

2020 MSP BENCHMARK SURVEY REPORT EMEA EDITION



INTRODUCTION

Competition in the managed services market is at an all-time high. The global managed service market was valued at around 168 billion euros (\$186 billion U.S.) in size in 2019, with forecasts suggesting this number could grow to 351 billion euros by 2025.¹ Note that these numbers reflect the state of the market prior to the COVID-19 pandemic. While it is too early to gauge the full economic impact, we anticipate competition to increase and these numbers to change.

The major growth drivers of the market include the need for digital transformation services like cloud migration, and the increasing dependence of small and midsize business on IT infrastructure for increased efficiency and productivity.

Businesses are leaning on MSPs more than ever before to get their IT assets monitored proactively and to reduce the chances of service downtime.

Kaseya's suite of solutions enables MSPs to run their business flexibly and improve their bottom line. Kaseya's solutions manage over 10 million devices worldwide across a wide variety of industries and have earned the company a leading position among MSPs around the globe.

Kaseya's annual MSP Benchmark Survey evaluates the evolving market needs, challenges and opportunities of MSPs across the globe. In this report, we have broken down the findings of the survey specific to the Europe, the Middle East and Africa (EMEA) region.

Take a deep dive into the detailed findings of the MSP EMEA market and learn about the services they offer, the opportunities they can leverage for growth and the endless challenges they face regarding cybersecurity and compliance.

MEET OUR RESPONDENTS

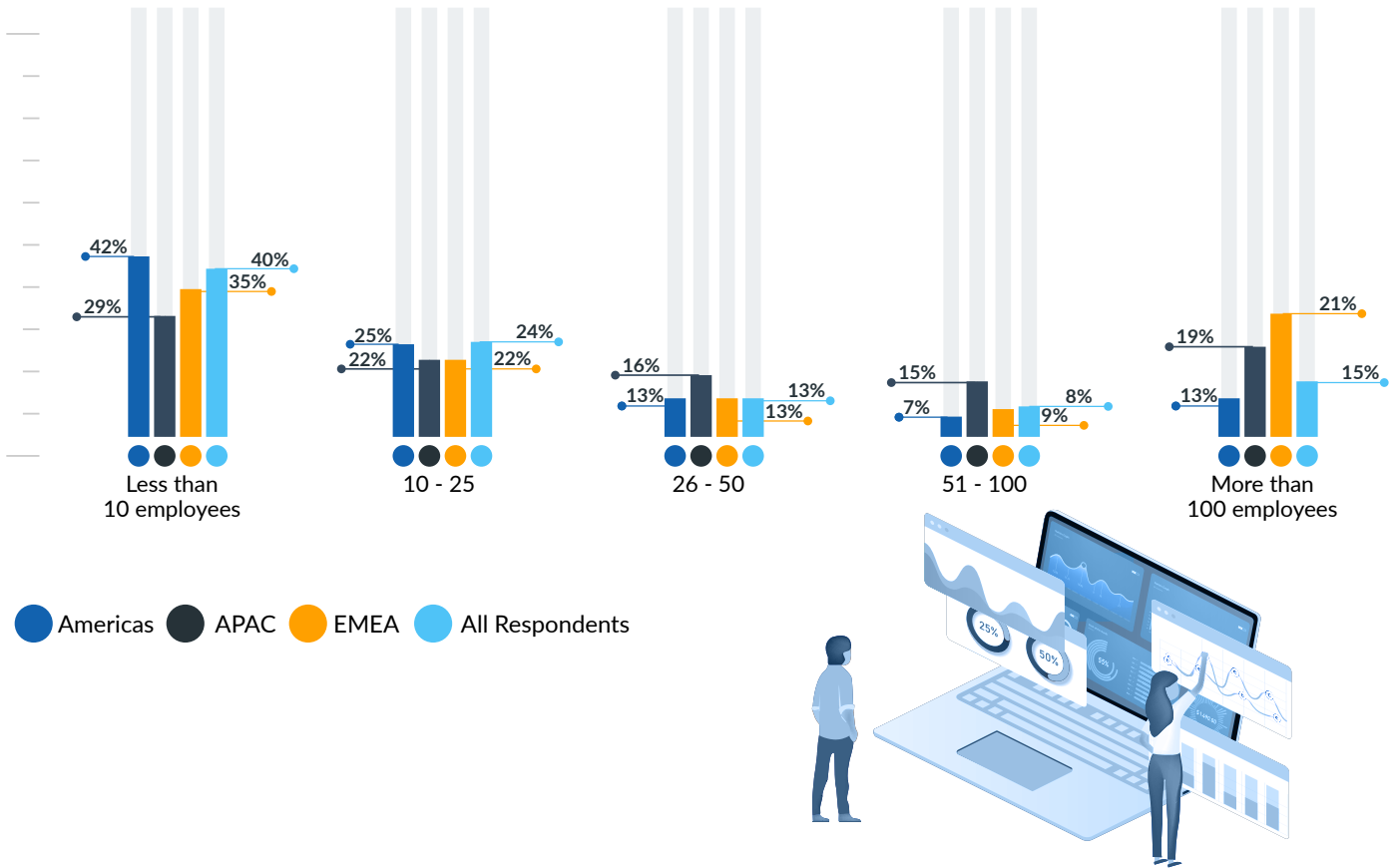
Nearly half of our respondents are from the UK and Ireland, about 14 percent from the Benelux region, 13 percent from Africa and 8 percent from the DACH region.

