2024
MSP BENCHMARK SURVEY REPORT

Kaseya®

INTRODUCTION

What's in store for the MSP industry in 2024? The journey of MSP businesses, evolving from the break-fix era to the sophisticated managed-service business models we know today, has been nothing short of phenomenal. Not only have MSPs successfully established themselves as IT service providers, they are now beginning to position themselves as trusted strategic partners, guiding their clients toward making the right technology decisions.

On the flip side, the MSP landscape is also witnessing heightened competition and market maturity, presenting challenges in customer acquisition. MSPs who can navigate these challenges successfully and take advantage of the opportunities available can easily propel themselves into the next stage of growth.

Our annual MSP Benchmark Survey delves into the perspectives of MSPs worldwide, capturing a snapshot of industry dynamics. We survey MSP executives and technicians to get their unique perspectives on where things are heading to help us identify trends and understand the challenges they face. By comparing these findings with your plans, you can make informed decisions to enhance the performance of your MSP.

EXECUTIVE SUMMARY

Listed below are the key findings of the survey:

Challenges MSPs face

▶ The biggest challenge MSPs face is the inability to fully utilize their software solutions due to poor integration capabilities and time spent switching between applications.

▶ They also anticipate increased challenges related to customer acquisition.

In focus: Artificial intelligence (AI)

▶ While respondents expect AI to help improve security and eliminate tedious tasks, they also fear it might increase security risks around phishing.

The importance of integration and automation continues to grow

▶ Integration between core IT solutions and automation continues to be crucial for MSPs.

### Cybersecurity demand stable, revenue rises

▶ Revenue from cybersecurity services increased despite stable demand. MSPs reognize that cybersecurity is a continuous effort, and despite an overall improvement in cybersecurity posture, it remains a high priority.

RESPONDENT INFORMATION

Respondents from over 35 countries participated in the survey, providing a wide range of perspectives that helped us build a global view of the MSP industry. A total sample of 984 respondents were surveyed, with 70% coming from the Americas, 20% from EMEA and 10% from Asia Pacific.

| Region	Respondents
Americas	684
EMEA	197
APAC	103
Total	984
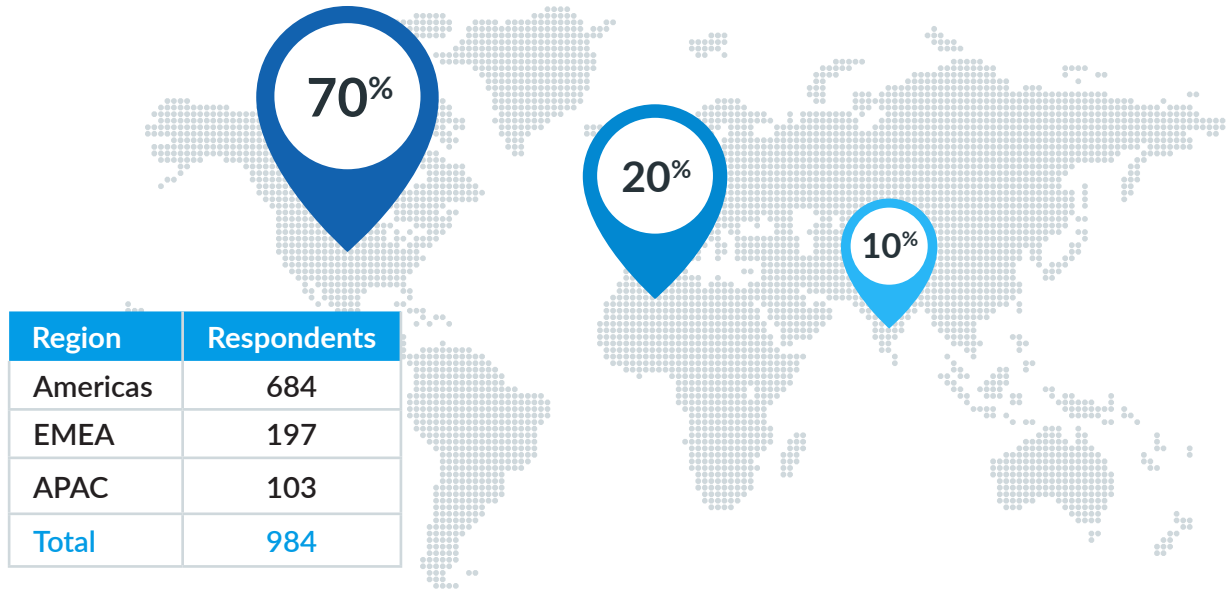
Total number of employees

The challenges and opportunities in store for small and large MSPs are vastly different. Taking all the viewpoints into consideration makes it easier to create an accurate picture of the industry. MSPs of all sizes participated in the survey and the total respondent base was evenly distributed across the ranges we gave. The highest concentration of respondents is seen both in the lowest bracket (less than five employees) and the highest bracket (more than 100 employees), at 21% respectively.

Employees	Percentage
Less than 5	21%
6-10	17%
11-25	20%
26-50	14%
51-100	07%
More than 100	21%
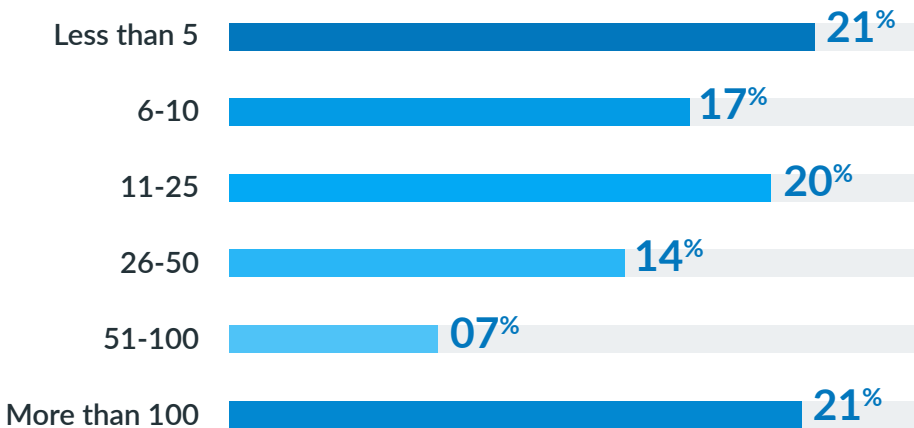
Of these, a majority (65%) identified themselves as managed service providers (MSPs). About 12% identified as managed security services providers (MSSP), 9% as network- and data-center-focused and 3% as break-fix shops. Along with being IT experts, MSPs today also play the role of IT consultants, helping their clients build the fastest and most reliable IT infrastructures for the best value. Businesses, on the other hand, can benefit from the flexibility and scalability provided by MSPs and achieve rapid growth that would otherwise be harder to do on their own.

Business profile

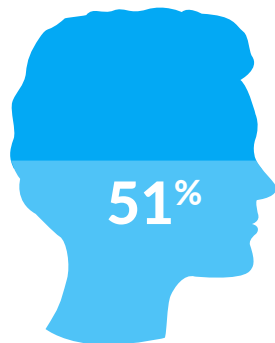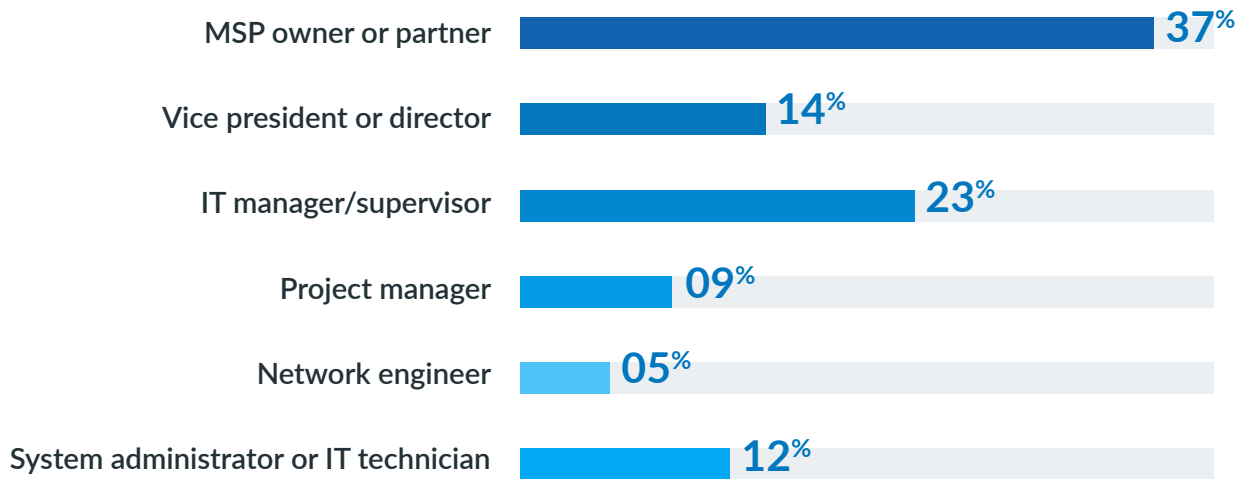|	
Break-fix shop	03%
MSP	65%
Managed security service provider (MSSP)	12%
Network and data center-focused	09%
Other	11%
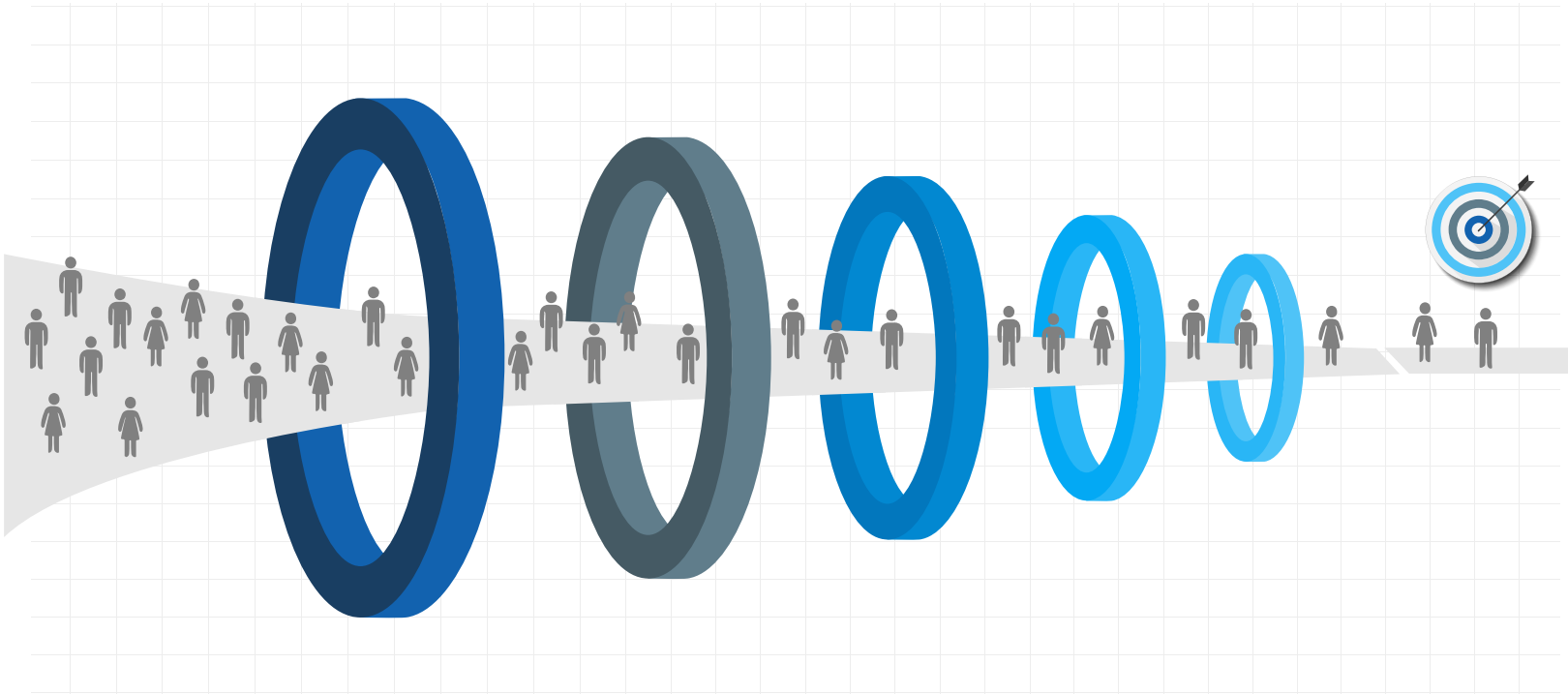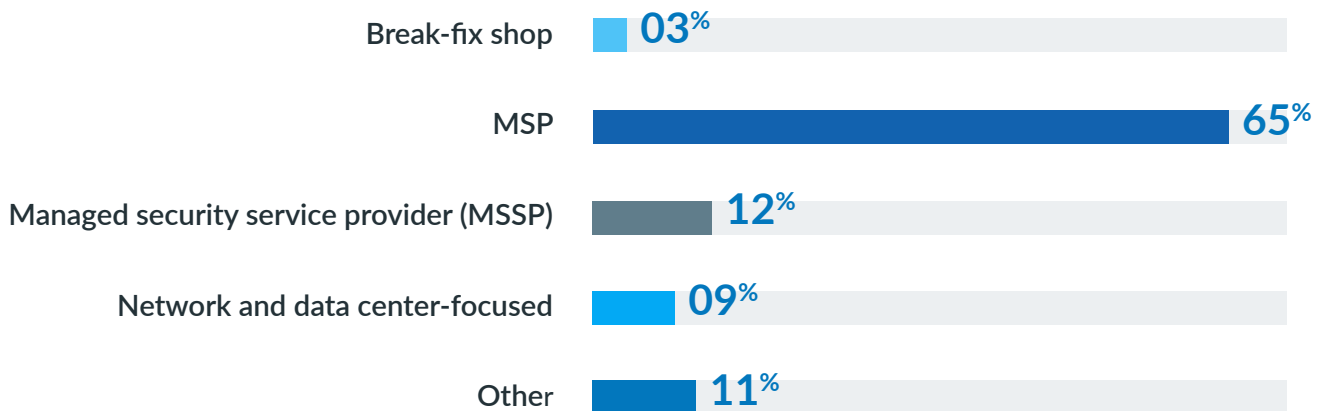
Both executives and technicians have a crucial role to play in driving their MSPs to success, and while some of their perspectives might differ owing to their unique objectives, they share the same goals. We had a roughly equal number of executives and technicians taking the survey.

MSP owners/partners and vice presidents/directors make up the executive group and technicians make up the rest. Based on this division, 51% of our respondents are executives and 49% are technicians.

