What is a Managed Service Provider (MSP)?

What does MSP stand for?
An MSP is a managed service provider, which is the name used to describe companies that offer outsourced IT services to other organisations.

What do managed service providers offer?
When discussing whether or not a company should outsource its IT department to a managed service provider (MSP), the first step is to understand exactly what an MSP is and does.

An MSP is an IT business that services other businesses' IT needs on a recurring basis. MSPs deliver a vast array of services to their clients, including ongoing monitoring and management of their applications, IT infrastructure, and more.

This is typically accomplished remotely, which allows MSPs to keep tabs on the health of their clients' IT environments, change and update systems, and troubleshoot problems. MSPs closely monitor a wide variety of IT solutions a business has implemented, including:

- Microsoft 365
- Desktop and server management software
- Backup and business continuity solutions
- IT disaster recovery plans
- Storage management tools
- Cybersecurity software

Small businesses outsource their IT to MSPs to ensure all their business systems, operations and networks remain up and running. MSPs take a proactive approach to IT: rather than waiting for something to break, shut down, or fail, MSPs ensure a customer's IT can avoid most tech issues in the first place. This is particularly impactful because IT-related downtime can have a devastating impact on revenue and reputation for businesses of all sizes.

Managed IT services
Managed IT services typically provide the technical expertise needed but at a much lower cost to a business that would instead need to have IT professionals on staff. MSPs deliver the same services as in-house IT; they recommend, install, and manage all of a business's IT needs.

Hiring an MSP to deliver IT needs frees up the business to focus on innovation and growing daily operations.

What to look for in an MSP
For businesses sourcing a managed service provider–either for the first time or to replace their current provider–here are a few things to look for in your search.

MSPs should have set offerings. MSPs are different from ad-hoc, break-fix IT providers in that they package their services into a bundle and bill clients on a recurring revenue basis to proactively manage IT environments. MSPs should have a few set offerings to accommodate clients' varying needs.

Expert technicians. An MSP is only as good as its technicians. The technicians are typically the ones servicing clients directly. In some instances, the owner of the MSP may also be the technician, or they may have an entire team of technicians.

Customer testimonials. An MSP plays a crucial role for small and medium businesses (SMBs) in keeping their IT infrastructure is safe from cyber harm and always available. For some SMBs, not having access to their systems means a serious loss in productivity and profits. MSPs with customer testimonials that show the value they've brought to other SMBs validate their work and helps inform the decision of hiring the MSP (or not).

Growth of IT as a service
Managed IT services evolved from the more traditional break-fix model in which businesses would hire a third-party contractor on an ad hoc basis to repair or maintain their network. Now, companies hire MSPs on a subscription basis, paying an agreed-upon amount each month. Support costs are typically based upon actual consumption rather than head count.

What services do MSPs offer?
Each MSP is different, and as managed services and IT needs have evolved, so have the offerings provided by MSPs. These are some services offered by MSPs:

Co-managed IT services: This involves an MSP teaming up with an SMB's internal operations team to complement one another and work together to achieve the SMB's IT goals.

Managed security services: For MSPs with a security focus, there are managed security services. These businesses are typically known as managed security services providers (MSSPs) and they specialize in ensuring clients' networks and devices are safe from cyberattacks.

Cloud productivity services: These are essential services for MSPs, particularly with the recent shift to the cloud as a result of a remote workforce. This offering includes a service such as Microsoft 365 to run a business's day-to-day operations.

Technical support/Help Desk services: Another staple service offering for MSPs, technical support/help desk is offered so clients can reach out to the MSP when there is an issue, and technical support will work to resolve it.

Networking services: In today's always-on world, with businesses operating systems' relying on the internet, networking services are essential.

Business continuity and disaster recovery (BCDR) services: Various types of disasters could hit a business of any size at any time–from natural disaster, cyberattacks, server failures, the list goes on. BCDR services set up businesses for a quick restore of business function after a disaster.

A recent survey by B2B research firm Clutch showed that 8 in 10 small businesses (80%) plan to outsource business functions in 2021 in hopes to be more efficient and grow the business, among other reasons. The report also found that IT services are the first priority for SMBs to outsource this year.

MSPs typically deliver services on a subscription basis; companies pay a fixed amount, usually monthly or quarterly, for a specific set of IT services. Some common examples include, but are not limited to:
- Application monitoring/management
- Helpdesk
- E-mail
- Security
- Storage

Business Continuity and Disaster Recovery
These services are typically offered either as packaged services or a la carte, depending on the needs of the SMB. They are also often priced at a fraction of the cost of a full-time IT resource.
MSPs work with a variety of technology vendors in order to deliver these services. However, it's not just about technology. Rather, the expertise of the service provider holds the most value for SMBs.