▶▶ Benelux	14%
▶▶ Southern Europe	9%
▶▶ DACH	8%
▶▶ Nordic	2%
▶▶ Eastern Europe	3%
▶▶ Middle East	4%
▶▶ Africa	13%
▶▶ Western Europe	2%
▶▶ UK/Ireland	44%



Company Size and Endpoints Managed

Our respondents represent a wide range of customer sizes. About one-third have fewer than 10 employees in their company while one-fifth have more than 100 employees



No. of Endpoints Managed	EMEA	Americas	APAC	All Respondents
1 - 100 endpoints	11%	14%	13%	14%
101 - 500 endpoints	20%	21%	25%	21%
501 - 1,000 endpoints	19%	19%	20%	19%
1,001 - 3,000 endpoints	20%	25%	22%	24%
3,001 - 5,000 endpoints	9%	10%	8%	10%
5,001 - 10,000 endpoints	9%	5%	3%	6%
10,001 - 15,000 endpoints	6%	1%	1%	2%
More than 15,000 endpoints	6%	4%	9%	5%

In the EMEA region, 31 percent of the respondents manage up to 500 endpoints and 38 percent manage between 500 to 3,000 endpoints.

We also broke down the number of endpoints managed based on the number of employees.

Company Size	1 - 100 Endpoints	101 - 500 Endpoints	501 - 1,000 Endpoints	1,001 - 3,000 Endpoints	3,001 - 5,000 Endpoints	5,001 - 10,000 Endpoints	More than 15,000 Endpoints	10,001 - 15,000 Endpoints
Less than 10 employees	55%	80%	29%	28%	5%	0%	8%	15%
10 - 25	18%	7%	42%	28%	32%	16%	0%	15%
26 - 50	14%	2%	13%	23%	21%	21%	0%	8%
51 - 100	9%	2%	5%	10%	21%	16%	8%	8%
More than 100 employees	5%	7%	11%	13%	21%	47%	83%	54%

As we can see in the table, even the smallest MSPs manage a large number of endpoints.



KEY FINDINGS

1. Most MSPs (about **65 percent** of EMEA respondents) value the integration between core applications like remote monitoring and management (RMM), professional services automation (PSA) and IT documentation. They consider RMM to be the most important application for their operations, which isn't surprising.



2. **Nearly three-quarters (72 percent)** of EMEA respondents reported an increase in revenue through security offerings, hinting at the growing demand for security as a service.

3. **'Meeting Security Risks'** tops the IT needs of MSP clients not only in the EMEA region, but also in the Americas and APAC region.



4. General Data Protection Regulation (GDPR) compliance remains a key challenge for most of the MSPs in the EMEA region, confirming the undeniable struggle with implementing the rules and regulations regarding data protection.



5. More than **two-thirds** of the MSPs are looking to grow organically by adding new services to their portfolio. **Forty-one percent** of participants have added **4 or 5** new services to their list of offerings in the past two years.



RMM Vital for MSP Success

RMM eliminates the need for technicians to travel to client locations to fix issues. It has drastically transformed the way MSPs function. Hence, not surprisingly, RMM remains the most important application for MSPs in the EMEA region as well as worldwide.

This is followed by PSA and IT documentation, both of which enable MSPs to save time, become more efficient with their processes and, more importantly, manifest their own success stories.

Applications important for MSP operations	EMEA	Americas	APAC	All respondents
Remote Monitoring and Management (RMM)	60%	62%	53%	61%
Professional Services Automation (PSA)	14%	21%	32%	21%
IT documentation	9%	12%	11%	11%
Project management	8%	2%	2%	3%
CRM	5%	2%	2%	3%
General ledger/accounting	4%	1%	0%	1%

Integration between core MSP applications like RMM, PSA and IT documentation enables technicians to seamlessly navigate between workflows, thus increasing their productivity, saving time and keeping clients satisfied.

In the EMEA region, 79 percent of the participants feel that the integration of core MSP applications can help their organisation drive better bottom-line profits, as do 81 percent of respondents from all regions.

Integration of core MSP applications (RMM/PSA) can help your organisation drive better bottom-line profits	EMEA	Americas	APAC	All Respondents
Yes	79%	82%	82%	81%
No, and my core MSP applications are not integrated	5%	6%	3%	5%
No, it doesn't make a difference	16%	13%	15%	13%

User experience factors heavily in RMM or PSA purchase decisions. One-third of EMEA respondents say they need the technician experience to be fully optimised and simplified; hence, user experience matters a great deal to them.




The extent to which user experience factors in RMM or PSA purchase decisions	EMEA	Americas	APAC	All Respondents
A great deal – We need the technician experience to be fully optimised and simplified	36%	36%	36%	36%
Some – It was a factor, but was balanced against capability	41%	48%	53%	47%
Not much – Capability was the most important factor	22%	17%	11%	17%

Compliance Challenges Pave the Way for More Opportunities

Complying with rules and regulations that protect the data of consumers in the EMEA region can be onerous, as is the case worldwide. The importance of compliance has grown over the years with the advent of regulations such as GDPR. For businesses, failing to adhere to a security compliance requirement can not only lead to the risk of organisational data leakage but also the loss of reputation.

