

KASEYA

# 2018 MSP BENCHMARK

SURVEY RESULTS REPORT



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# Introduction

Kaseya provides IT systems management software that helps managed service providers (MSPs) and midsize companies drive growth, innovation, and most importantly, customer success. 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.

This leading market position gives Kaseya a unique perspective from which to examine the global IT services industry. Our annual IT survey results demonstrate unequaled visibility into the types – and portfolios – of IT services that MSPs deliver to clients, including managed services offered by a wide range of MSPs from the many small providers to some of the largest and most progressive MSPs in the market today. In years past, we have focused on pricing and service delivery trends in the marketplace. This year we shifted our focus a bit. While we still surveyed MSPs about pricing strategies, we also asked about new service offerings and operational resources and requirements.

We are very pleased to share the 2018 Kaseya MSP Benchmark Survey results. This year's report is based on detailed data provided by owners and operators of almost 900 MSP firms of all sizes spread across over 40 countries. More than two-thirds of respondents came from the United States.



# 2018

## Key Findings

Here are some of the key findings and trends from this year's survey.



### 1. RMM remains the most critical application to MSP operations, but IT documentation plays a key role.

Remote monitoring and management (RMM) is essential to managing endpoints, an MSP's bread and butter, so its prominence is of little surprise. Nearly half of respondents worldwide named RMM as the most important application, followed by IT documentation (20 percent) and professional services automation (PSA) solutions (16 percent). While RMM is most commonly associated with endpoint management, a holistic and comprehensive RMM solution enhances security, reduces downtime, increases productivity, and lowers total cost of ownership. In a nutshell, an RMM solution can make or break your business.

However, the importance of IT documentation is noteworthy as it demonstrates MSPs' awareness that the PSA solution is not driving the business. It may also imply some frustrations with limitations of first-generation PSA solutions, which are still in wide use among MSPs.



### 2. Compliance is important to MSPs; however, many underestimate the potential impact of GDPR on their customers.

Compliance is a thorny topic for IT professionals of all stripes. It must be managed from every angle and thus touches every corner of a business. For MSPs, it is particularly brutal, as they are in a unique position of having to deal with compliance on multiple levels. At a base level, an MSP must ensure the business is in compliance with regulations that impact it directly.

Then, the MSP must look at customers' businesses and the requirements to which they must adhere. Not following compliance requirements damages credibility as an IT expert and puts the MSP at risk for financially crippling fines that could ultimately endanger the business.

First the good news: Among our respondents, 52 percent of MSPs worldwide (and 55 percent in EMEA) offer compliance assessments. These assessments benefit the MSP and its customers, providing the MSP with opportunities for new revenue streams as well as awareness of changes that must be implemented to protect both businesses.

In addition, regulatory compliance is top of mind for many MSPs. Consider HIPAA and PCI DSS, both significant regulations in the United States that apply to healthcare and retail organizations, respectively. Among respondents in the Americas, 75 percent said they or their

customers are impacted by HIPAA and 59 percent by PCI DSS. Following that is Sarbanes-Oxley (SOX) with 33 percent.

GDPR compliance paints a different picture, however. With the May 2018 deadline of General Data Protection Regulation (GDPR) coming fast and a general worldwide uptick in privacy regulations, MSPs no longer have the luxury of treating compliance as an afterthought.

When asked about compliance requirements or regulations that impact them or the customers they serve, many MSPs indicated they do not believe they will be impacted by the E.U. regulation. While the worldwide (22 percent) and Americas (10 percent) response was not surprising, the EMEA response of only 77 percent was.

It is also important for MSP's worldwide to understand the extent of GDPR's reach. GDPR is not limited to MSPs in the European Union or MSPs with customers in the European Union. GDPR will also impact MSPs whose customers have customers or other transactions in the European Union.

Thus, it is imperative to take action or risk being at a significant disadvantage. To learn more about steps you should be taking now to prepare, download our whitepaper "[Are You Ready for GDPR?](#)" Then download "[Compliance: How a Layered Approach Helps you Breeze through Audits](#)" to discover best practices to more effectively deal with compliance regulations that impact your business.



### 3. Security remains a key driver in terms of revenue and concerns.

In a year filled with unprecedented ransomware and other malicious attacks costing business to the tune of \$150 per lost or stolen record (with a per-organization average of \$3.62 million) according to the Ponemon 2017 Cost of Data Breach Study,<sup>1</sup> it is not surprising that security represents both significant risk and opportunity for MSPs.

Meeting security risks was cited as the top challenge by 33 percent of respondents. No other problem or service need exceeded 10 percent on either a worldwide or regional basis.

MSPs are well aware that this need translates into a major source of revenue. As a revenue driver, security lead the pack. It increased up 65 percent for the 12 months leading up to the survey compared to the previous 12 months. In addition to being the most popular service for growth, it was also the service least likely to be stagnant or decrease, with 23 percent of respondents citing flat security revenue year over year and 10 percent noting a decline. No other service came close to that combination.