Respondent's title

MSP owner or partner	37%
Vice president or director	14%
IT manager/supervisor	23%
Project manager	09%
Network engineer	05%
System administrator or IT technician	12%

51% Executives
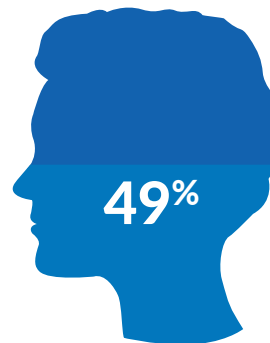
49% Technicians

A POSITIVE OUTLOOK ON ACHIEVING WORK-LIFE BALANCE

We introduced questions on work-life balance for the first time in the 2023 MSP Benchmark Survey. This year, we discovered that while many challenges causing work-life imbalance are diminishing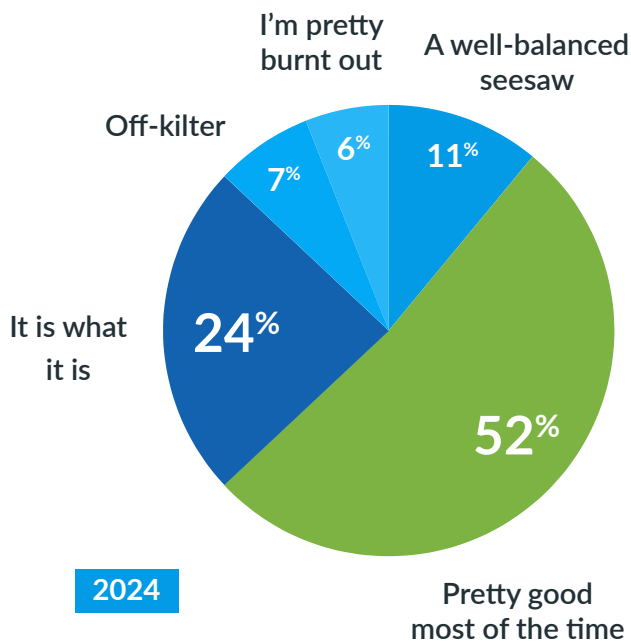, the top issues from last year continue to persist. Having to work over a holiday or a weekend, working consecutive 50+ hour weeks and having to pull an all-nighter continue to be common pain points in the lives of both executives and technicians. Despite this, there is a silver lining — the percentage of respondents who chose the "my work hours are predictable" option climbed from 12% to 17%.

Workplace challenges	2024	2023
Had to work over a holiday or weekend (or holiday weekend)	64%	62%
Worked consecutive 50+ hour weeks	44%	43%
Pulled an all-nighter	43%	43%
Had a vacation disrupted by an IT crisis	39%	37%
Missed a family event due to an IT crisis	28%	34%
Survived on Doritos and Mountain Dew	15%	17%
Had to cancel or end a vacation due to an IT crisis	14%	18%
None of the above. My work hours are predictable	17%	12%

Keeping the positive momentum going, most respondents said that their work-life balance is good most of the time. For IT professionals, achieving a satisfactory work-life balance has traditionally been a contentious issue. However, the introduction of innovative solutions featuring advanced automation and integration capabilities and the advancement in AI has allowed IT professionals to reclaim their time. Due to this shift, they can devote more time to business-critical responsibilities without having to burn the midnight oil.

Work-life balance

I'm pretty burnt out — 6%
A well-balanced seesaw — 11%
Off-kilter — 7%
It is what it is — 24%
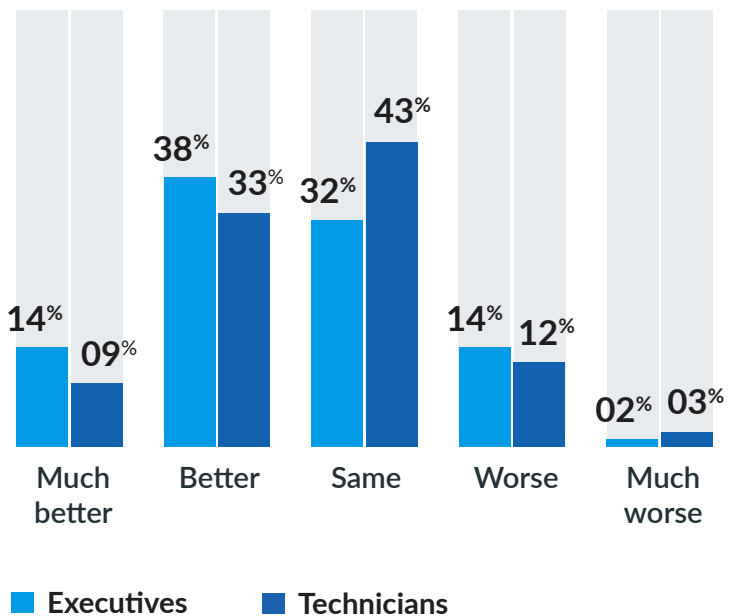52%
2024
Pretty good most of the time

About 38% of executives further said that their work-life balance had improved over the past year while a majority of the technicians said it remained the same.

All work and no play make IT technicians dull individuals. Movies are everyone's escape from the mundane and monotony. We asked our respondents what they watch to recharge their batteries. Well, it turns out our executive respondents seek solace in a galaxy far, far away, immersing themselves in the captivating world of Star Wars. At the same time, our tech-savvy technicians escape into the vast Marvel multiverse, seeking a power boost from the thrilling exploits of superheroes and their dynamic narratives.

Changes in work-life balance

	Much better	Better	Same	Worse	Much worse
Executives	14%	38%	32%	14%	02%
Technicians	09%	33%	43%	12%	03%

■ Executives ■ Technicians

Fandom

5%
DC

8%
Harry Potter

15%
Lord of the Rings

22%
Marvel

5%

12%

19%

25%

18%
Star Trek

25%
Star Wars

7%
Taylor Swift

12%

19%

8%
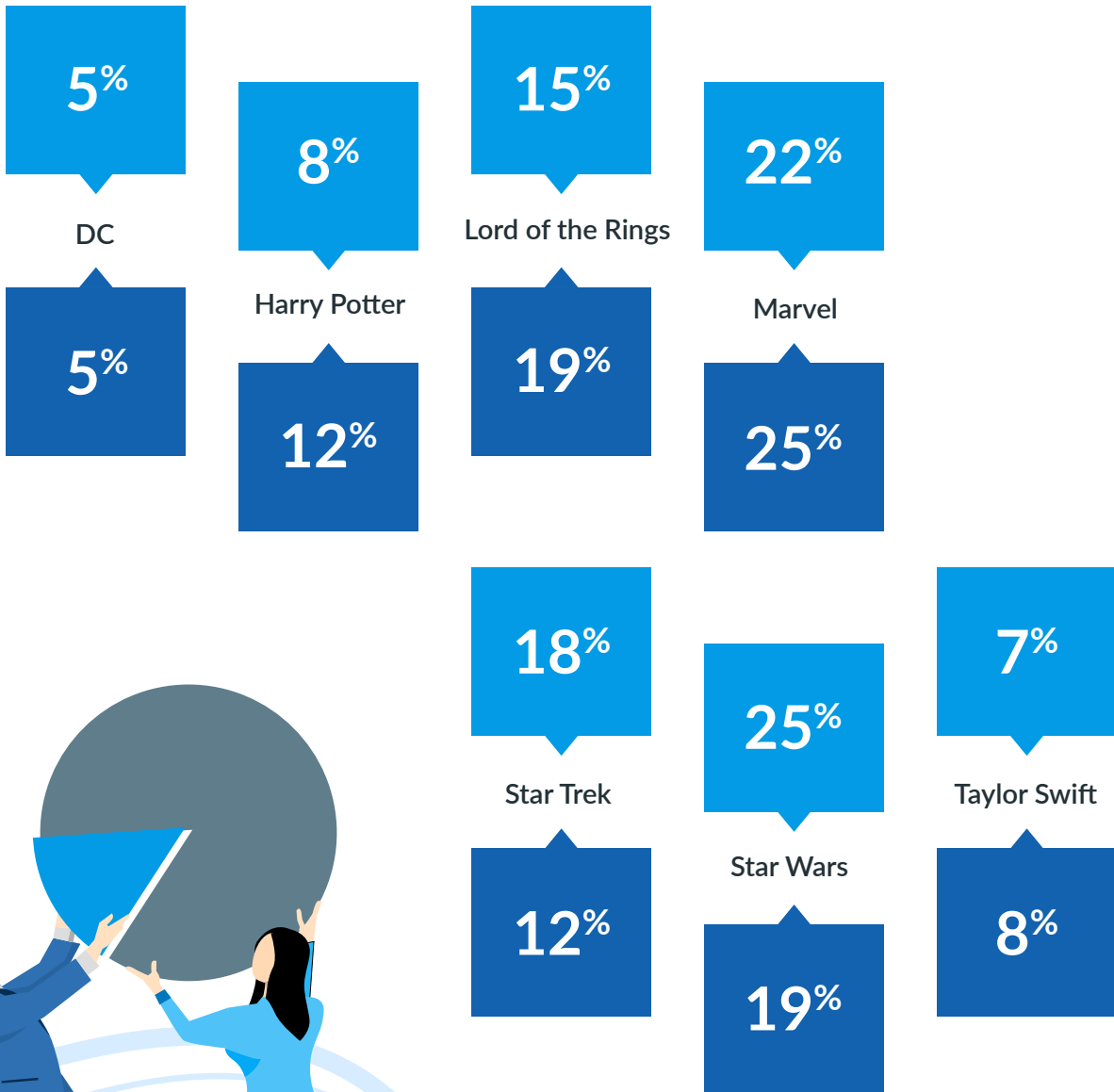
■ **Executives**

■ **Technicians**

INCREASING COMPETITION, CYBERSECURITY AND HIRING A CHALLENGE FOR MSPs

The MSP industry is saturated with multiple providers, which has heightened competition between them. Moreover, customers are increasingly demanding better services and solutions. Against this backdrop, the competition for customer acquisition and retention is only going to get tougher, making it more important than ever to provide the right products and services and develop targeted marketing strategies. Acquiring more customers is the top challenge identified by MSPs, with the percentage of respondents that chose it notably increasing from 24% in 2023 to 36% in 2024.

Challenges MSPs anticipate	2024	2023
Acquiring more customers	36%	24%
Dealing with advanced and sophisticated security threats	19%	19%
Hiring	12%	14%
Shrinking IT budgets and spending	9%	10%
Retaining current customers	7%	10%
Retaining current employees	5%	8%
Reduced service offerings to fit shrinking customer budgets	5%	6%
Sales and marketing expertise	5%	5%
Supporting remote work for staff and clients	2%	4%

Managing cybersecurity has been another constant challenge for MSPs, as identified by 19% of the respondents. In recent years, MSPs have done an outstanding job protecting their clients' IT infrastructures using advanced solutions and strategies. However, as long as new threats are constantly on the horizon, the battle is far from over.

Due to the rapid change in technology, attracting skilled technicians who are able to manage new technologies is not only harder but also more expensive. Therefore, hiring continues to be one of the top three challenges MSPs anticipate in 2024.

Biggest customer acquisition challenge

In a crowded MSP market, it's no surprise that technicians view increased competition as the biggest barrier to acquiring new customers. Similarly, executives pinpointed the lack of a dedicated sales representative as their chief customer acquisition challenge. While the professionals at MSPs have expertise in solving challenging IT tasks, they may find themselves constrained by limited time and skill when it comes to promoting services to clients.

|	
22% 33%	25% 20%
Increased competition	**Lack of a dedicated sales rep**
27% 16%	17% 24%
No lead-gen strategy	**Onboarding**
9% 07%	
Other (please specify)	

■ **Executives**   ■ **Technicians**

M&A ACTIVITY AND GROWTH PLANS

MSPs can expect a tepid mergers and acquisitions market in 2024. More than half of the respondents (55%) said they do not have a plan to acquire or sell their MSP while only 11% identified it as their primary growth strategy.
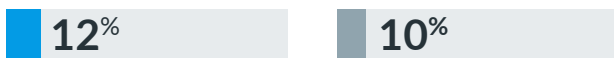
M&A activity

11% **14**%
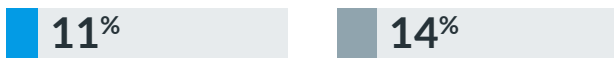
Our primary growth strategy

22% **27**%
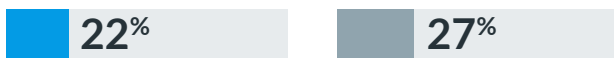
We have or are looking to acquire other MSPs within the next 24-36 months

12% **10**%

We are investigating selling our MSP within the next 24-36 months

55% **49**%

We have no plans to acquire MSPs or sell our MSP

■ **2024**   ■ **2023**

Rather than focusing on mergers and acquisitions, MSPs are placing a strong emphasis on organic business growth. The majority of respondents (61%) said they intend to drive growth by providing new services to both new and existing clients. Just over half of the participants (53%) indicated their focus on increasing sales and expanding their roster of clients, which reflects a strategic effort to increase revenue and expand market share.

MSPs are also recognizing the importance of sales and marketing in driving their business expansion strategy. About 49% of MSPs are considering starting or improving their marketing efforts. Overall, the data underscores a more proactive and strategic approach to business development within the MSP industry.