This has led to organisations taking compliance standards seriously and in some cases seeking help from MSPs to meet these standards.

About three-quarters of EMEA MSPs reported they have clients that struggle to meet their compliance requirements for their IT operations, while more than half of the MSP clients (56 percent) have reached out to their providers for compliance support in the past two years.



Our customers struggle to meet their compliance requirements for their IT operations	EMEA	Americas	APAC	All Respondents
Strongly agree	21%	24%	40%	25%
Somewhat agree	53%	39%	38%	41%
Neither agree nor disagree	18%	22%	18%	21%
Somewhat disagree	8%	10%	3%	9%
Strongly disagree	1%	4%	1%	3%

Extent to which MSP clients seek support for compliance services	EMEA	Americas	APAC	All Respondents
More clients are requesting compliance services	29%	34%	21%	32%
A moderate number of clients are requesting compliance services	27%	30%	19%	28%
Fewer clients are requesting compliance services	21%	23%	23%	23%
We do not offer compliance services	22%	14%	36%	17%

GDPR Impact Not a Surprise

As expected in the EMEA region, GDPR compliance, which impacts about 87 percent of respondents, is also the most difficult to comply with.



Compliance regulations that impact MSP and MSP clients the most	EMEA	Americas	APAC	All Respondents
GDPR	87%	26%	43%	35%
PCI DSS	39%	64%	32%	58%
HIPAA	14%	82%	21%	68%
SOX	7%	27%	11%	23%
NIST	5%	36%	4%	30%
FINRA	2%	17%	2%	14%
CJIS	2%	6%	2%	5%
FERPA	2%	8%	6%	7%
Other	12%	10%	30%	12%

Regulations most difficult to comply with	EMEA	Americas	APAC	All Respondents
GDPR	59%	14%	26%	23%
PCI DSS	15%	14%	18%	14%
HIPAA	6%	39%	13%	31%
SOX	3%	5%	7%	5%
NIST	3%	11%	6%	9%
FINRA	3%	4%	1%	3%
CJIS	0%	2%	1%	2%
FERPA	0%	1%	1%	1%
Other	12%	10%	25%	12%

Clients Turn to MSPs for Cybersecurity Counsel

With the continuously evolving threat landscape, IT decision makers find it increasingly challenging to safeguard their organisations from cyberattacks. In the EMEA region alone, nearly 70 percent of MSPs reported that 10 to 20 percent of their clients experienced at least one cyberattack within the past 12 months.

This number wasn't any less for respondents in other regions either.



Percentage of MSP clients that have experienced at least one cyberattack within the past 12 months	EMEA	Americas	APAC	All Respondents
10% to 20%	69%	79%	74%	77%
20% to 40%	21%	12%	23%	14%
40% to 80%	6%	7%	2%	6%
More than 80%	4%	2%	0%	2%

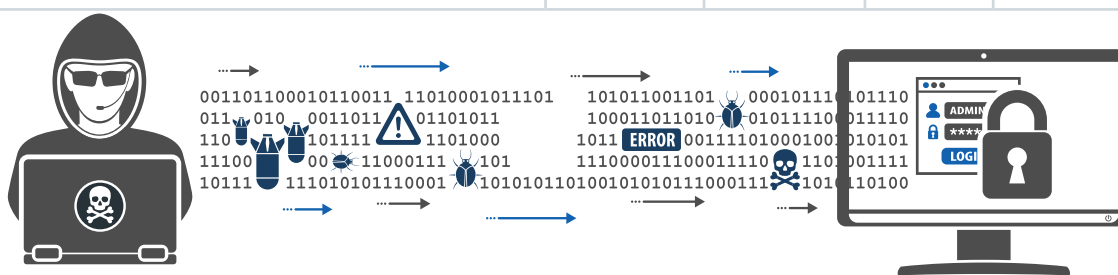
While the need for cybersecurity has been rising, the shortage in expert cybersecurity skills has never resounded this prominently globally. The demand for cybersecurity support can be seen predominantly in the EMEA region, with more than half the respondents stating that most of their clients turn to them for cybersecurity counsel.

Extent to which clients have turned to MSPs for counsel on cybersecurity plans	EMEA	Americas	APAC	All Respondents
All of our clients	13%	16%	10%	15%
Most of our clients	41%	40%	37%	40%
Some of our clients	40%	39%	49%	40%
None of our clients	6%	4%	4%	5%



Top security services provided by EMEA MSPs include antivirus and antimalware, only antivirus, firewall and VPN management, and OS patching for Windows and Mac.