<sup>1</sup> Source: Ponemon Institute's 2017 Cost of Data Breach Study: Global Overview;  
<https://www-01.ibm.com/common/ssi/cgi-bin/ssialias?htmlfid=SEL03130WWEN>

This increase is not surprising given the variety of security services that our respondents provide. Of the 11 types of security services we asked respondents about, 25 percent said they offered the full range or all but one, and 32 percent said they offer between 7 and 9 services. Only 15 percent of respondents offered only 1 to 3 services. Antivirus (84 percent), managed firewall (76 percent), and antimalware (70 percent) were the most popular, but even single sign-on and network usage are deployed by almost half of all respondents.

This revenue stream is not expected to tap out any time soon. The global two-factor authentication market, for example, is projected to increase at a compound annual growth rate (CAGR) of close to 24 percent between 2017 and 2021.<sup>2</sup>

Download our whitepaper “[Two-Factor Authentication: The Solution to the Compliance and Protection Challenge](#)” to learn more about how you can offer additional services to protect your customers and your business.



#### **4. Price-match strategies continue their decline as the model of choice.**

As MSPs have moved away from relying on break-fix services and look to managed services, price match strategies are becoming increasingly less common. This makes sense given that break-fix lends itself to a commodity approach, whereas managed services are all about value.

For the past two years, managed and break-fix services have accounted for more than half of respondents' total revenue. Managed services accounted for 33 percent of revenue, and break-fix services (based on hourly, block hours, or staff augmentation) have accounted for 18 percent in 2017 and 17 percent in 2016.

It should be no surprise that this trend has impacted pricing models. Price-match strategies declined for the second consecutive year in favor of cost- and value-based pricing, with some back and forth in preferences between the two. Value-based pricing has been the most popular choice among respondents for at least three years, increasing from being used by 51 percent of respondents in 2015 to 64 percent in 2016, and then dipping to 62 percent in 2017.

Cost-based pricing exhibited an even bigger rollercoaster, dipping from 28 percent in 2015 to 24 percent in 2016 and once again increasing in 2017 to 31 percent.

Price-matching, in contrast has been consistently down, declining from being in use in 21 percent of MSPs in 2015 to 12 percent in 2016, and reaching a new low of 6 percent in 2017.

<sup>2</sup> Source: Global Two-factor Authentication (2FA) Market 2017-2021; Technavio Research;  
<https://www.technavio.com/report/global-it-security-global-two-factor-authentication-market-2017-2021>



## 5. Cloud continues to offer ample opportunities for growth.

With 86 percent of respondents worldwide citing some level of cloud adoption, the technology can be considered mature on many metrics. Mature doesn't mean stagnant, however, and more than half of all respondents said they experienced an uptick in revenue from cloud management services in 2017. Another 25 percent described revenue from cloud management as flat year over year.

Adoption rates for cloud services are equally varied. While 84 percent of respondents offer a customer-licensed instance of public cloud, only 45 percent offer an MSP-licensed public cloud (MSP licensed), and only 42 percent offer cloud monitoring. Cloud backup also has room for growth, with only two-thirds of respondents offering onsite-to-cloud backup, and just over one-fifth of respondents providing cloud-to-cloud backup.

Profit margin ranges for cloud services are also healthy with room for growth. More than half of respondents offering cloud services see 11 percent or greater margins from cloud email (e.g., hosted Exchange), and 73 percent have at least that margin for cloud backup (with 55 percent seeing a 21 percent or greater margin). Half of MSPs offering services around Office 365 also saw margins of 11 percent or greater.

The takeaway: Cloud services continue to offer ample room for growth. MSPs unable to increase their cloud-based revenue would be wise to expand beyond their current offerings.