Growth strategies

61%
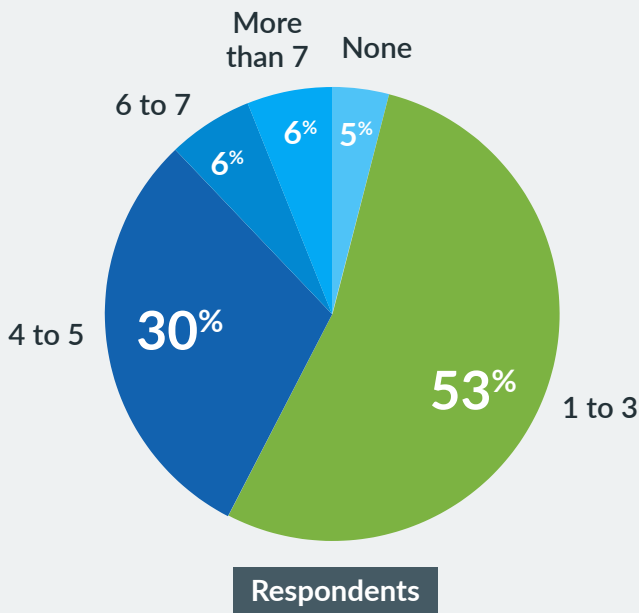Offer new services to new or current clients
61%

53%
Increase sales and add new logos
49%

49%
Start or improve marketing efforts
42%

28%
Provide co-managed IT services
27%

18%
Acquire other MSPs
20%

11%
Join a peer group
15%

■ 2024   ■ 2023
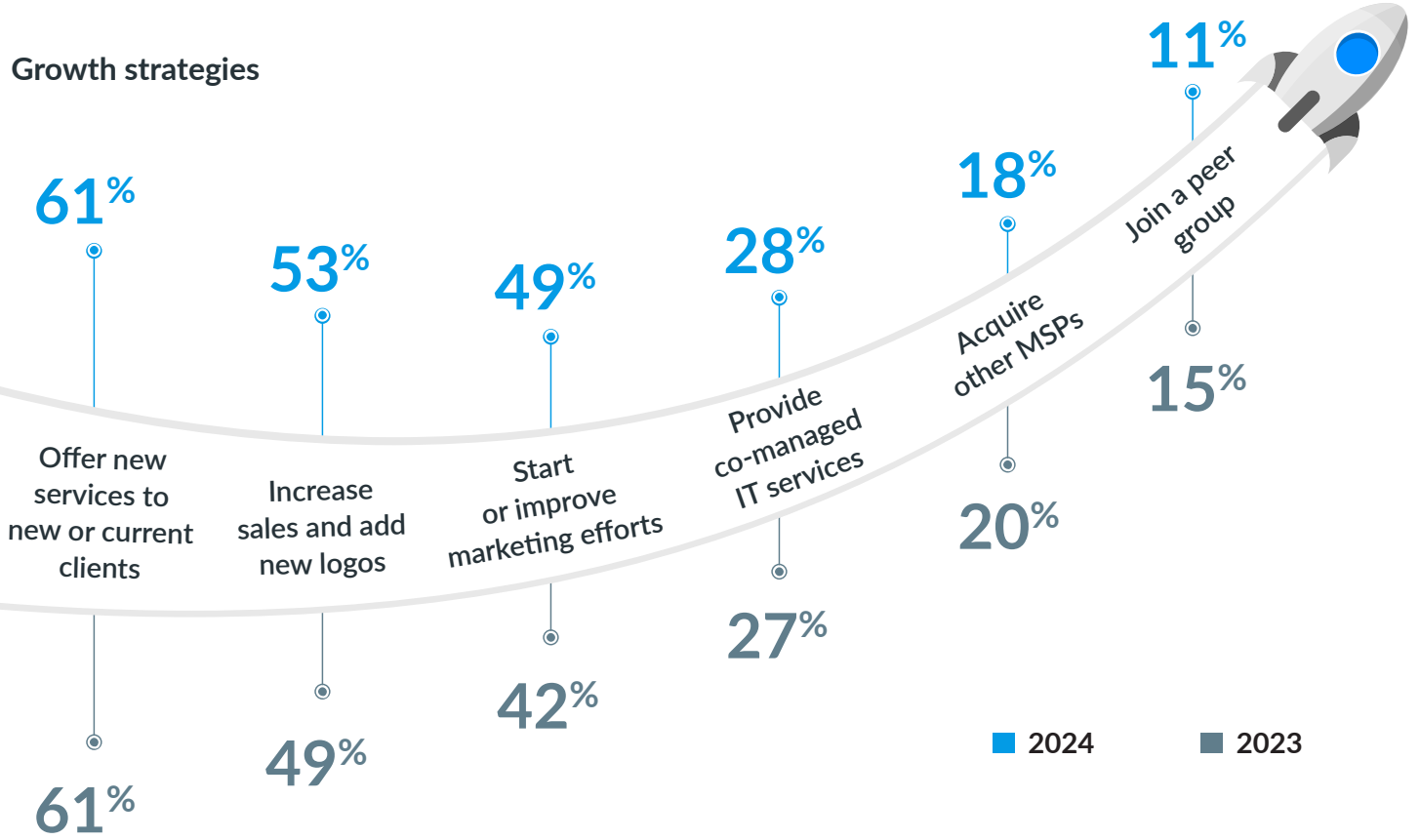
Services added in the past two years

More than 7

None

6 to 7

6%

5%

4 to 5

6%

30%

53%
1 to 3

Respondents

MSPs can meet a wide range of client demands with a rich roster of services. This helps with client retention and also revenue diversification, which bolsters the business against cyclical and economic-driven changes in demand. More than half of the respondents (53%) said they added between one and three services in the past two years.

CYBERSECURITY: A REVENUE GENERATOR

We asked MSPs to identify the IT challenges they expect their clients to face in 2024. A staggering 78% of respondents consider cybersecurity as a top IT challenge, highlighting the importance of investing in this area for growth.
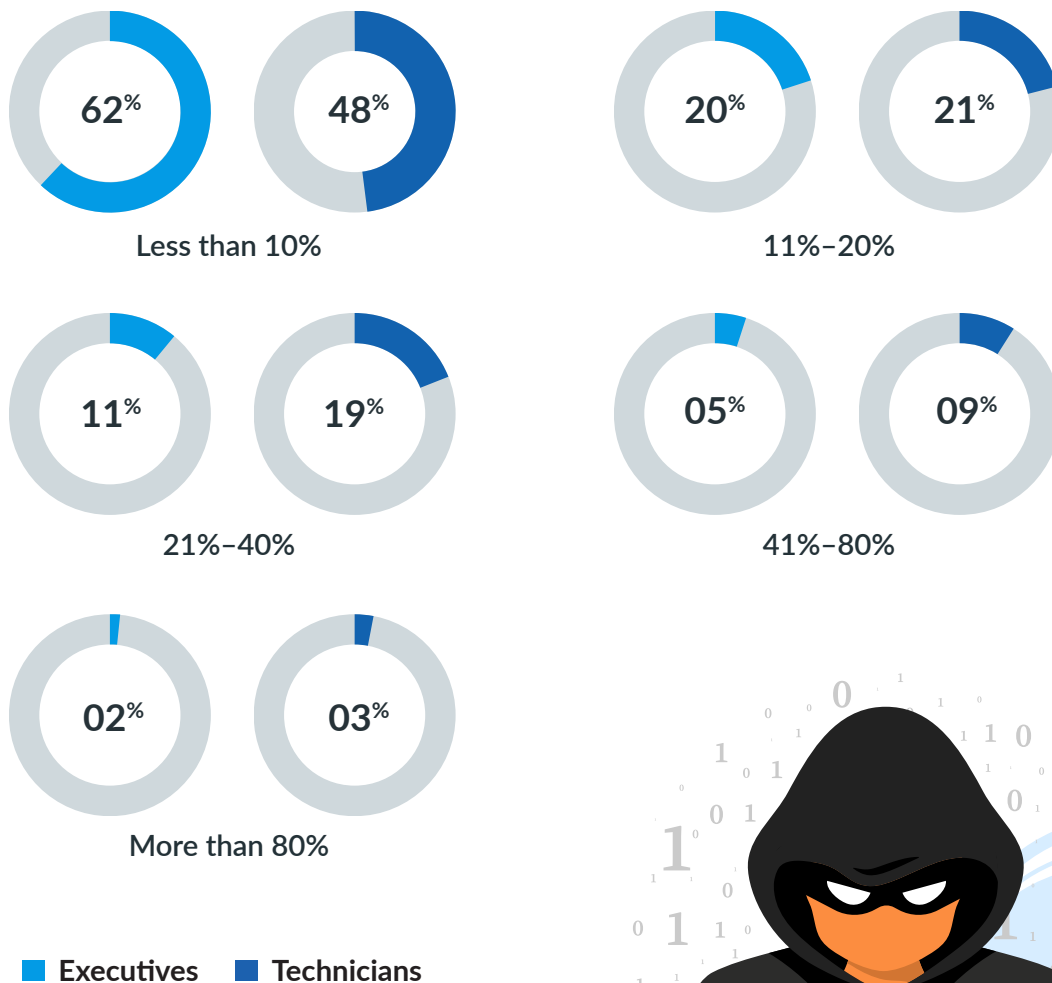
No one can deny the transformative power of AI and machine learning. With clients adopting AI and machine learning enthusiastically, implementing these technologies will undoubtedly be challenging, according to 37% of MSPs. As more businesses decide to switch their legacy systems to cloud and SaaS solutions that are faster and more flexible, about 32% of MSPs are witnessing a rise in these activities.

Top IT challenges for clients	2024	2023
Cybersecurity	78%	67%
AI and machine learning	37%	-
Legacy system replacement	32%	27%
Meeting audit and compliance requirements	27%	24%
Business continuity and disaster recovery (BCDR)	23%	34%
Digital transformation	20%	19%
Supporting remote work	17%	26%
Supporting collaboration platforms (Microsoft 365/Google Apps)	16%	12%
Managing public cloud adoption/migration/ support (IaaS, PaaS, SaaS)	14%	23%
Patching and updating for Windows, Mac and third-party applications on and off-network	14%	16%
Microsoft Lifecycle Management (e.g., Windows 11 automatic updates)	12%	12%
Support for new business models or markets	10%	7%

The importance of cybersecurity is further underscored by the fact that a whopping 73% of MSPs said revenue in this category went up. You can find a detailed breakdown of business verticals in which revenue increased, decreased or stayed the same in the additional data section.

While cybersecurity continues to be an important area of focus, some data points paint a positive picture of how MSPs have successfully responded to cyberthreats and established a strong cybersecurity posture for their clients. A whopping 62% of respondents said that less than 10% of their clients experienced a cyberattack this year.

Clients that have experienced a cyberattack

	Less than 10%		11%–20%
62%	48%	20%	21%

	21%–40%		41%–80%
11%	19%	05%	09%

More than 80%

02%	03%

■ Executives   ■ Technicians

Clients, too, recognize the significance of cybersecurity measures. Reflecting last year's cautious trend, almost half of MSPs (46%) said most of their clients turn to them for advice on cybersecurity plans and best practices.

Interest in cybersecurity services

15% **18%**

All of our clients

46% **47%**

Most of our clients

36% **32%**

Some of our clients

3% **3%**

None of our clients

■ 2024 ■ 2023
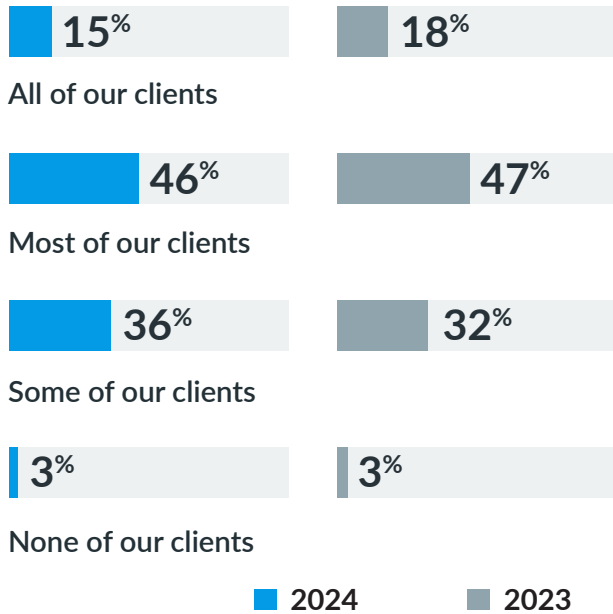
The data presented below shows that although MSPs still value assessing the cybersecurity threat landscape at regular intervals, they now prefer doing so over longer timeframes. The proportion of respondents that opted for the weekly assessment has decreased while the annual frequency registered a slight increase.

Threat landscape evaluation frequency

16%	33%	33%	14%	4%
Weekly	Monthly	Quarterly	Annually	Never
20%	32%	35%	11%	2%

■ 2024 ■ 2023

19%

81%
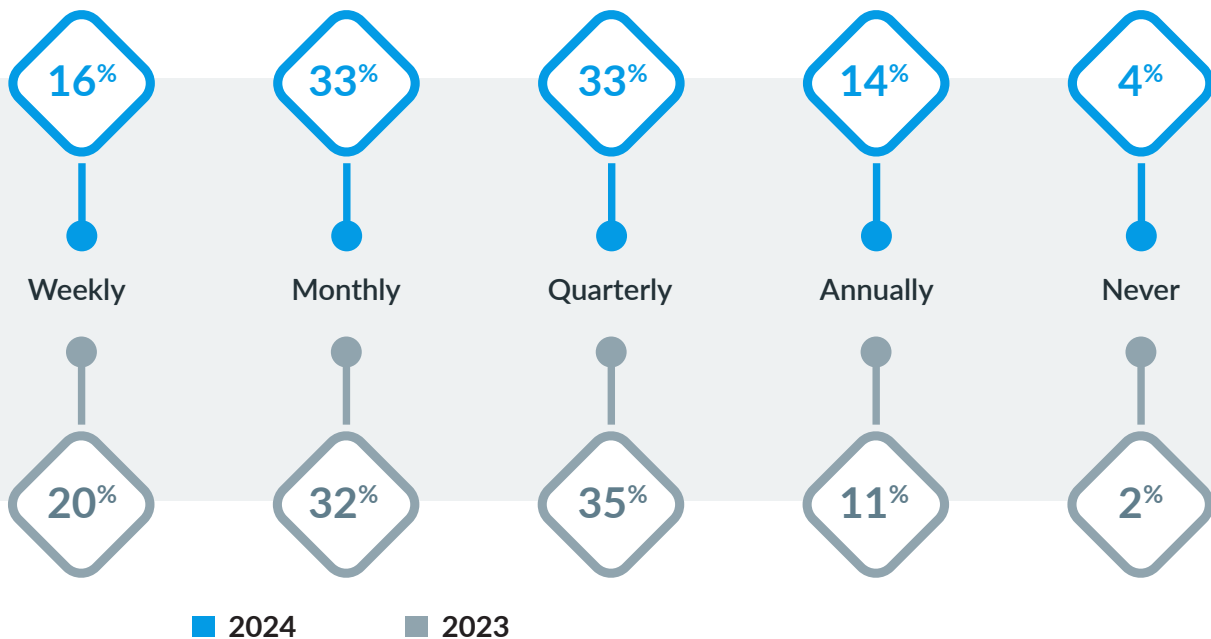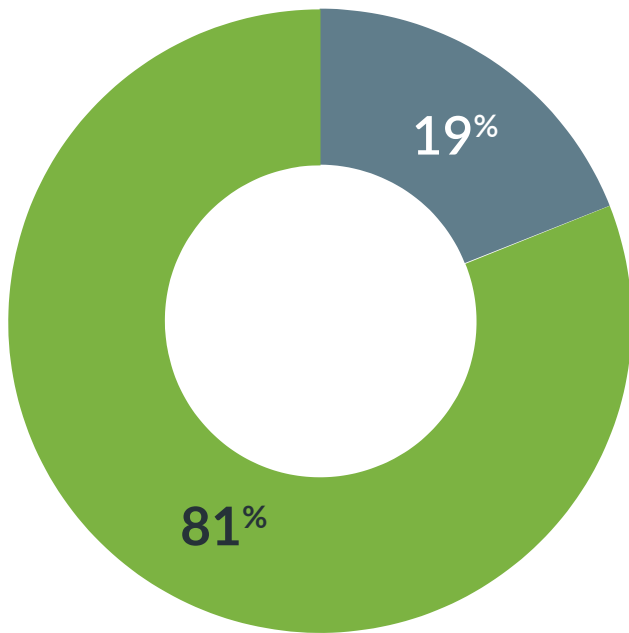
■ Yes   ■ No

Do you currently back up your customers' SaaS applications?