Security Services Offered	EMEA	Americas	APAC	All Respondents
Antivirus and antimalware	80%	85%	72%	83%
Antivirus	75%	84%	65%	80%
Firewall and VPN management	75%	81%	74%	80%
OS patching (Windows and Mac)	74%	79%	78%	78%
Managed firewall	73%	77%	71%	76%
Account creation/deletions	62%	71%	59%	68%
Active Directory repository (LDAP)	61%	62%	56%	61%
Password resets/self-service/password management	60%	69%	54%	66%
Two- or multi-factor authentication	53%	59%	47%	57%
Software management	48%	54%	57%	53%
Third-party application updating	48%	56%	49%	54%
Single sign-on	47%	38%	41%	39%
Vulnerability and risk management	43%	55%	51%	53%
Real-time intrusion/threat detection	41%	52%	34%	48%
Network usage scanning (for unusual behavior)	40%	44%	37%	43%
Automated incident response	38%	42%	29%	40%
High availability security operations centre	16%	25%	28%	24%
Dark Web activity	15%	35%	25%	31%
We do not provide any of these services	5%	3%	1%	3%



Network Monitoring and Management Services

LAN/WAN services top the list of network monitoring services provided in the EMEA region by 85 percent of respondents.

Network monitoring and management services offered	EMEA	Americas	APAC	All Respondents
LAN/WAN	85%	81%	82%	82%
On-site, physical devices	76%	80%	74%	78%
On-site, virtual devices	68%	68%	65%	68%
Public cloud (customer licensed)	35%	37%	35%	37%
Public cloud (MSP licensed)	43%	43%	38%	42%
Private cloud (customer-owned equipment)	41%	37%	40%	38%
Private cloud (MSP-owned equipment)	43%	34%	34%	36%
Hybrid cloud	41%	36%	40%	37%
We do not provide network monitoring	6%	5%	10%	6%

Managed Services is a Growth Driver for MSPs

For all MSPs, managed services represent about one-quarter of their total revenue. Hardware or software resale represents 20 percent of the revenue, while break-fix services represent only an average of 12 percent of revenue.



AVERAGE PERCENTAGE OF TOTAL REVENUE

Service Category	EMEA	Americas	APAC	All Respondents
Managed services	24%	32%	24%	30%
Hardware or software resale	20%	16%	20%	17%
Break-fix services (based on hourly, block hours, or staff augmentation)	12%	14%	12%	13%
Professional (project) services	11%	13%	14%	13%
Software sales (your own software)	9%	5%	5%	5%
Private cloud services (hosting client infrastructure)	7%	4%	7%	4%
Backup and disaster recovery services	6%	6%	5%	6%
Public cloud services (managing client infrastructure in public clouds; e.g., Azure, AWS, Google, IBM, US Signal, Rackspace, Pax8)	3%	3%	5%	3%
Enhanced security services (e.g., 2FA, IDS/IPS, and penetration testing)	2%	3%	3%	3%
Compliance assessment services	2%	2%	2%	2%
DevOps (delivering applications)	1%	1%	1%	1%
Other	3%	2%	3%	2%



Below are the general managed services provided by EMEA MSPs.

General Managed Services Provided	2019	2018	2017
Help desk/desktop support	86%	92%	94%
Network and connectivity support	86%	88%	92%
Server support	81%	92%	90%
Remote monitoring	81%	79%	87%
Antivirus/antimalware	80%	82%	82%
Backup and recovery (either cloud or onsite)	79%	74%	81%
OS Patching and updates	73%	81%	84%
Office 365 management	73%	73%	69%
Managed firewall	69%	60%	55%
Audit and discovery	60%	55%	47%
Third-party software patching and updates	56%	59%	61%
Office 365 backup	56%	45%	40%
Enhanced network performance monitoring/infrastructure availability	55%	53%	42%
Cloud services (e.g., IaaS, PaaS, SaaS)	53%	47%	61%
Client assessment	52%	42%	50%
Identity & access management security (e.g., 2FA, SSO, and password management)	48%	40%	32%
Hosting Services (customer-owned equipment)	44%	48%	53%
Cloud monitoring	41%	41%	45%
Intrusion detection and prevention (IDS/IPS)	41%	36%	40%
Cloud application user/access/content management	41%	32%	44%
Dark Web security monitoring	16%	3%	NA

In the EMEA region, MSPs offering Dark Web monitoring rose to 16 percent in 2019, compared to 3 percent in the previous year, implying MSPs are embracing Dark Web monitoring. Identity and access management also saw a marked increase, rising to 48 percent in 2019 from 40 percent in 2018. Client assessment is also gaining momentum.

Security Offerings Increase Revenue

In the EMEA region, about 72 percent of respondents reported a rise in revenue through security offerings. Another 59 percent reported an increase in revenue through infrastructure monitoring services.

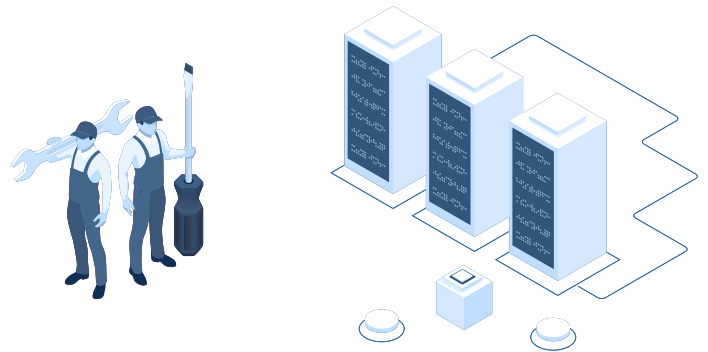
Status of revenue	Hardware/software resale	Desktop support	Security	Infrastructure monitoring and management	Network and connectivity support	Mobile device management	Cloud management	Backup and disaster recovery	Application management
Up	47%	52%	72%	59%	52%	30%	48%	56%	26%
Down	10%	5%	1%	3%	3%	3%	1%	2%	4%
Flat	35%	35%	19%	31%	39%	37%	29%	31%	42%
Not applicable	8%	8%	8%	7%	6%	30%	22%	11%	27%

Backup and Recovery Add Value to MSP Service Offerings

With data protection becoming a necessity for businesses, backup and recovery is a must for every organisation. Clients are looking to trust MSPs with their valuable data, thereby making it a hot opportunity for them.