## In Summary

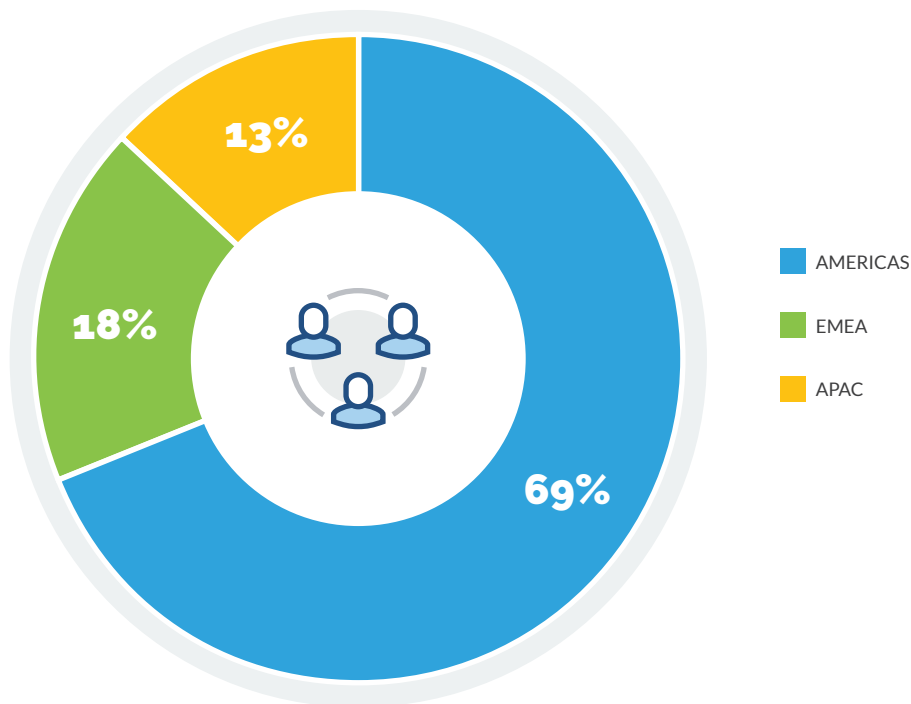
This year's MSP Benchmark Survey provides a snapshot of a robust MSP market. As MSPs continue to shift from break-fix to managed services as a primary source of revenue, the divergence between those experiencing high-growth and their lower growth peers continues. Successful MSPs offer high-value, comprehensive services while also making sure they are fully compensated for the strategic value they deliver to their clients. To deliver this value, an MSP must continually expand and evolve its offerings to stay ahead of market trends and demands, as well as find ways to work more efficiently through better resource allocation and technology usage, and better communicate the value it delivers to clients.

# SURVEY RESULTS

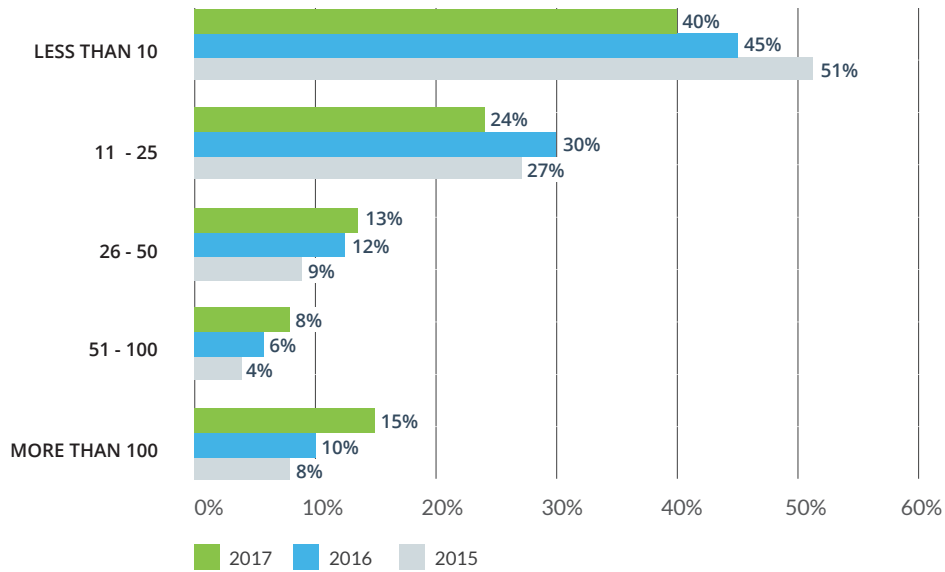


## Demographic Info and General Questions

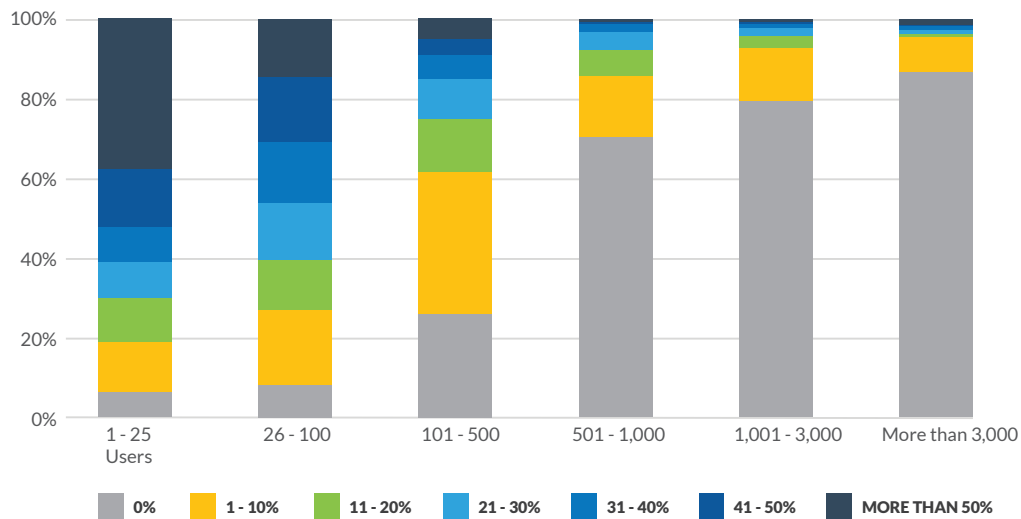
1. Which region do you consider your primary market? *(percentage of all respondents)*