Taking regular backups of critical company data not only keeps it safe from cyberattacks but also other issues, such as natural disasters that can compromise data integrity and damage business. An impressive 81% of respondents to the MSP survey affirmed that they regularly back up their clients' SaaS applications, such as Microsoft 365, Google Workspace or Salesforce.
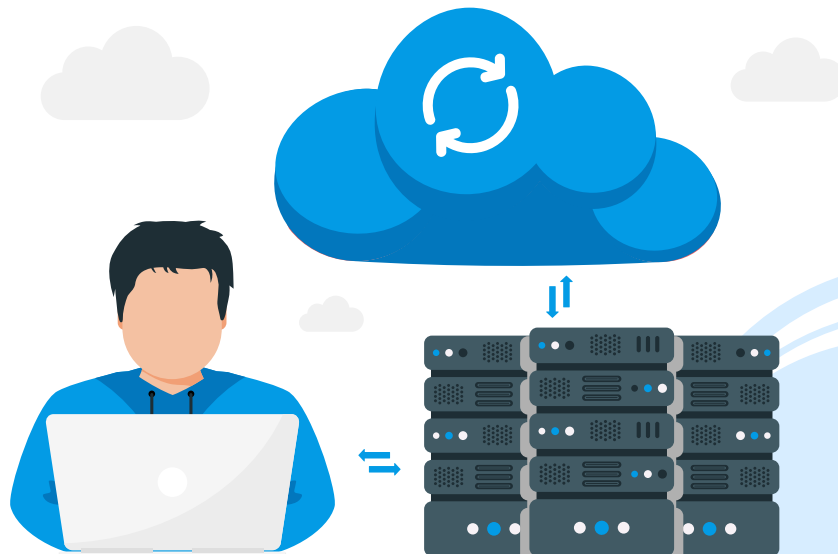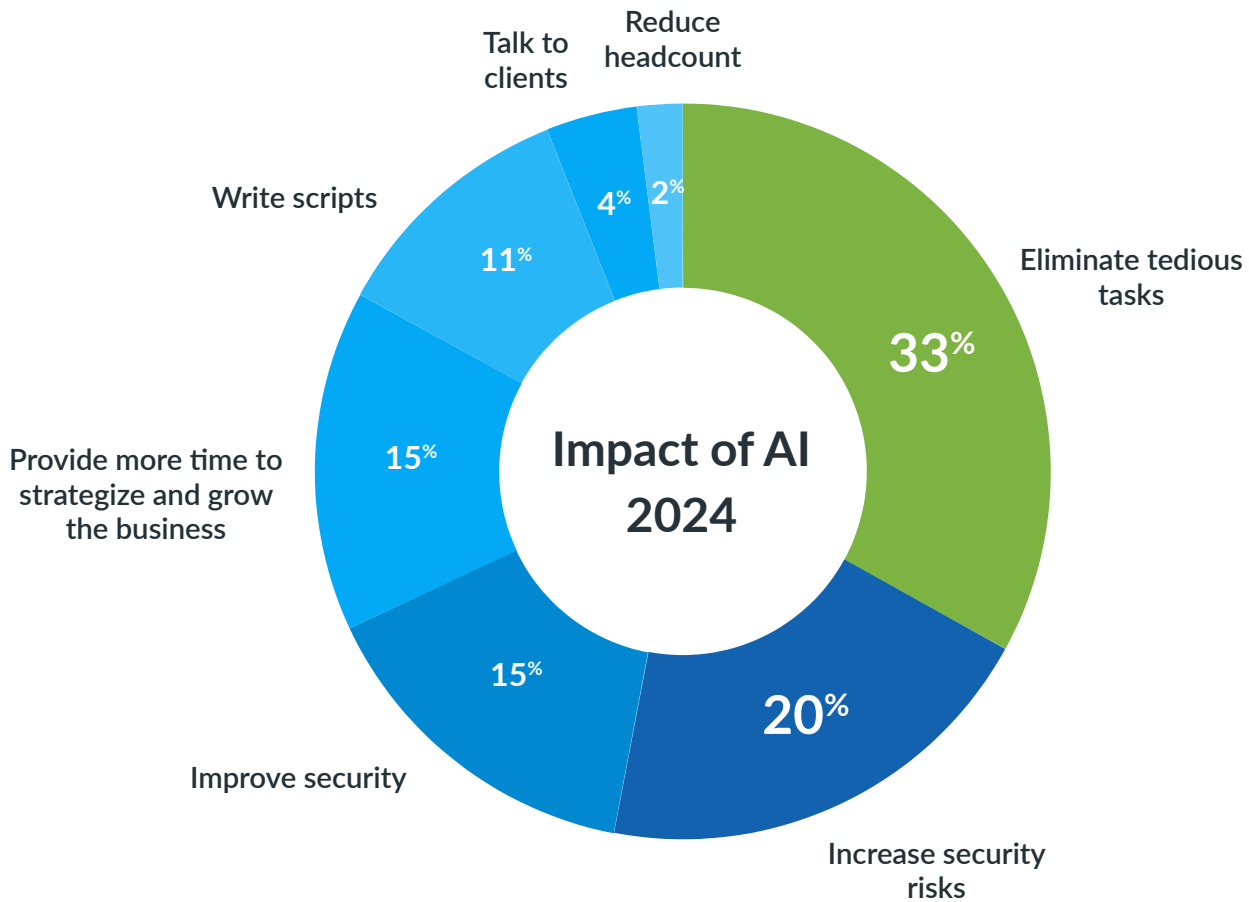
ARTIFICIAL INTELLIGENCE (AI): A BOON AND A BANE

Will AI replace Google? While the answer remains uncertain, its practical applications offer significant benefits for MSPs. Approximately 33% of respondents anticipate using AI to streamline tedious tasks. Particularly in cybersecurity, AI presents both advantages and challenges. While it enhances security, it also introduces new risks, emphasizing the need for responsible AI use. The overarching advantage of AI lies in its time-saving capabilities, with 15% of MSP respondents hoping to leverage this to strategize and foster business growth.

Impact of AI 2024

- Reduce headcount — 2%
- Talk to clients — 4%
- Write scripts — 11%
- Provide more time to strategize and grow the business — 15%
- Improve security — 15%
- Increase security risks — 20%
- Eliminate tedious tasks — 33%

AUTOMATION AND INTEGRATION HOLD THE KEY TO SOLVING COMMON MSP CHALLENGES

The predominant challenge affecting the workload of MSPs is the inability to fully utilize their software solutions — a concern shared by both executives and technicians. Technicians also expressed frustration with the time spent switching between applications. This lack of efficiency costs MSPs time and money, leading to decreased productivity and customer satisfaction. Approximately 14% of technicians also reported problems arising from poor integration among their solutions. Interestingly, the lack of integration appeared to be a more significant issue for executives compared to technicians.

Challenges impacting MSP workload

	Executives	Technicians
We aren't using our software solutions to their fullest	52%	39%
We waste too much time swapping between IT applications	16%	31%
My solutions aren't integrated enough	18%	14%
Too many vendors, too many contracts	14%	16%

■ Executives   ■ Technicians
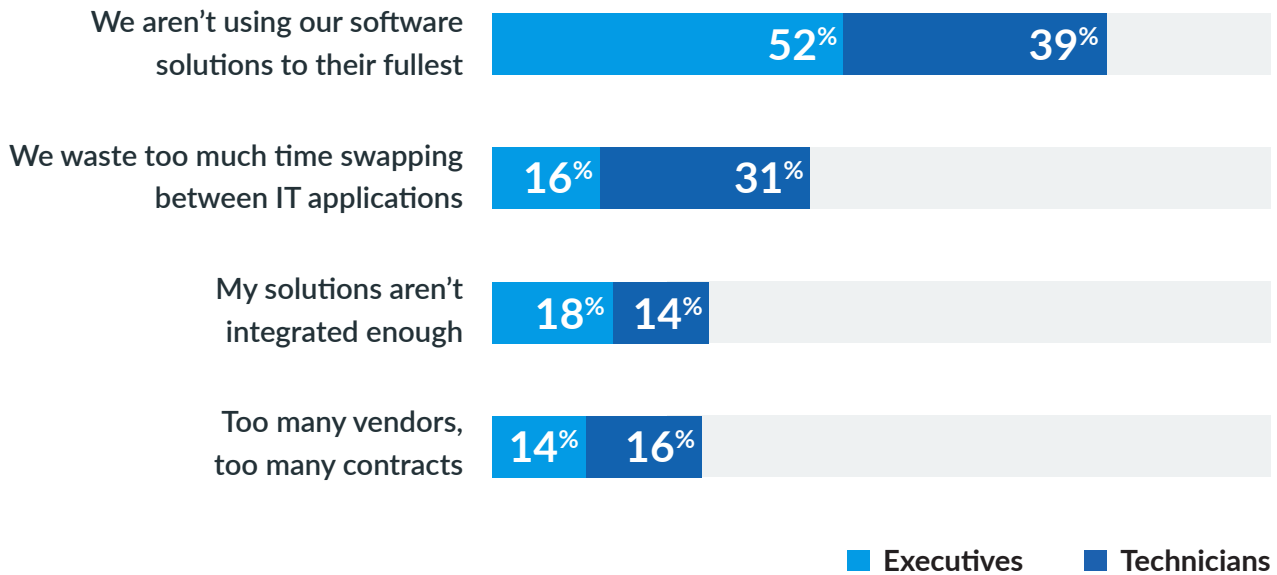
Importance of automation

59% — Very important (Executives)
39% — Very important (Technicians)

28% — Important (Executives)
44% — Important (Technicians)

12% — Somewhat important (Executives)
15% — Somewhat important (Technicians)

1% — Not at all important (Executives)
2% — Not at all important (Technicians)

■ Executives ■ Technicians
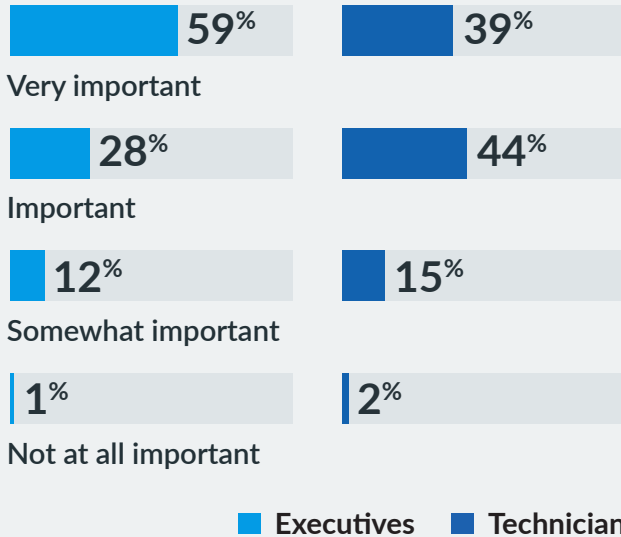
Investing in IT management solutions with built-in automation and integration capabilities is a priority for MSPs. About 85% of both executives and technicians unequivocally assert that automation is a must-have for them. We calculated this number by combining the percentages of very important and important answer choices.

Automation is the key to unlocking the next stage of growth for MSPs — the road to higher efficiency, productivity, improved workflows, streamlined operations and more. It's no surprise that automation is the most important feature MSPs look for in RMM solutions, followed by remote control and operating system (OS) patch management features. In today's hybrid and diverse work setting, the ability to consistently deliver quality services, even to remote clients, can be a game changer for MSPs, setting them apart from the competition. Timely and effortless patching is also crucial for MSPs, not just for enhancing security but also for optimizing the functional efficiency of their IT infrastructure.

Most important feature of an RMM	2024	2023
Automation (including auto-remediation of tickets)	60%	59%
Remote control	55%	49%
OS patch management	50%	42%
Security (e.g., antivirus, antimalware, anti-ransomware deployment)	37%	42%
Network monitoring	35%	36%
Cloud management	33%	33%
Discovery and inventory	37%	32%
Integration with PSA	37%	30%
Business intelligence or reporting	25%	29%
Integration with IT documentation solution	28%	28%
Third-party patch management	22%	16%
Integration with BCDR solution	14%	14%
User configuration hardening	8%	6%

The positive sentiments are evident when it comes to integration as well. Both automation and integration must work hand in hand to deliver results. While automation increases efficiency, integration helps to create a unified system. Both work together to create a more streamlined and efficient workflow. Almost 67% of the executives and 58% of technicians agree that integration between core MSP applications is very important for their work.