As seen in the chart above, more than half of the respondents have had a revenue increase through backup and disaster recovery offerings.

More than half of the MSPs (about 54 percent) adopt onsite-to-cloud backup method to back up their client data, while another 18 percent use onsite-to-onsite backup method.



Backup Method Used for Client Data	EMEA	Americas	APAC	All Respondents
Onsite-to-cloud backup	54%	64%	47%	61%
Onsite-to-onsite backup	18%	11%	25%	14%
Appliance-based backup infrastructure	10%	13%	12%	12%
Cloud-to-cloud backup	9%	5%	9%	6%
Cloud-to-onsite backup	3%	3%	0%	2%
SDN-based backup	0%	1%	3%	1%
We do not provide backup services	6%	3%	4%	4%

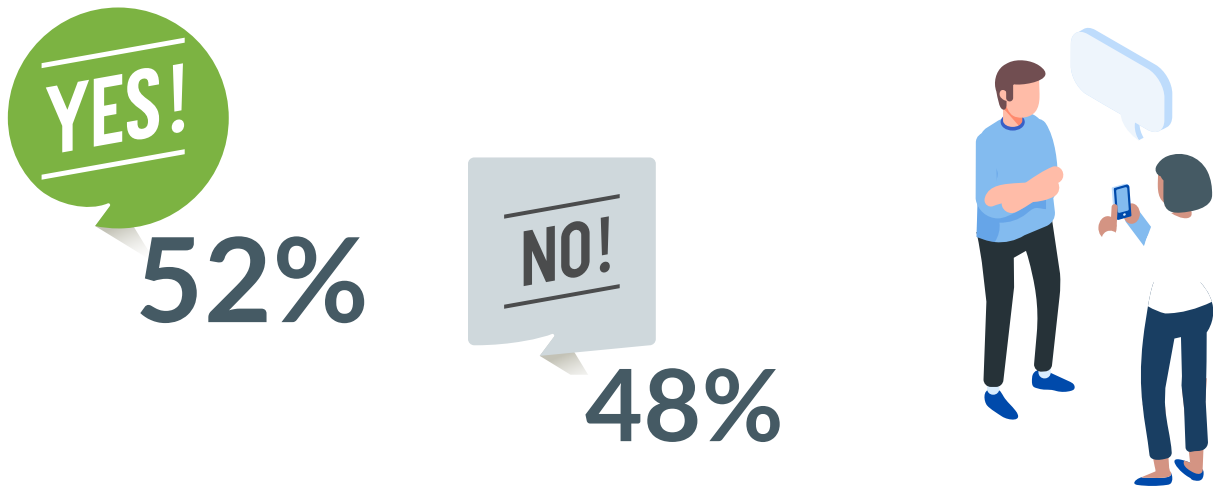


SaaS Backup Support Gaining Momentum Among MSPs

Many businesses assume that their SaaS data is automatically protected in the cloud, which is not true. SaaS providers offer limited protection against accidental data loss, ransomware or cyberattack scenarios. It's the responsibility of the company to protect their own SaaS data or outsource the service to third-party service providers.

MSPs seem to be leveraging this opportunity, since more than half of them are currently backing up their customers' SaaS applications like Office 365, G Suite and Salesforce.

MSPs That Back Up Their Customers' SaaS Applications



However, when asked about their recovery capabilities, only 19 percent of the EMEA MSPs said that they tested their clients' recovery capabilities monthly.

Backup recovery testing is essential to restore data. Without it, technicians cannot be sure if their data can be restored in case of an outage. Industry experts recommend committing to a regular schedule of testing backup weekly or monthly to ensure data is accessible.

Regularity of testing MSP clients' recovery capabilities	EMEA	Americas	APAC	All Respondents
Annually	20%	16%	17%	17%
Monthly	19%	20%	23%	20%
Quarterly	28%	31%	38%	31%
Weekly	9%	13%	11%	13%
Whenever the environment changes	16%	12%	6%	12%
Never	7%	7%	4%	7%

MSP Growth and Pricing Model

In this digital era, adding services to their portfolios remains a key path for growing revenue for 67 percent of EMEA respondents. This approach is also far less expensive than acquisition, through which only 4 percent of the MSPs are looking to grow their business.

MSP Growth Strategy	EMEA	Americas	APAC	All Respondents
To grow organically through new service offerings	67%	74%	77%	73%
To acquire or partner with another MSP	4%	11%	6%	9%
To sell the business	6%	3%	2%	4%
I don't know yet	24%	12%	15%	13%

About 55 percent of the EMEA respondents that had an average growth of MRR between 16 and 20 percent have added 4 or 5 service offerings to their list in the past year.