**2. Which of the following ranges best describes the total number of employees in your company?** *(percentage of all respondents)*



**3. What percentage of your total (100%) customer base is represented by the following customer-size ranges?** *(percentage of all respondents)*



**4. How many total endpoints do you manage for all your customers combined?**

**a. Total endpoints managed year-over-year based on all respondents**

*(percentage of respondents in each size range)*

YEAR	1 - 25	26 - 100	101 - 500	501 - 1,000	1,001 - 3,000	3,001 - 5,000	5,001 - 10,000	10,001 - 15,000	MORE THAN 15,000
2017	6%	10%	22%	17%	24%	8%	7%	2%	4%
2016	5%	11%	21%	19%	23%	8%	7%	2%	4%

**b. Percentage of endpoints managed based on employee size range**

*(percentage of respondents in each size range)*

NUMBER OF EMPLOYEES	1 - 25	26 - 100	101 - 500	501 - 1,000	1,001 - 3,000	3,001 - 5,000	5,001 - 10,000	10,001 - 15,000	MORE THAN 15,000
Less than 10	9%	16%	36%	23%	12%	2%	1%	0%	0%
10 - 25	4%	5%	14%	20%	47%	7%	3%	0%	0%
26 - 50	4%	4%	13%	7%	31%	21%	14%	3%	4%
51 - 100	6%	13%	10%	10%	13%	15%	24%	3%	4%
More than 100	5%	3%	12%	9%	18%	11%	16%	6%	20%
Total Endpoint Distribution	6%	10%	22%	17%	24%	8%	7%	2%	4%

**5. Which of the following device types do you manage across your customer base?**

*(percentage of all and regional respondents)*

DEVICE TYPE	ALL	AMERICAS	EMEA	ASIA PAC
Servers	96%	97%	97%	93%
Desktops	93%	94%	92%	89%
Laptops	91%	92%	87%	90%
Network infrastructure components (e.g., routers, firewalls, switches, or LAN/WAN)	85%	86%	84%	81%
Storage infrastructure components (e.g., SAN or NAS)	74%	76%	72%	71%
Tablets	58%	59%	51%	57%
Mobile devices	53%	55%	47%	50%



**6. Are you a Microsoft CSP?** (percentage of all and regional respondents)

RESPONSE	ALL	AMERICAS	EMEA	ASIA PAC
Yes	59%	58%	65%	54%
No	41%	42%	35%	46%

**7. If you are not a Microsoft CSP, which of the following distributors do you use?**

(percentage of all and regional respondents)

VENDOR	ALL	AMERICAS	EMEA	ASIA PAC
Ingram Micro	50%	48%	59%	63%
Tech Data	36%	38%	70%	8%
CDW	28%	40%	3%	2%
SYNNEX	22%	23%	3%	35%
AppRiver	10%	14%	0%	0%
Avnet	7%	5%	16%	12%
Other or None	33%	26%	76%	43%