Importance of integration

Very important

67% 58%

Somewhat important

27% 36%

Not very important

5% 5%

Not important at all

1% 1%

■ **Executives** ■ **Technicians**
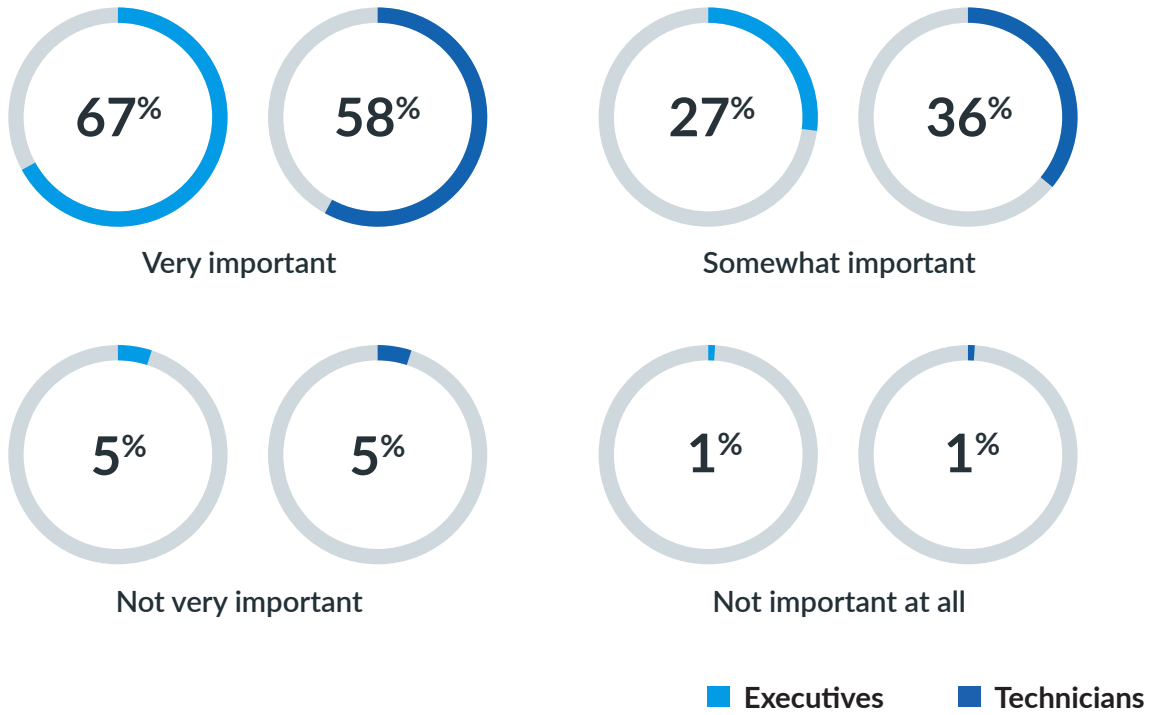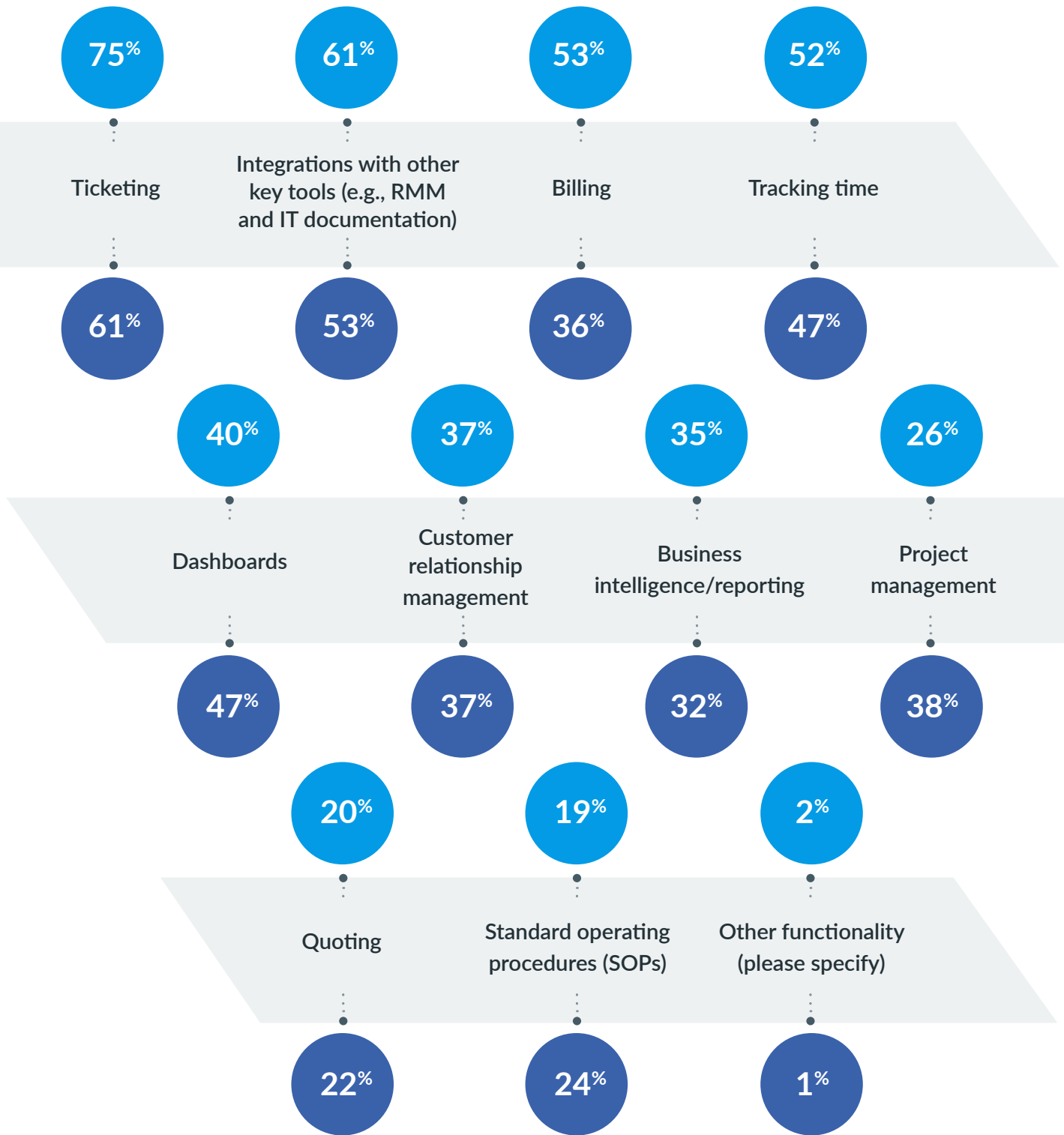
After ticketing, integration with IT tools, like RMM and IT documentation, is the most important feature that both executives and technicians want in their PSA system. Integration enables technicians to switch between core IT tools from a single pane of glass and do things like respond to alerts right from within PSA without jumping between solutions.

Top PSA features

75% Ticketing

61% Integrations with other key tools (e.g., RMM and IT documentation)

53% Billing

52% Tracking time

61%

53%

36%

47%

40% Dashboards

37% Customer relationship management

35% Business intelligence/reporting

26% Project management

47%

37%

32%

38%

20% Quoting

19% Standard operating procedures (SOPs)

2% Other functionality (please specify)
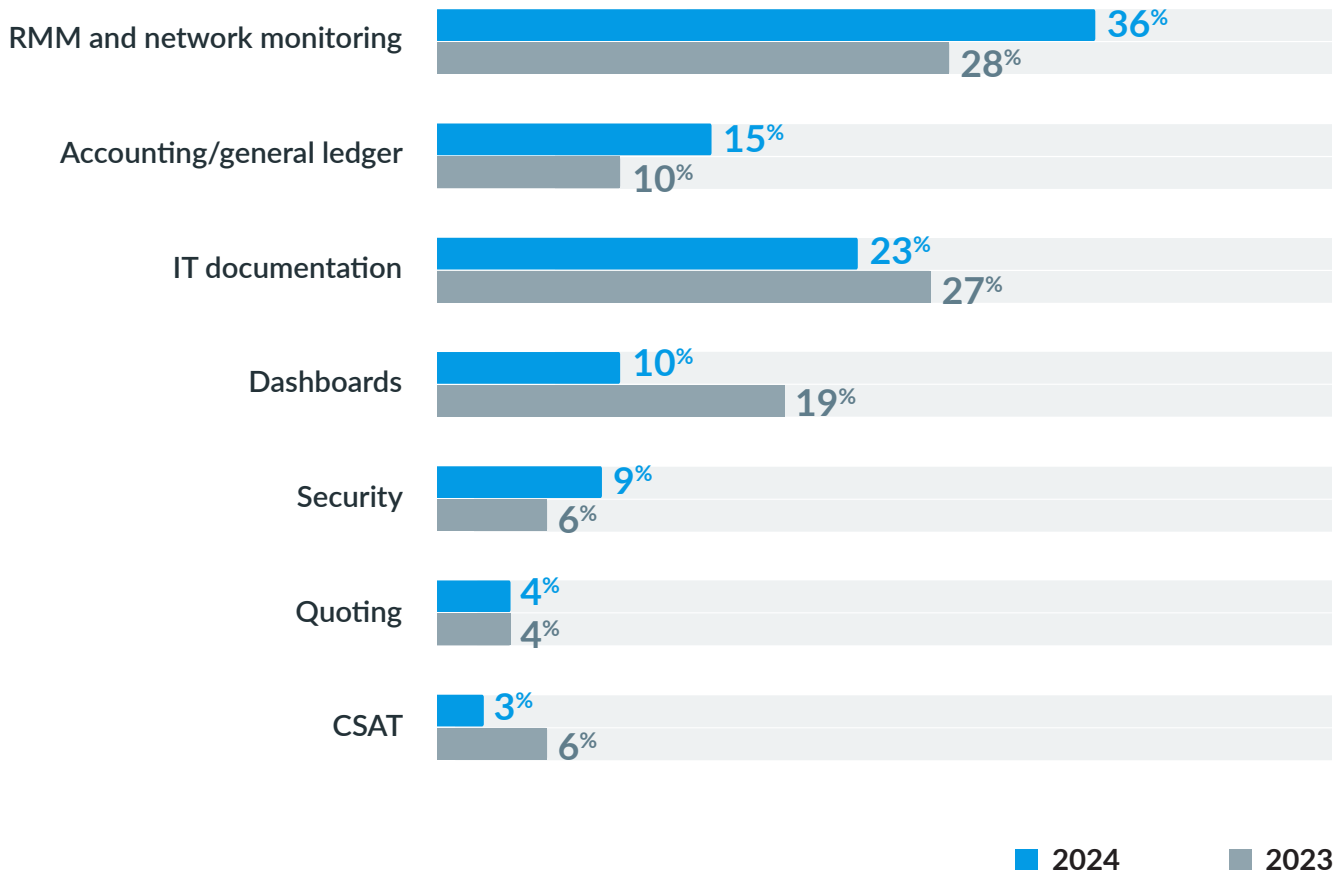
22%

24%
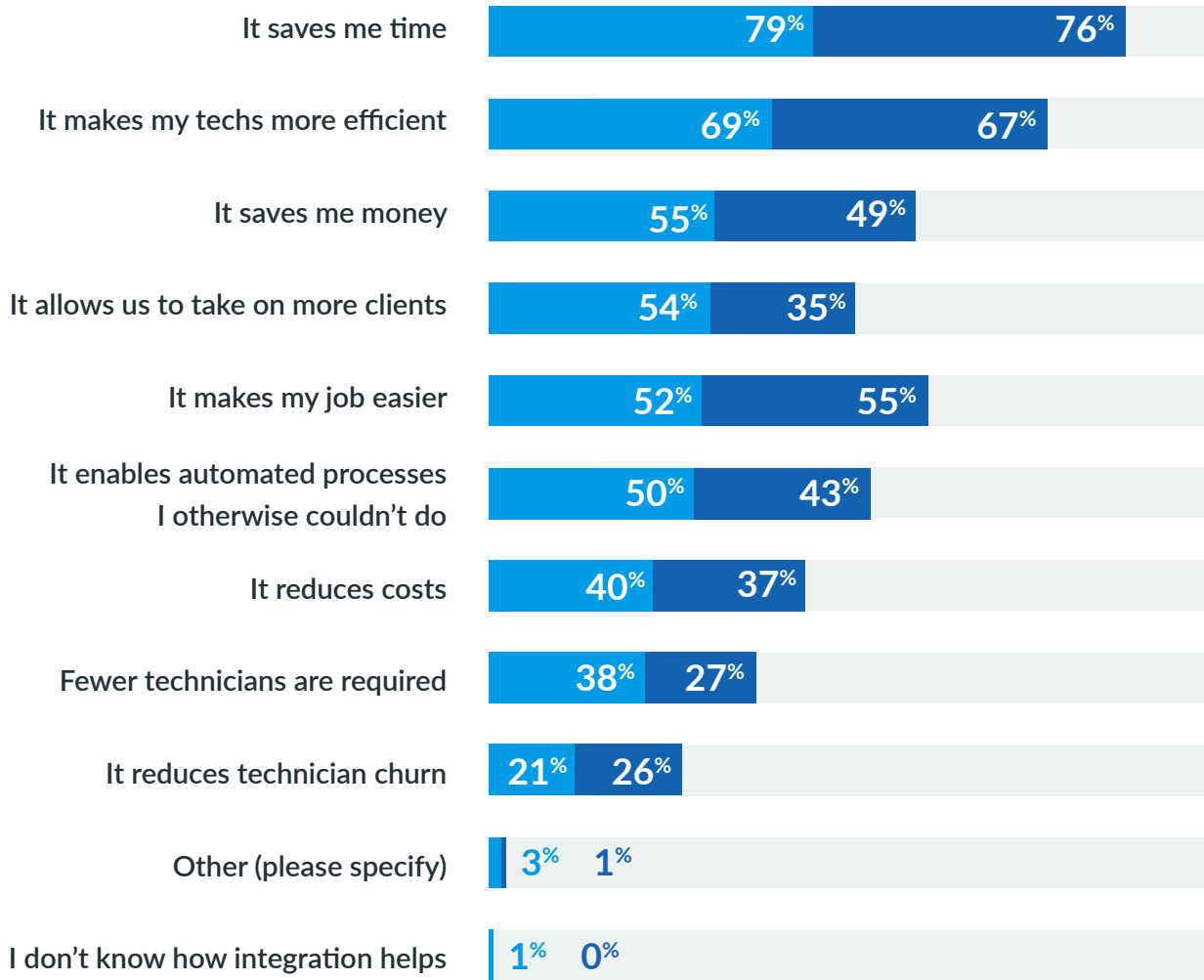
1%

■ Executives ■ Technicians

Integration makes things faster and more efficient. RMM and network monitoring rank as the top two tools that both executives and technicians are keen to integrate with their PSA. By integrating RMM and network monitoring tools into the PSA, technicians have the ability to view the status of their clients' networks and devices in real-time, allowing them to quickly identify and troubleshoot issues. This allows them to resolve issues quickly and efficiently, saving time and resources.

Integration with PSA

Category	2024	2023
RMM and network monitoring	36%	28%
Accounting/general ledger	15%	10%
IT documentation	23%	27%
Dashboards	10%	19%
Security	9%	6%
Quoting	4%	4%
CSAT	3%	6%

■ 2024 ■ 2023

Time is a resource that MSPs consistently find in short supply. Mundane and time-consuming tasks can drain their energy, but integration offers a solution to save valuable time. Over 75% of both executives and technicians agree that integration is a time-saving measure for them. The free time can be channeled towards important tasks that can have a positive impact on the business, improve customer service and increase revenue. Almost 70% also agree that integration drives technician efficiency, which helps them get more work done in fewer hours and with less exertion. Moreover, integration serves as a cost-saving mechanism, streamlining operations and ultimately contributing to better resource optimization and cash flow.