No. of service offerings added to the list	AVERAGE MRR GROWTH					
	Less than 0%	0% - 5%	6% - 10%	11% - 15%	16% - 20%	Greater than 20%
1 to 3	57%	46%	50%	10%	18%	26%
4 to 5	14%	25%	23%	48%	55%	30%
6 to 7	0%	8%	15%	17%	9%	13%
More than 7	29%	13%	12%	24%	9%	30%
None	0%	8%	0%	0%	9%	0%

Value-Based Pricing a Clear Winner in Pricing Strategy

Most businesses do not look for cheap services when outsourcing their IT to MSPs. They look for the value of the services and the quality of support the MSP will provide. This resonates with the results acquired in the survey.

One-quarter of EMEA respondents said more than half of their revenue comes from a value-based pricing model.

Only 12 percent of respondents said more than 50 percent of their revenue comes from a cost-based pricing model.



Percentage of total revenue	Price Match	Cost-based (cost of goods sold + fixed margin)	Value-based
0%	33%	13%	12%
1 - 10%	21%	6%	9%
11 - 20%	16%	25%	14%
21 - 30%	11%	24%	16%
31 - 40%	6%	12%	6%
41 - 50%	8%	9%	14%
More than 50%	5%	12%	28%

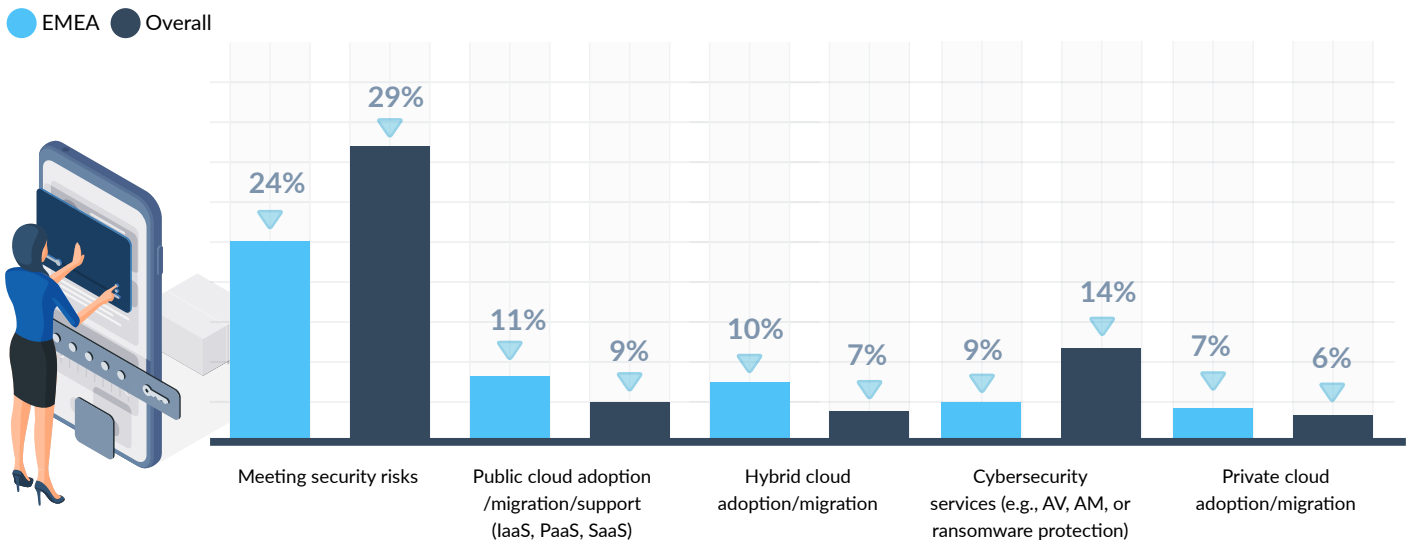
When it comes to pricing models, per user and per device models are more popular than per hour pricing models. One-third of respondents in EMEA said more than half their customers are charged on either one of these pricing models.

Customer base	Per user	Per device	Per hour	All Respondents
0%	18%	16%	21%	82%
1 - 10%	8%	12%	16%	78%
11 - 20%	15%	21%	18%	68%
21 - 30%	20%	12%	13%	37%
31 - 40%	9%	7%	9%	42%
41 - 50%	11%	19%	12%	38%
More than 50%	19%	13%	11%	36%

Cloud Adoption Among Top IT Concerns but Cloud Support from MSPs Waver

Public cloud adoption and hybrid cloud adoption are among the top IT needs of MSP clients.