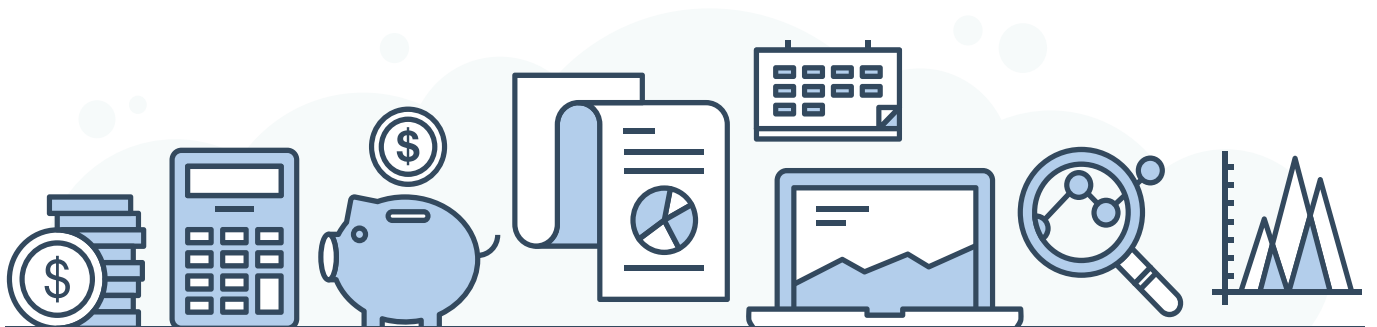
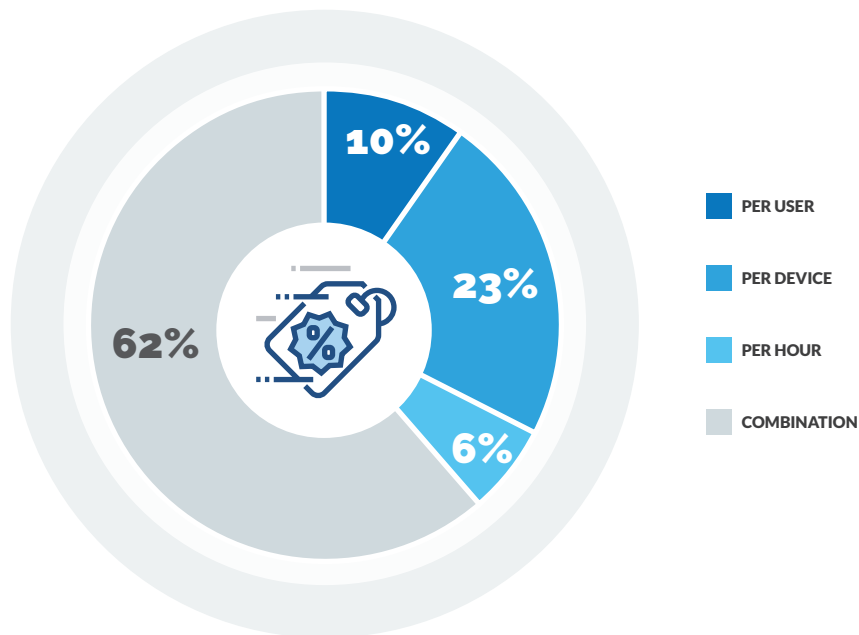
## Pricing

### 8. What is the basis of your MSP pricing strategy and pricing model?

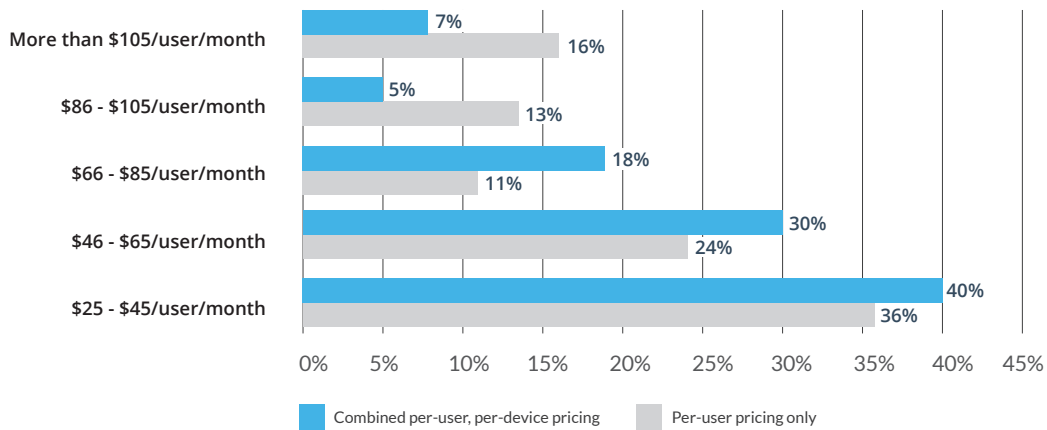
(percentage of all respondents)

RESPONSE	VALUE-BASED	COST-BASED	PRICE MATCH
2017	62%	31%	6%
2016	64%	24%	12%
2015	51%	28%	21%

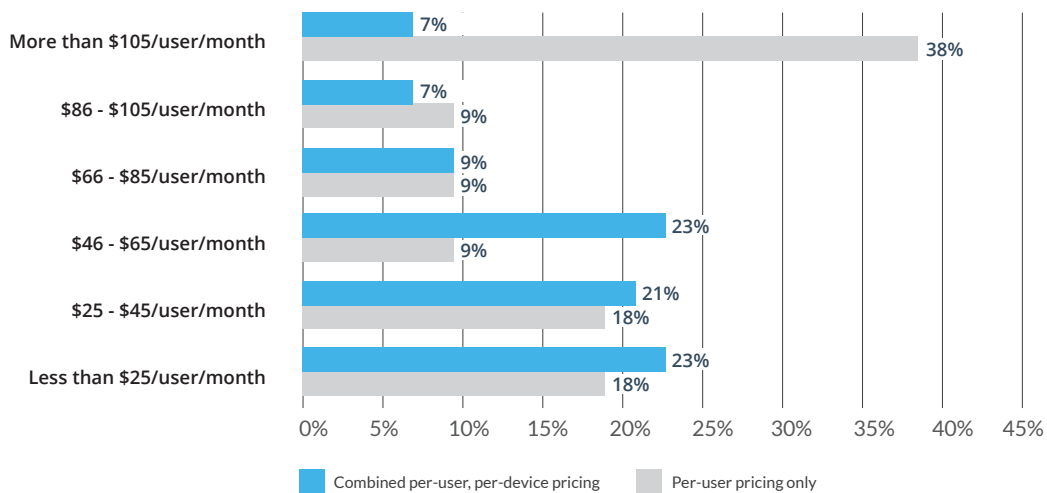
### 9. How do you price your services? (percentage of all respondents)