Benefits of integration

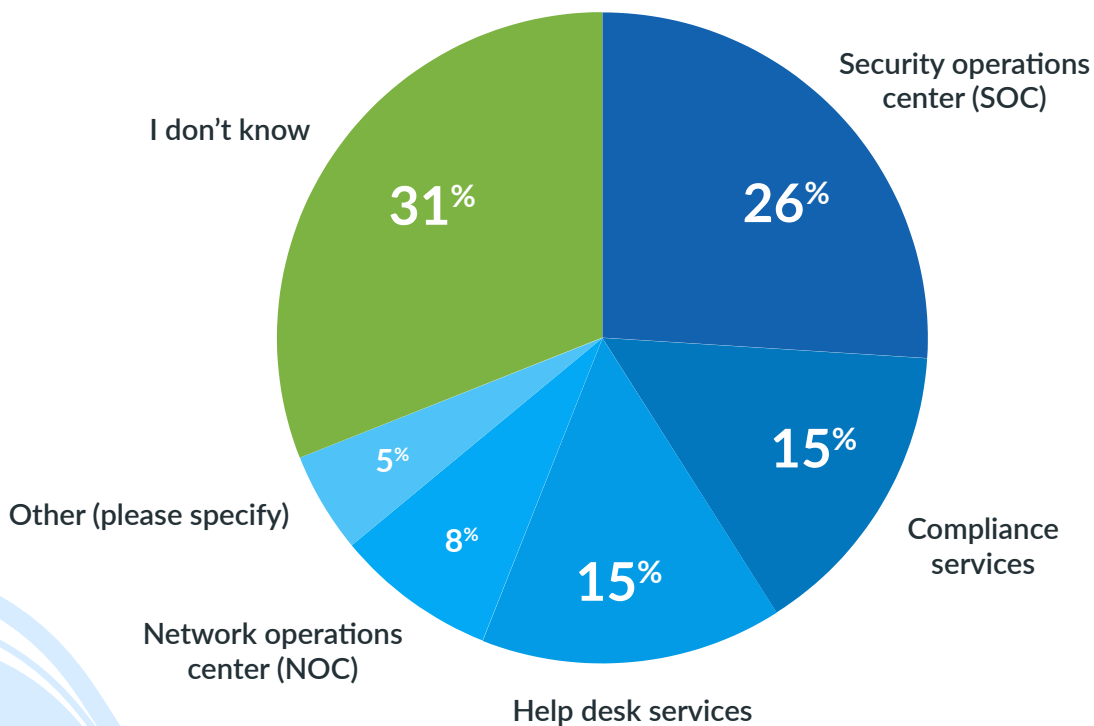| Benefit	Executives	Technicians
It saves me time	79%	76%
It makes my techs more efficient	69%	67%
It saves me money	55%	49%
It allows us to take on more clients	54%	35%
It makes my job easier	52%	55%
It enables automated processes I otherwise couldn't do	50%	43%
It reduces costs	40%	37%
Fewer technicians are required	38%	27%
It reduces technician churn	21%	26%
Other (please specify)	3%	1%
I don't know how integration helps	1%	0%

■ Executives ■ Technicians

WHAT MSPS WANT TO OUTSOURCE

One of the ways MSPs can supercharge their growth is by outsourcing some of the services to a third party. This frees them from the monotony of everyday tasks that are time-consuming while giving them an opportunity to also provide services to clients for which they might not have skilled personnel in-house. Outsourcing is not only cost-effective but can free up MSPs to focus on critical activities like sales and marketing, which are essential for propelling the business forward.

Security and compliance can be big revenue generators for MSPs. However, a scarcity of skilled professionals and job complexity makes offering these services challenging. Outsourcing to a security operations center (SOC) emerges as a strategic solution, enabling MSPs to ensure heightened security and compliance of their clients with the latest regulations. Among MSP respondents, 26% express interest in outsourcing security services to a SOC while 15% aim to outsource compliance services. Additionally, 15% express a desire to outsource help desk services — a move that not only relieves them of mundane tasks but also contributes to the enhancement of customer satisfaction and loyalty.

Services most want to outsource

Pie chart segments:
- Security operations center (SOC): 26%
- Compliance services: 15%
- Help desk services: 15%
- Network operations center (NOC): 8%
- Other (please specify): 5%
- I don't know: 31%

CONCLUSION

MSPs are on the cusp of a new era of growth. In an increasingly competitive and challenging market, MSPs must optimize their processes, upgrade their toolsets and embrace automation to meet client demands and stay ahead of the ever-increasing competition.

From now on, the success of MSPs will largely depend on the efficacy of their toolset and how effectively they utilize automation. Kaseya VSA, with its user-friendly yet advanced automation features, is unique among RMMs. VSA provides MSPs with a comprehensive suite of tools to automate common tasks and tickets while providing better customer service. MSPs can automate their day-to-day tasks, freeing up their employees to focus on more important projects. VSA is an ideal choice for MSPs looking to stay ahead of the competition and maximize their productivity.

As technology continues to evolve, MSPs are shifting from disparate tool stacks and moving towards integrated solutions that function seamlessly as a cohesive unit.

The Kaseya IT Complete Platform, boasting over 40 modules of IT and security management solutions, stands out as the only platform offering deep integration with a diverse array of tools essential for the do-it-all MSP. This extensive toolkit not only provides flexibility but also ensures that each interface mirrors the others for efficiency.

With a singular focus on simplifying the lives of MSPs and enhancing profitability, the SOC and network operations center (NOC) by Kaseya are designed to help MSPs extend their capabilities without incurring expensive overheads. The Kaseya Help Desk service is also set to be a game changer for MSPs, helping to improve profits, reduce technician churn and scale faster without increasing headcount by end-to-end triaging and managing L1 and L2 tickets. The 24/7, in-region service will help MSPs free up more hours for important work while delivering quality customer service.
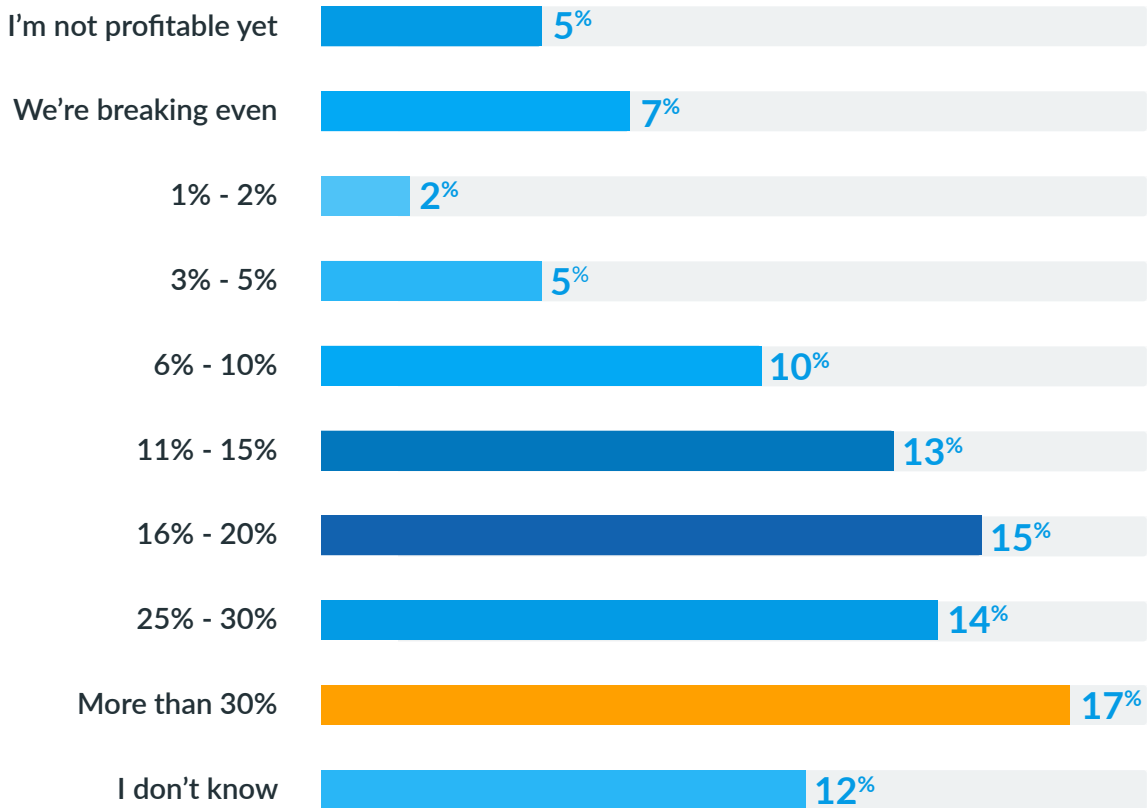
ADDITIONAL DATA

Below is the data on profitability, revenue, endpoints managed, billing model and the current pricing details of the various services MSPs are offering their customers.

Net profit for managed services

It's encouraging to see that about three-quarters (76%) of the respondents are operating profitably, with only a minimal 5% experiencing a lack of profitability.
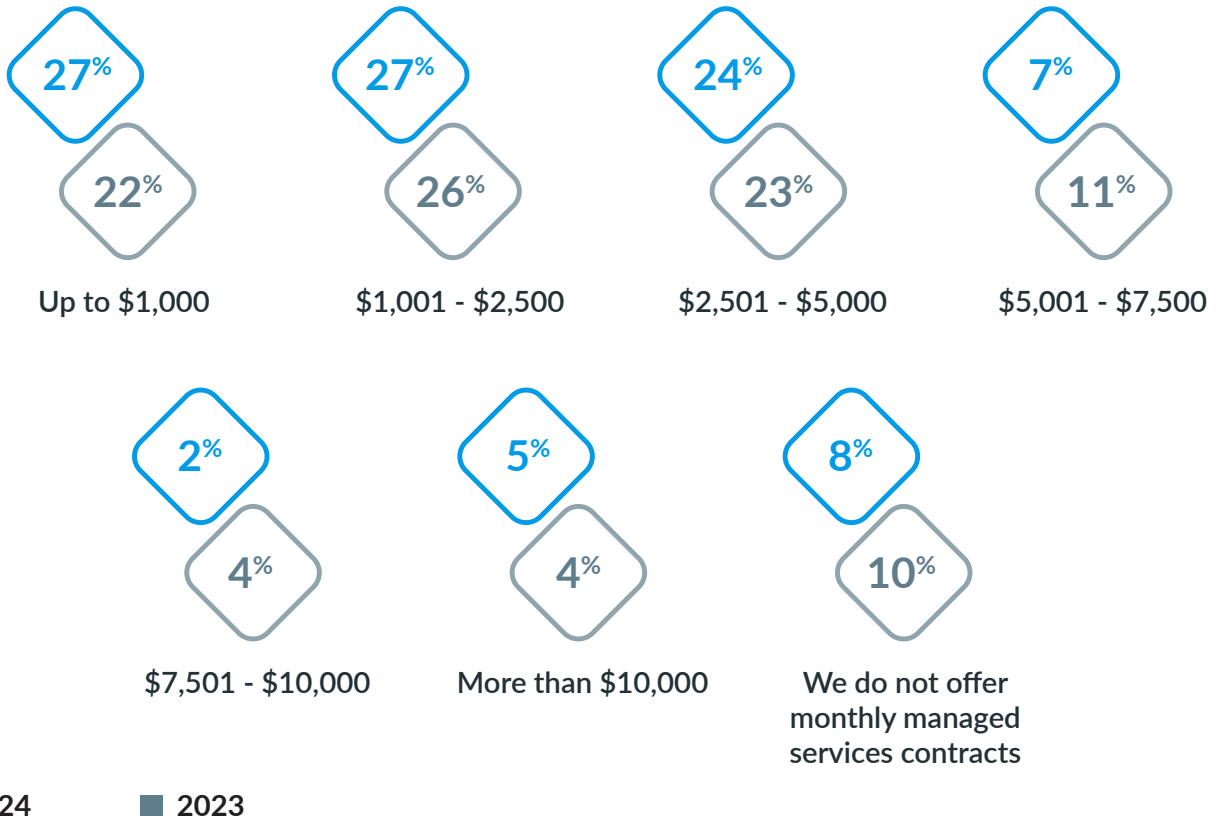
Net profit

Category	Value
I'm not profitable yet	5%
We're breaking even	7%
1% - 2%	2%
3% - 5%	5%
6% - 10%	10%
11% - 15%	13%
16% - 20%	15%
25% - 30%	14%
More than 30%	17%
I don't know	12%

2024

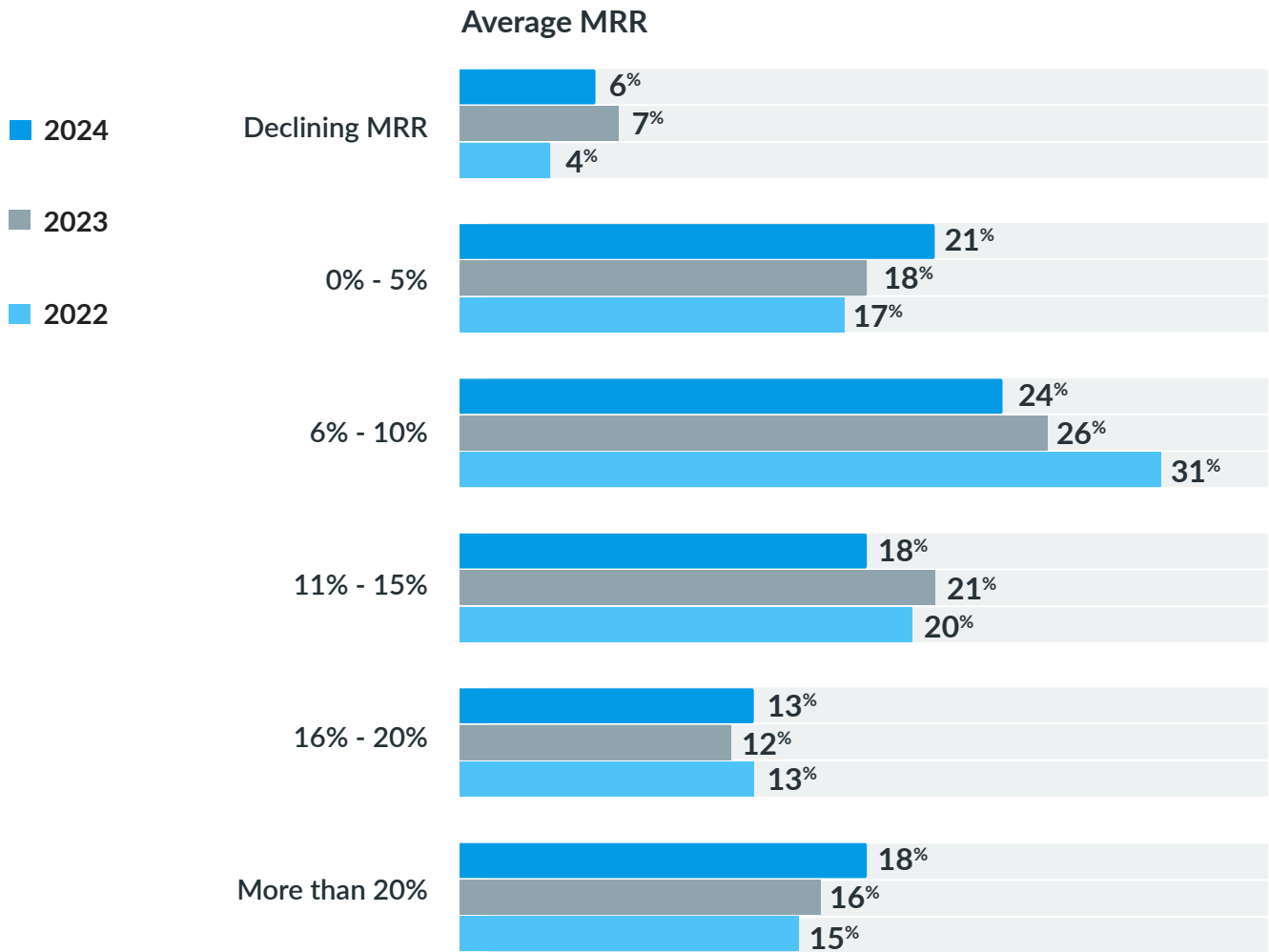# Average MRR of monthly managed services contract per client

It's a tough market for higher revenue. More respondents opted for lower ranges, accompanied by a decline in the number of respondents selecting the higher ranges, specifically between $5,001 and $10,000.