Top 5 IT Needs of MSP Clients



Top IT Needs of MSP Clients	EMEA	Americas	APAC	All Respondents
Meeting security risks	24%	31%	21%	29%
Cybersecurity services (e.g., AV, AM or ransomware protection)	9%	15%	8%	14%
Public cloud adoption/migration/support (IaaS, PaaS, SaaS)	11%	7%	18%	9%
Hybrid cloud adoption/migration	10%	7%	8%	7%
Private cloud adoption/migration	7%	5%	15%	6%
Increasing the value of IT as a competitive advantage	4%	4%	3%	4%
Increasing the level of IT automation	2%	4%	7%	4%
Legacy system replacement (i.e., digital transformation)	5%	4%	3%	4%
Supporting collaboration platforms (Office 365/Google Apps)	3%	3%	3%	3%
Making the cost/budget of IT operations more predictable/manageable	1%	2%	0%	2%
Audit and compliance reporting	1%	2%	2%	2%
Data protection (cloud or onsite backup and recovery)	2%	2%	2%	2%
Supporting mobile devices	3%	2%	2%	2%
Outsourcing core IT functions (i.e., NOC service)	3%	2%	3%	2%
Delivering higher service levels/IT service availability	2%	1%	2%	2%
Desktop and server support with remote access and integrated ticketing	3%	1%	0%	2%
Enhancing network monitoring	0%	1%	0%	1%
Scale or rate of client growth	2%	1%	1%	1%
Microsoft Lifecycle Management (e.g., Windows 10 automatic updates)	0%	1%	2%	1%
Support for new business models or markets	1%	1%	0%	1%
Adopting a stronger business focus by outsourcing core IT functions	2%	1%	1%	1%
On-and off-boarding	0%	1%	1%	1%
Implementing big data or real-time information processing	1%	0%	2%	1%
Patching and updating for Windows, Mac, and third-party applications on and off-network	0%	0%	0%	0%
Other	1%	1%	0%	1%

However, cloud support has gone down among MSPs by 14 percent from 2018 to 2019, with only 53 percent of respondents hosting their client infrastructure in a private cloud.

MSPs hosting their clients' infrastructure in a private cloud	EMEA	Americas	APAC	All Respondents
Yes	53%	47%	64%	49%
No	47%	53%	36%	51%



MSPs hosting their clients' infrastructure in a private cloud	EMEA 2019	EMEA 2018
Yes	53%	67%
No	47%	33%

Also, only 56 percent of all EMEA respondents manage their client infrastructure in a public cloud environment currently, while 68 percent did so a year ago.

MSPs managing public cloud environment (e.g., Azure, AWS or Google) of clients	EMEA	Americas	APAC	All Respondents
Yes	56%	55%	60%	56%
No	44%	45%	40%	44%

MSPs managing public cloud environment (e.g., Azure, AWS or Google) of clients	EMEA 2019	EMEA 2018
Yes	56%	68%
No	44%	32%

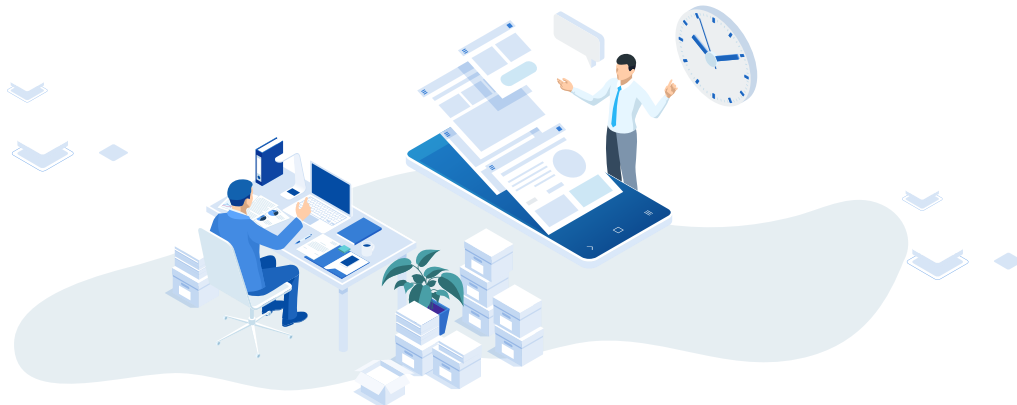
APPENDIX

Additional Pricing Data

Average size of monthly managed services contract

In the EMEA region, the average size of monthly managed services contracts is less than \$1,000 (€911) for nearly one-third of the respondents.

	EMEA	Americas	APAC	All Respondents
Less than \$1,000	31%	20%	16%	22%
\$1,001 - \$2,500	24%	31%	32%	30%
\$2,501 - \$5,000	13%	23%	16%	20%
\$5,001 - \$7,500	8%	7%	4%	7%
\$7,501 - \$10,000	3%	4%	3%	4%
More than \$10,000	6%	3%	6%	4%
Not applicable	15%	12%	22%	13%



Average charge per user, per month for ongoing user support

One-third of EMEA respondents charge \$25 (€22) or less per user, per month for ongoing user support, such as help desk and end-user device management.

	EMEA	Americas	APAC	All Respondents
\$25 or less/user/month	31%	12%	28%	17%
\$26 - \$50/user/month	31%	25%	16%	25%
\$51 - \$100/user/month	12%	21%	15%	18%
\$101 - \$150/user/month	4%	15%	9%	13%
\$151 - \$200/user/month	1%	4%	1%	4%
More than \$200/user/month	0%	1%	0%	1%
We do not offer per user pricing	22%	22%	31%	23%

Average monthly charge for cloud monitoring services

In the EMEA region, 37 percent of respondents charge up to \$250 (€223) per month for cloud monitoring.