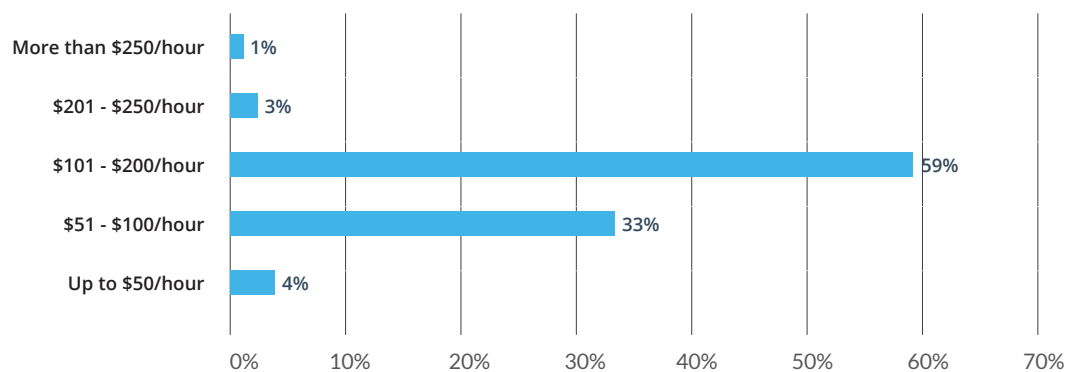
**10. On average, how much do you charge per user, per month for ongoing user support (in \$USD)?** *(percentage of all respondents)*



**11. On average, how much do you charge, per device, per month for ongoing server support and maintenance (in \$USD)?** *(percentage of all respondents)*



