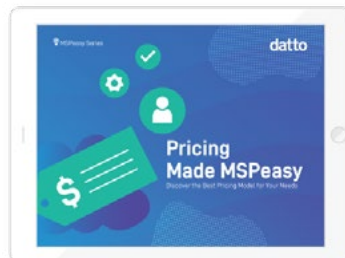
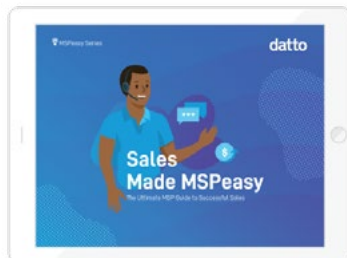
Additional Resources



We're Here to Help

During the COVID-19 crisis, Datto keeps the MSP community informed, connected, and strong.

MSP COVID RESOURCES CENTER



About the Report

Datto's Global State of the MSP Report is comprised of statistics pulled from a survey of roughly 1,800 managed service providers across the globe. To learn more about the results, please reach out to [Katie Thornton](#), Director, Global Content and Marketing Programs at Datto, Inc.

About Datto

As the world's leading provider of cloud-based software and technology solutions delivered by managed service providers (MSPs), Datto believes there is no limit to what small and medium businesses can achieve with the right technology. Datto offers Unified Continuity, Networking, and Business Management solutions and has created a one-of-a-kind ecosystem of MSP partners. These partners provide Datto solutions to over one million businesses across the globe. Since its founding in 2007, Datto continues to win awards each year for its rapid growth, product excellence, superior technical support, and for fostering an outstanding workplace. With headquarters in Norwalk, Connecticut, Datto has global offices in the United Kingdom, Netherlands, Denmark, Germany, Canada, Australia, China, and Singapore. Learn more at datto.com.

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