	EMEA	Americas	APAC	All Respondents
Up to \$250 per month	37%	28%	34%	30%
\$251 - \$500	15%	16%	18%	16%
\$501 - \$1,000	8%	8%	6%	8%
\$1,001 - \$1,500	1%	4%	1%	3%
\$1,501 - \$2,000	1%	2%	1%	1%
More than \$2,000	3%	4%	3%	4%
We do not provide these services	35%	39%	37%	38%



Average charge per user, per month to back up customers' SaaS applications

In the EMEA region, more MSPs (about 21 percent) charge \$1 to \$2 (€0.89 to €1.79) per user, per month than any other price point.

	EMEA	Americas	APAC	All Respondents
Less than \$1/user/month	6%	4%	7%	5%
\$1 - \$2/user/month	21%	12%	10%	13%
\$2 - \$4/user/month	19%	26%	24%	24%
\$4+ user/month	8%	15%	18%	14%
We do not back up SaaS applications	46%	43%	41%	43%

Margin range for cloud services

	EMEA	Americas	APAC	All Respondents
< 5%	6%	8%	9%	8%
6% - 10%	18%	11%	21%	13%
11% - 20%	18%	24%	19%	23%
21% - 30%	20%	16%	23%	17%
31% - 40%	12%	9%	9%	9%
41% - 50%	2%	4%	2%	3%
More than 50%	7%	6%	9%	6%
We do not offer cloud services at this time	18%	23%	9%	21%



Average charge per device, per month for ongoing server support and maintenance

	EMEA	Americas	APAC	All Respondents
\$25 or less/device/month	24%	9%	32%	13%
\$26 - \$50/device/month	24%	19%	17%	19%
\$51- \$100/device/month	21%	21%	21%	21%
\$101 - \$150/device/month	13%	18%	11%	17%
\$151 - \$200/device/month	5%	11%	4%	10%
More than \$200/device/month	0%	6%	0%	5%
We do not offer per device pricing	14%	16%	15%	15%

Most frequently quoted standard hourly rate

In the EMEA region, the most frequently quoted hourly rate for MSP services is \$51 to \$100 (€45 to €89) per hour, selected by 46 percent of the participants.

	EMEA	Americas	APAC	All Respondents
Up to \$50/hour	18%	2%	11%	5%
\$51 - \$100/hour	46%	13%	15%	17%
\$101 - \$200/hour	27%	73%	55%	65%
\$201 - \$250/hour	2%	6%	2%	5%
More than \$250/hour	1%	1%	2%	1%
We don't have an hourly rate option	6%	5%	15%	6%



Percentage of the total customer base represented by the different terms of contracts

In the EMEA region, more MSPs (about 21 percent) charge \$1 to \$2 (€0.89 to €1.79) per user, per month than any other price point.

	Less than 1 year	1 year	Between 1 year and 2 years	Between 2 years and 3 years	More than 3 years
0%	36%	24%	44%	39%	49%
1 - 10%	27%	17%	13%	12%	5%
11-20%	14%	18%	14%	13%	7%
21-30%	3%	11%	11%	13%	6%
31-40%	2%	4%	8%	8%	7%
41-50%	5%	8%	4%	8%	8%
More than 50%	13%	18%	5%	8%	19%

CONCLUSION

The importance of application integration has been rising among MSPs for the past couple of years. They understand the need for seamless workflows between applications and the productivity it brings. The opportunities for security and compliance offerings have never been greater. Backup and disaster recovery for on-premise, off-premise or SaaS data could use a little more attention especially in a time when unplanned system downtime can lead to customer churn faster than a speeding bullet.

While overall this is a good time to be an MSP, this survey was conducted in December 2019, before COVID-19 took over the world. Therefore, the survey results do not reflect the impact the disease may or may not have on the MSP market.

Survey Methodology

Kaseya conducted its annual MSP survey in the month of December 2019 using structured questionnaires. To simplify the questionnaires, pricing and revenue information was requested in U.S. dollars and respondents were asked to select from price ranges rather than to specify exact figures.

The survey has gathered around 1,300 responses globally, of which 16 percent belonged to respondents from the EMEA region, 76 percent from the Americas and another 9 percent from the APAC region. Results have been broken down by region where responses differ significantly across geographic areas.

Overall, we've made every attempt to provide data in a format that is most useful to the widest audience possible for this report.

Note that several questions include intentionally generalised data, given the replies are highly variable (e.g., specific services offered in per-user pricing agreements, certain service contracts offered in remote regions of the world).

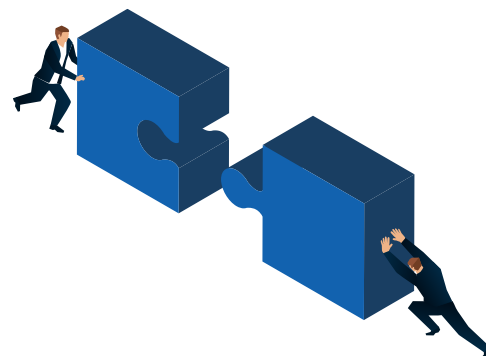
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Sources

1. Forecast size of the managed services market worldwide from 2019 to 2025, Statista



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