**12. What is your most frequently quoted standard hourly rate?** *(percentage of all respondents)*

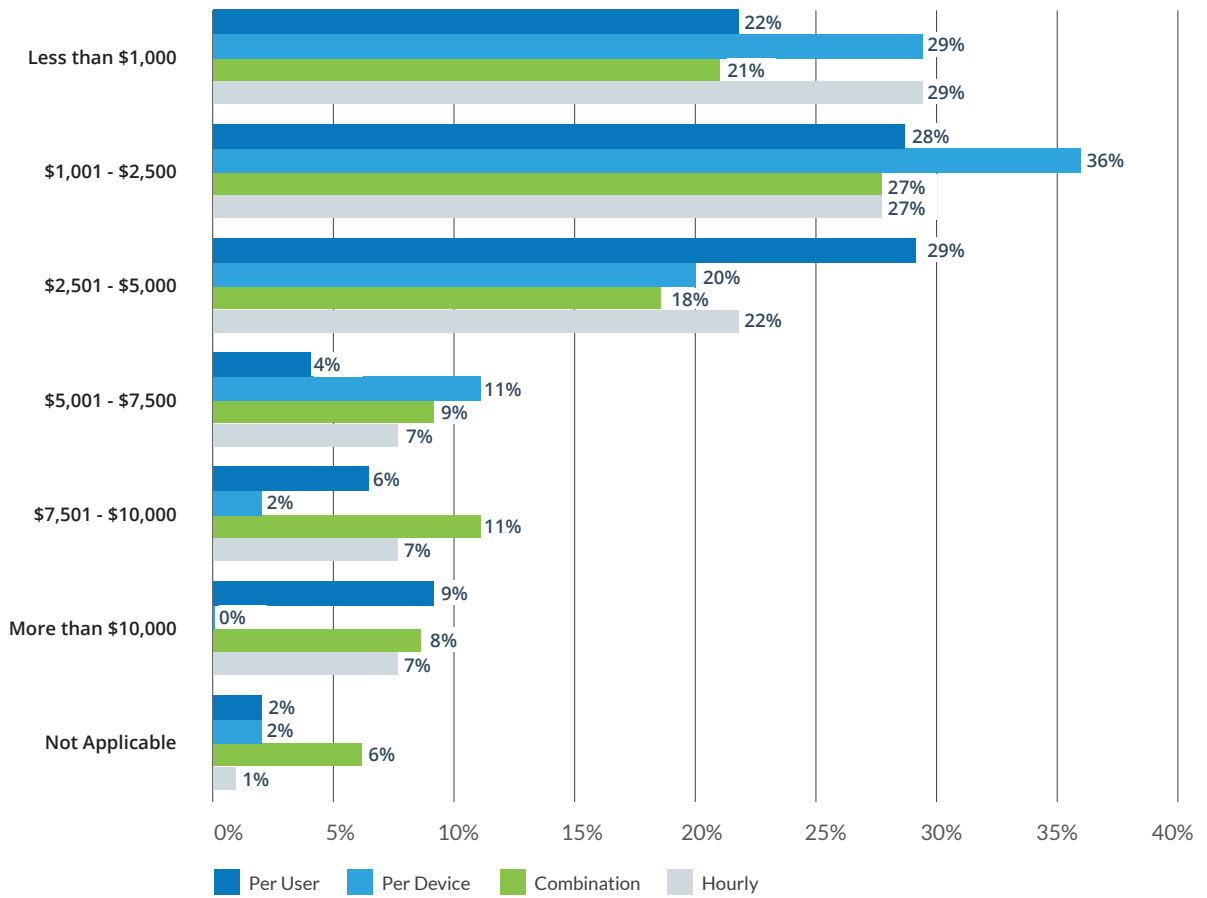


### 13. What is the average size of your monthly managed services contract?

#### a. Contract value by year (percentage of all respondents in each contract price range)

YEAR	LESS THAN \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$7,500	\$7,501 - \$10,000	MORE THAN \$10,000
2017	24%	28%	24%	7%	7%	7%
2016	3%	23%	37%	22%	8%	6%
2015	2%	34%	35%	19%	7%	2%

#### b. Contract value by pricing metric (percentage of respondents by pricing metric for each price range)





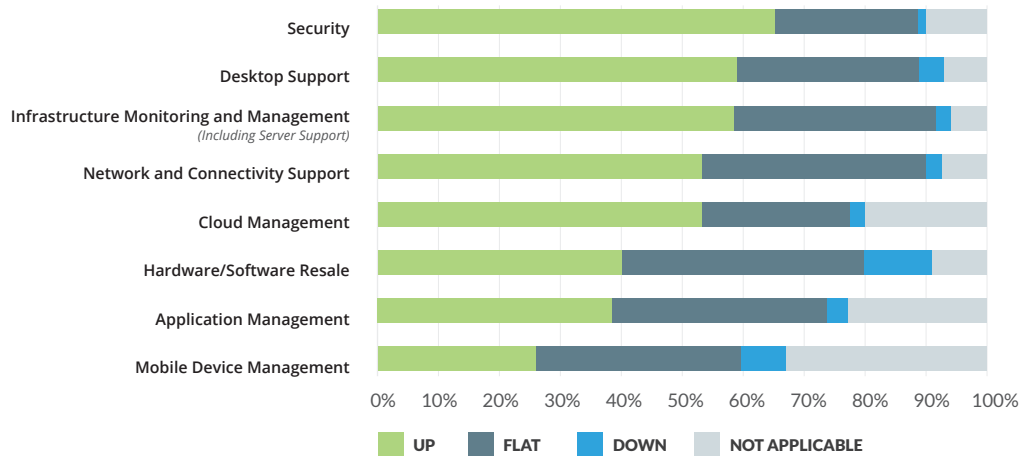
## Revenue and Services Offered

14. Which of the following best describes the average growth of your monthly recurring revenue (MRR) over the past 3 years? (percentage of all respondents)

YEAR	LESS THAN 0%	0% - 5%	6% - 10%	11% - 15%	16% - 20%	GREATER THAN 20%
2017	4%	23%	30%	16%	10%	17%
2016	2%	22%	31%	18%	11%	15%

15. Please indicate the status of your services revenues in the following categories for the past 12 months compared to the previous 12 months.

(percentage of all respondents offering each service)



16. What percentage of your total (100%) revenue is represented by the following categories of service? (percentage of all respondents offering each service)

SERVICE CATEGORY	2017 AVERAGE % OF REVENUE	2016 AVERAGE % OF REVENUE
Managed Services	33%	11%
Break/Fix Services (based on hourly, block hours, or staff augmentation)	18%	17%
Hardware or Software Resale	18%	18%
Professional (Project) Services	14%	16%
Software Sales (your own software)	6%	6%
Private Cloud Services (hosting client infrastructure)	5%	N/A
Public Cloud Services (managing client infrastructure in public clouds; e.g., Azure, AWS, Google, IBM, US Signal, Rackspace, Pax8)	3%	N/A
DevOps (delivering applications)	1%	N/A
Other	2%	3%