Average MRR

27%
22%
Up to $1,000

27%
26%
$1,001 - $2,500

24%
23%
$2,501 - $5,000

7%
11%
$5,001 - $7,500

2%
4%
$7,501 - $10,000

5%
4%
More than $10,000

8%
10%
We do not offer monthly managed services contracts

■ **2024**   ■ **2023**

Average growth of MRR over the past three years

The average monthly recurring revenue (MRR) growth has consistently risen over the past three years in the 0% to 5% and more than 20% bracket. There is a decline in the 6% to 10% range while other ranges have remained stable.

Average MRR

- 2024
- 2023
- 2022

Declining MRR
- 2024: 6%
- 2023: 7%
- 2022: 4%

0% - 5%
- 2024: 21%
- 2023: 18%
- 2022: 17%

6% - 10%
- 2024: 24%
- 2023: 26%
- 2022: 31%

11% - 15%
- 2024: 18%
- 2023: 21%
- 2022: 20%

16% - 20%
- 2024: 13%
- 2023: 12%
- 2022: 13%

More than 20%
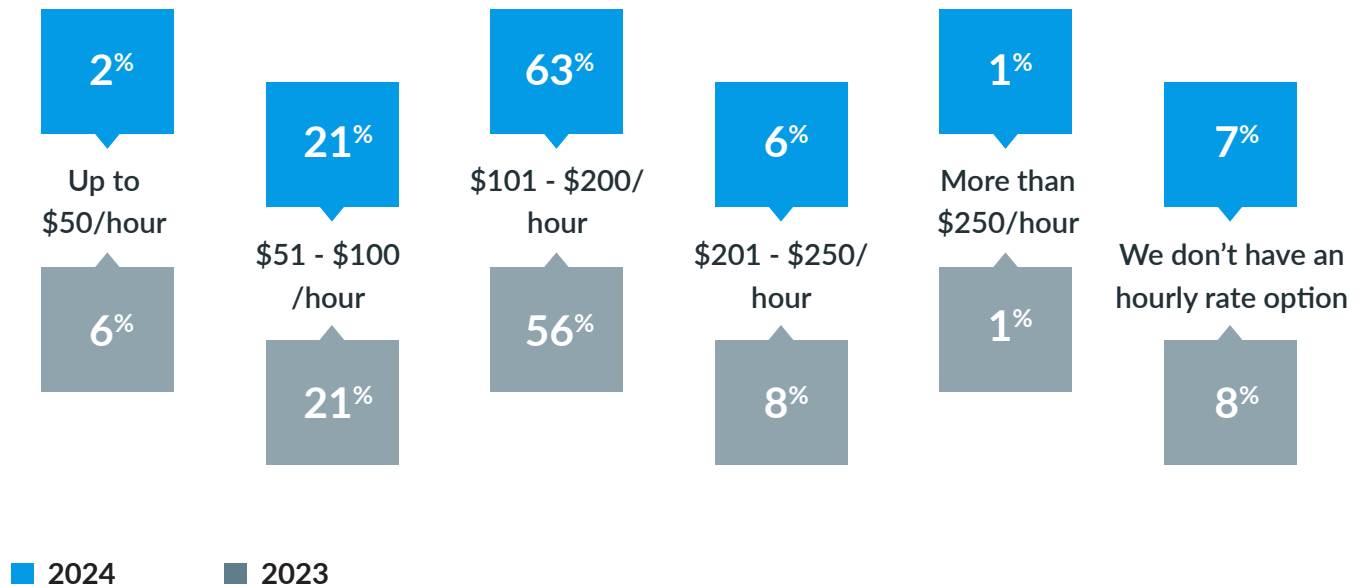- 2024: 18%
- 2023: 16%
- 2022: 15%

Revenue from co-managed IT services

The largest segment of respondents (31%) indicates that 1% to 25% of their revenue comes from co-managed IT services. The benefits of co-managed IT services include cost savings, improved efficiency and better customer service.

|	2024	2023
None	12%	17%
1% - 25%	31%	34%
26% - 50%	23%	29%
51% - 75%	13%	12%
76% +	8%	8%
I don't know	13%	
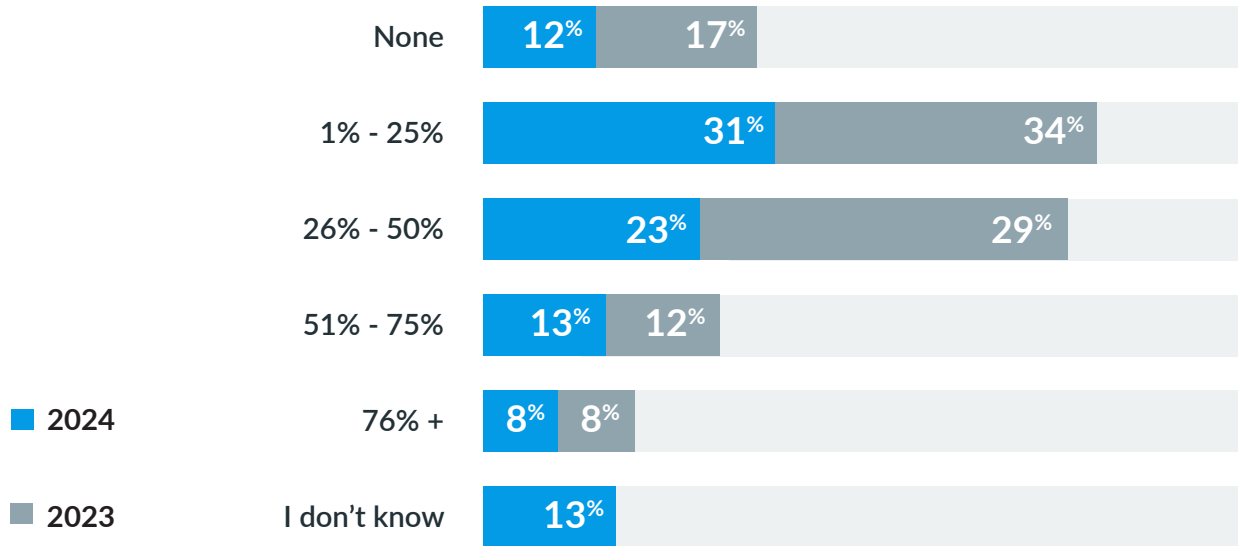
■ 2024
■ 2023

Hourly rate for break-fix work

The trend in 2024 mirrors that of the previous year, showing a heightened concentration of respondents in the $101 - $200/hour category, indicating that it remains a prevalent and competitive pricing tier.

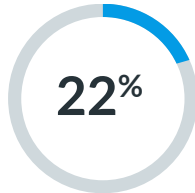|	2024	2023
Up to $50/hour	2%	6%
$51 - $100 /hour	21%	21%
$101 - $200/ hour	63%	56%
$201 - $250/ hour	6%	8%
More than $250/hour	1%	1%
We don't have an hourly rate option	7%	8%

■ 2024   ■ 2023

Per-device pricing model charges

About half of the respondents (46%) indicate that they offer a per-device pricing model at a rate of less than $100 per device per month. This suggests that a significant portion of MSPs provide cost-effective options for their clients.
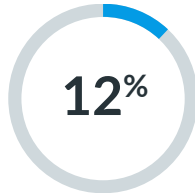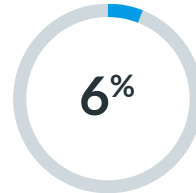
■ **2024**
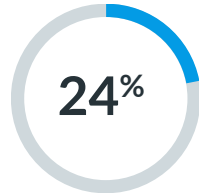
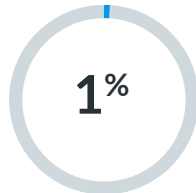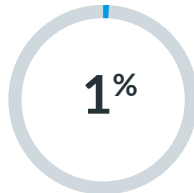|			
24%	**22%**	**12%**	**6%**
Less than $50/ device/month	$51 - $100/ device/month	$101 - $150/ device/month	$151 - $200/ device/month
1%	**1%**	**0%**	**34%**
$201 - $250/ device/month	$251 - $350/ device/month	More than $350 per month	We do not offer per-device pricing
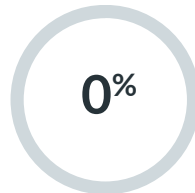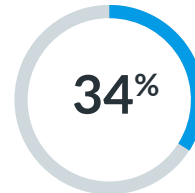
Per-user pricing model charges

Over half of the respondents (51%) are concentrated in the up to $150/user/month ranges, once again underscoring a moderate pricing model for user-based services.

Per-user pricing model	2024
Less than $50/user/month	15%
$50 - $100/user/month	21%
$101 - $150/user/month	15%
$151 - $200/user/month	9%
$201 - $250/user/month	3%
$251 - $350/user/month	2%
More than $350 per month	1%
We do not offer per-user pricing	34%

Predominant billing model

The greater flexibility MSPs provide in billing models, the more advantageous it is for their business and customers. More than a quarter of the respondents (26%) offer a combination of per-user and per-device models. Following closely are tiered bundles, a popular choice among MSPs. Tiered bundles allow MSPs to offer different levels of service at different price points. They provide users with more choice and flexibility. Tiered bundles are also beneficial for MSPs as they create more opportunities for revenue.

■ **2024**
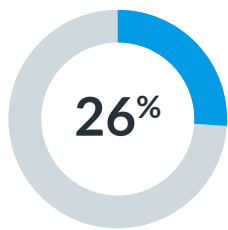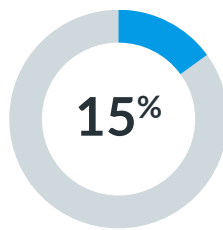
26%	15%	13%
Combination of per-user and per-device	**Tiered bundles for managed services (e.g., Gold, Silver and Bronze)**	**Per-user (all-in seat price)**

13%	11%	11%
Per-device	**A la carte**	**Value-based (fixed-fee subscription) managed services**
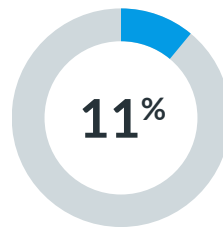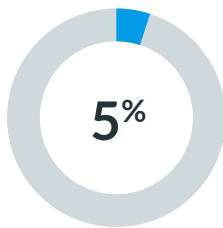
5%	4%	2%
Incident response	**I don't know**	**Other (please specify)**
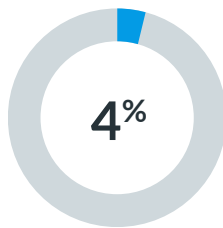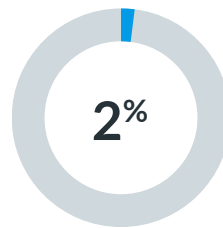
Managed services contract

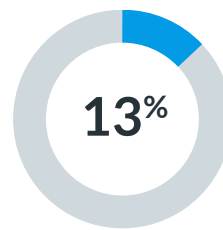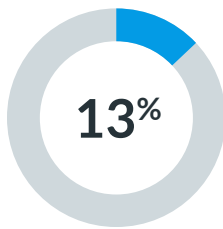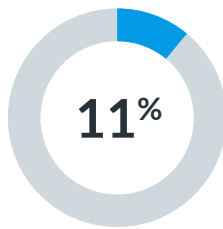About a quarter (24%) of the respondents said more than 50% of their customer base follows a month-to-month subscription contract. Another 26% of the respondents also said more than 50% of their customer base follows a one-year subscription contract. About 7% of respondents said more than half of their client base follows a more than three-year subscription contract.

Contract terms /percentage of customers	Month-to-month	1 year	Between 1 year and 2 years	Between 2 years and 3 years	More than 3 years
0%	28%	27%	56%	51%	70%
1% - 10%	15%	11%	11%	14%	11%
11% - 20%	10%	10%	9%	9%	3%
21% - 30%	9%	9%	8%	6%	4%
31% - 40%	7%	5%	5%	4%	3%
41% - 50%	7%	12%	5%	7%	2%
More than 50%	24%	26%	6%	9%	7%

Status of service revenue

We have identified the service where a majority of respondents reported an increase or decrease in revenue. Thanks to higher demand for cybersecurity services, about three-quarters (73%) of respondents reported an increase in security revenue. Conversely, only 3% reported a decline in security-related revenue. Additionally, over half of the respondents indicated an increase in revenue from cloud management, infrastructure monitoring and desktop support. Business continuity and disaster recovery is also in the mix. On the flip side, around 15% of respondents reported a decrease in revenue in the hardware/software resale category.

Service categories

Security — 73%

Cloud management — 55%

Infrastructure monitoring and management (including server support) — 55%

Desktop support — 50%

Business continuity and disaster recovery — 49%

Network and connectivity support — 44%

SOC services — 42%

Hardware/software resale — 39%

Compliance management — 36%

Mobile device management — 29%

Application management — 28%

Up

Hardware/software resale — 15%

Desktop support — 6%

Infrastructure monitoring and management (including server support) — 6%

Mobile device management — 5%

Compliance management — 4%

Network and connectivity support — 4%

Business continuity and disaster recovery — 4%

Application management — 3%

SOC services — 3%

Security — 3%

Cloud management — 2%

Down

Service categories

Service category	Percentage
Network and connectivity support	46%
Application management	42%
Mobile device management	41%
Desktop support	38%
Hardware/software resale	38%
Business continuity and disaster recovery	38%
Infrastructure monitoring and management (including server support)	33%
Compliance management	32%
Cloud management	30%
SOC services	26%
Security	20%

Flat
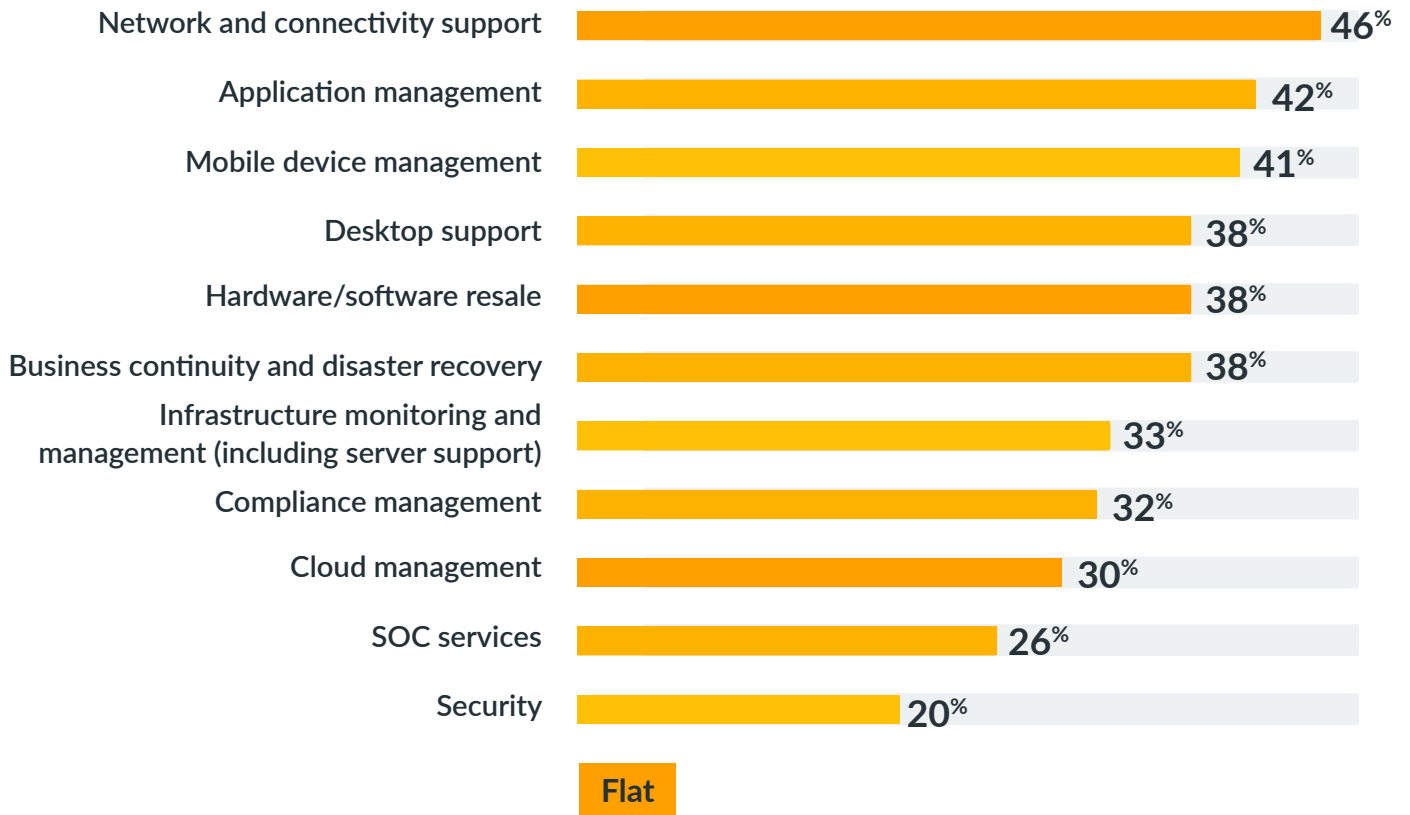
APPENDIX: DEMOGRAPHIC DATA

Get to know your respondents better.

Top revenue sources

Over the past few years, the subscription-based revenue model has garnered favor among MSPs for providing a predictable source of revenue. In contrast, project-based professional services represent one-time services tailored to individual client needs. Interestingly, despite 15% of respondents noting a decline in revenue from hardware and sales, approximately 38% still identify it as one of the primary revenue sources.

Top three revenue sources	2024	2023
Managed services (subscription-based)	80%	68%
Project-based professional services	39%	40%
Hardware or software resale	38%	29%
Break-fix services (based on hourly, block hours or staff augmentation)	36%	39%
Enhanced security services (e.g., EDR, IDS/IPS, dark web monitoring, security awareness training, SIEM and penetration testing)	22%	24%
Business continuity disaster recovery (BCDR) as a service	20%	23%
Public cloud services (managing client infrastructure in public clouds, such as Azure, AWS or Google)	9%	12%
Private cloud services (hosting client infrastructure)	7%	12%
DevOps (delivering applications)	5%	11%
Regulatory compliance management and reporting services	5%	8%
vCIO	4%	-

Time most spent on

Time is the most valuable resource for MSPs, and it's no surprise that respondents indicated they spend the majority of their time on managed services.

Service	2024	2023
Managed services (subscription-based)	51%	43%
Break-fix services (based on hourly, block hours or staff augmentation)	47%	51%
Project-based professional services	28%	25%
Business continuity/ Disaster Recovery-as-a-Service	23%	25%
Enhanced security services (e.g., EDR, IDS/ IPS, dark web monitoring, security awareness training, SIEM and penetration testing)	21%	33%
Hardware or software resale	21%	15%
Public cloud services (managing client infrastructure in public clouds, such as Azure, AWS or Google)	15%	16%
DevOps (delivering applications)	15%	19%
Regulatory compliance management and reporting services	12%	11%
Private cloud services (hosting client infrastructure)	10%	14%

.

■ 2024   ■ 2023

# Categories that exhibited the most growth in the past 12 months

Managed services, which are the bread and butter for MSPs, recorded the highest growth, according to 31% of respondents. As cybersecurity continues to be a focus area, 21% of respondents said it was an area that recorded growth.

31% · · · · · Managed services (subscription-based)

7% · · · · · Public cloud services (managing client infrastructure in public clouds, such as Azure, AWS or Google)

21% · · · · · Enhanced security services (e.g., 2FA, IDS/IPS, dark web monitoring, security awareness training, SIEM and penetration testing)

5% · · · · · DevOps (delivering applications)

9% · · · · · Break-fix services (based on hourly, block hours or staff augmentation)

5% · · · · · Hardware or software resale

8% · · · · · Project-based professional services

4% · · · · · Regulatory compliance management and reporting services

7% · · · · · Business continuity/Disaster Recovery-as-a-Service Public cloud services

3% · · · · · Private cloud services (hosting client infrastructure)

Individual client sites supported

The percentage of respondents supporting 51 to 100 client sites has jumped from 14% to 27%, and those supporting 101 to 200 sites nearly doubled to 16%. Additionally, there is an uptick in respondents supporting 201 to 500 clients by 4%. This suggests that MSPs are becoming more comfortable with working with larger numbers of clients since they are able to better manage their time and resources.

Individual client sites supported

|	
39% / 64%	27% / 14%
0 – 50	51 – 100
16% / 8%	11% / 7%
101 – 200	201 – 500
7% / 7%	
More than 500	

■ 2024 ■ 2023
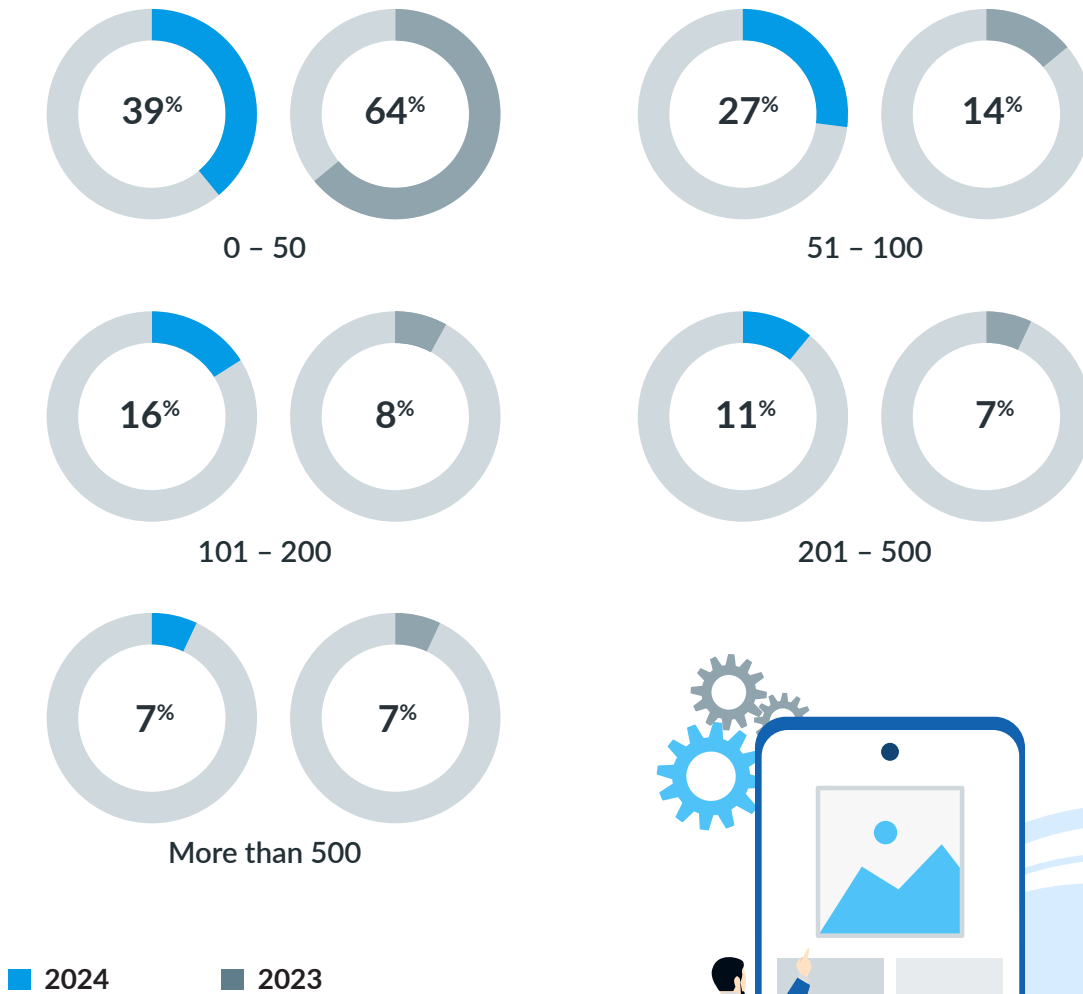
Total endpoints managed

The data mirrors that of the previous year. Approximately a quarter (26%) of respondents stated they manage between 101 to 500 endpoints while another 23% mentioned managing between 1,001 to 3,000 endpoints.

Total endpoints managed

1. 1 - 100 endpoints
2. 101 - 500 endpoints
3. 501 - 1,000 endpoints
4. 1,001 - 3,000 endpoints
5. 3,001 - 5,000 endpoints
6. 5,001 - 10,000 endpoints
7. 10,001 - 15,000 endpoints
8. More than 15,000 endpoints

■ 2024   ■ 2023

Category	2024	2023
1	14%	16%
2	26%	24%
3	19%	19%
4	23%	20%
5	9%	6%
6	4%	6%
7	2%	4%
8	3%	5%
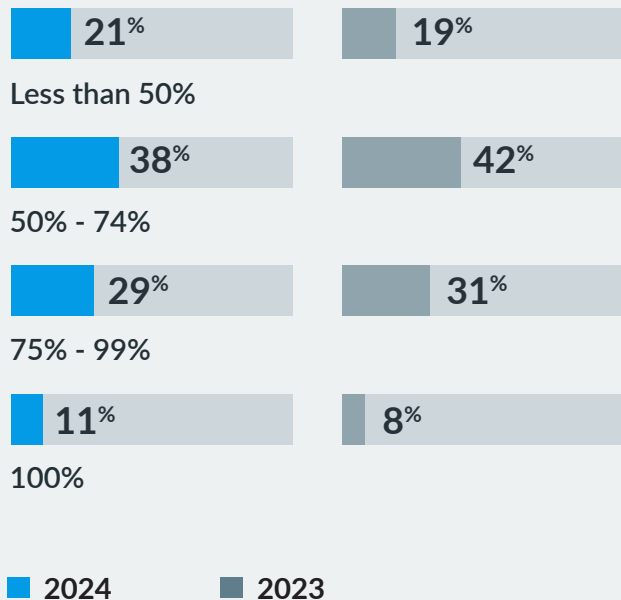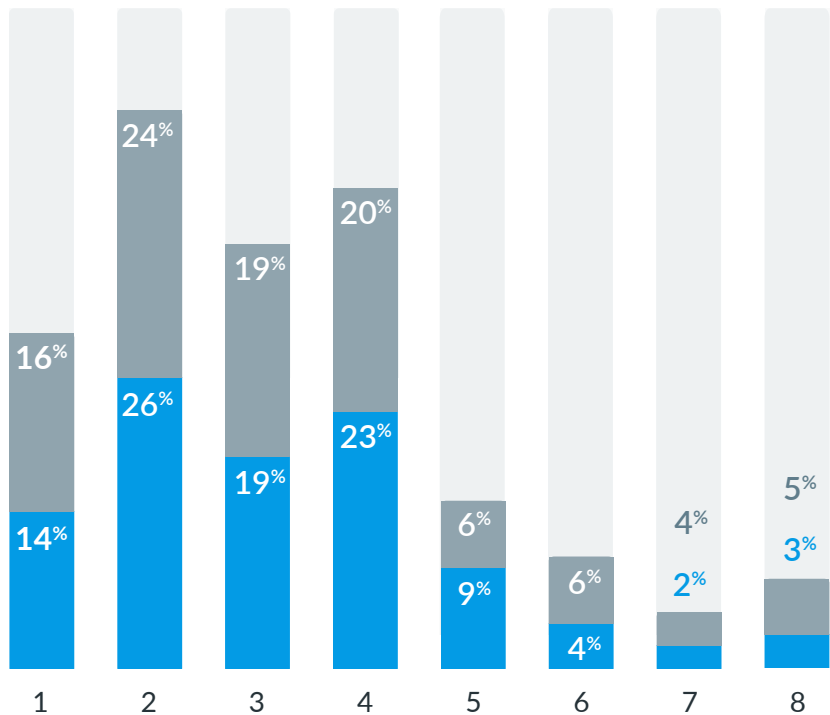
Employees in technical role

Not surprisingly, technical roles dominate, with 38% of respondents having between 50% to 74% of their employees in a technical role. Another 29% have 75% to 99% of their employees in a technical role.

Range	2024	2023
Less than 50%	21%	19%
50% - 74%	38%	42%
75% - 99%	29%	31%
100%	11%	8%

■ 2024   ■ 2023

SURVEY METHODOLOGY

Kaseya conducted its annual MSP Benchmark Survey in November 2023 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. To provide an indication of trends, the report includes comparable results from 2023, where applicable. All current results are included in the global statistics described as "2024." Overall, we've made every attempt to provide the data in a format that is most useful to the widest audience possible. Note that several questions include intentionally generalized data, given that 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).