NA = Service was not listed in 2016 survey

## 17. Which of the following general managed services do you provide?

### a. Services by region (percentage of respondents offering each service)

SERVICE	ALL	AMERICAS	EMEA	ASIA PAC
Help Desk/Desktop Support	94%	95%	94%	93%
Server Support	94%	95%	90%	93%
Network and Connectivity Support	92%	93%	92%	90%
Remote Monitoring	91%	91%	87%	93%
Antivirus	89%	93%	82%	80%
OS Patching and Updates	87%	88%	84%	85%
Backup and Recovery (either cloud or onsite)	87%	88%	81%	90%
LAN/WAN	85%	87%	77%	83%
Onsite, Physical Devices	84%	85%	77%	85%
Office 365 Management	79%	81%	69%	78%
Antimalware	78%	82%	68%	73%
Managed Firewall	74%	80%	55%	68%
Onsite, Virtual Devices	68%	69%	58%	71%
Third-party Software Patching and Updates	67%	67%	61%	73%
Client Assessment	65%	68%	50%	63%
Audit and Discovery	63%	66%	47%	68%
Enhanced Network Performance Monitoring	61%	64%	42%	68%
Cloud Services (e.g., IaaS, PaaS, SaaS)	58%	57%	61%	63%
Intrusion Detection and Prevention (IDS/IPS)	56%	61%	40%	51%
Hosting Services (customer-owned equipment)	53%	52%	53%	56%
Office 365 Backup	49%	50%	40%	59%
Mobile Device Management	48%	51%	32%	49%
Cloud Application User/Access/Content Management	47%	46%	44%	59%
Cloud Monitoring	47%	46%	45%	51%
Public cloud (MSP licensed)	45%	44%	50%	46%
Private cloud (MSP-owned equipment)	45%	45%	42%	46%
Identity & Access Management Security (e.g., 2FA,SSO, and password management)	44%	45%	32%	49%
Public Cloud (customer licensed)	42%	41%	45%	41%
Private Cloud (customer-owned equipment)	41%	42%	35%	41%
Hybrid Cloud	41%	39%	44%	44%
We don't provide these services	6%	5%	11%	0%

**b. Number of services offered** (percentage of all respondents)

NUMBER OF SERVICES OFFERED	PERCENTAGE OF RESPONDENTS
1 to 5	7%
6 to 10	11%
11 to 15	27%
15-20	36%
20-22	18%

**18. What network monitoring and management services do you offer?**

**a. Services by region** (percentage of respondents offering each service)

NETWORKING SERVICE	ALL	AMERICAS	EMEA	ASIA PAC
LAN/WAN	85%	87%	77%	83%
Onsite, Physical Devices	84%	85%	77%	85%
Onsite, Virtual Devices	68%	69%	58%	71%
Private Cloud (MSP-owned equipment)	45%	45%	42%	46%
Public Cloud (MSP licensed)	45%	44%	50%	46%
Public Cloud (customer licensed)	42%	41%	45%	41%
Private Cloud (customer-owned equipment)	41%	42%	35%	41%
Hybrid Cloud	41%	39%	44%	44%
We do not provide these services	6%	5%	11%	0%

**b. Number of services offered**

(percentage of all respondents; does not include the 6 percent of respondents not offering networking services)

NUMBER OF SERVICES	PERCENTAGE OF RESPONDENTS
1 to 2	19%
3 to 4	30%
5 to 7	31%
8	20%



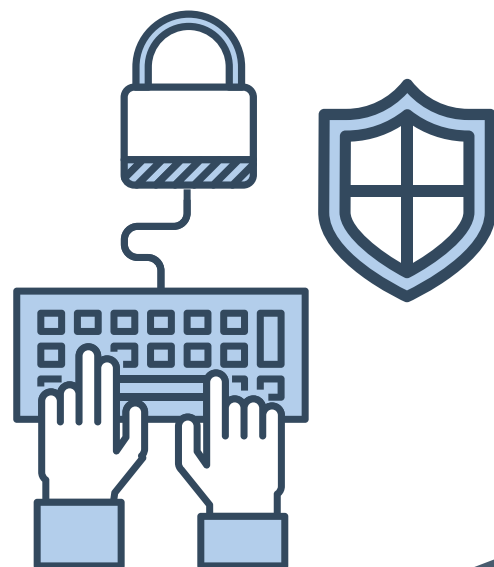
## 19. What security-oriented services do you offer?

### a. Services by region (percentage of respondents offering each service)

SECURITY SERVICES	ALL	AMERICAS	EMEA	ASIA PAC
Antivirus	84%	83%	83%	75%
Managed Firewall	76%	76%	80%	64%
Antimalware	70%	70%	72%	58%
Software Update Management	61%	60%	64%	58%
Password Resets/Self-Service/Password Management	58%	59%	52%	57%
Two- or Multi-Factor Authentication	56%	57%	58%	49%
Software Management	52%	48%	58%	54%
Account Creation/Deletions	51%	53%	45%	46%
Active Directory Repository (LDAP)	49%	49%	50%	42%
Network Usage Scanning (for unusual behavior)	47%	48%	41%	46%
Single Sign-On	45%	44%	51%	38%
We do not provide any of these services	2%	2%	5%	3%

### b. Number of services offered (percentage of all respondents)

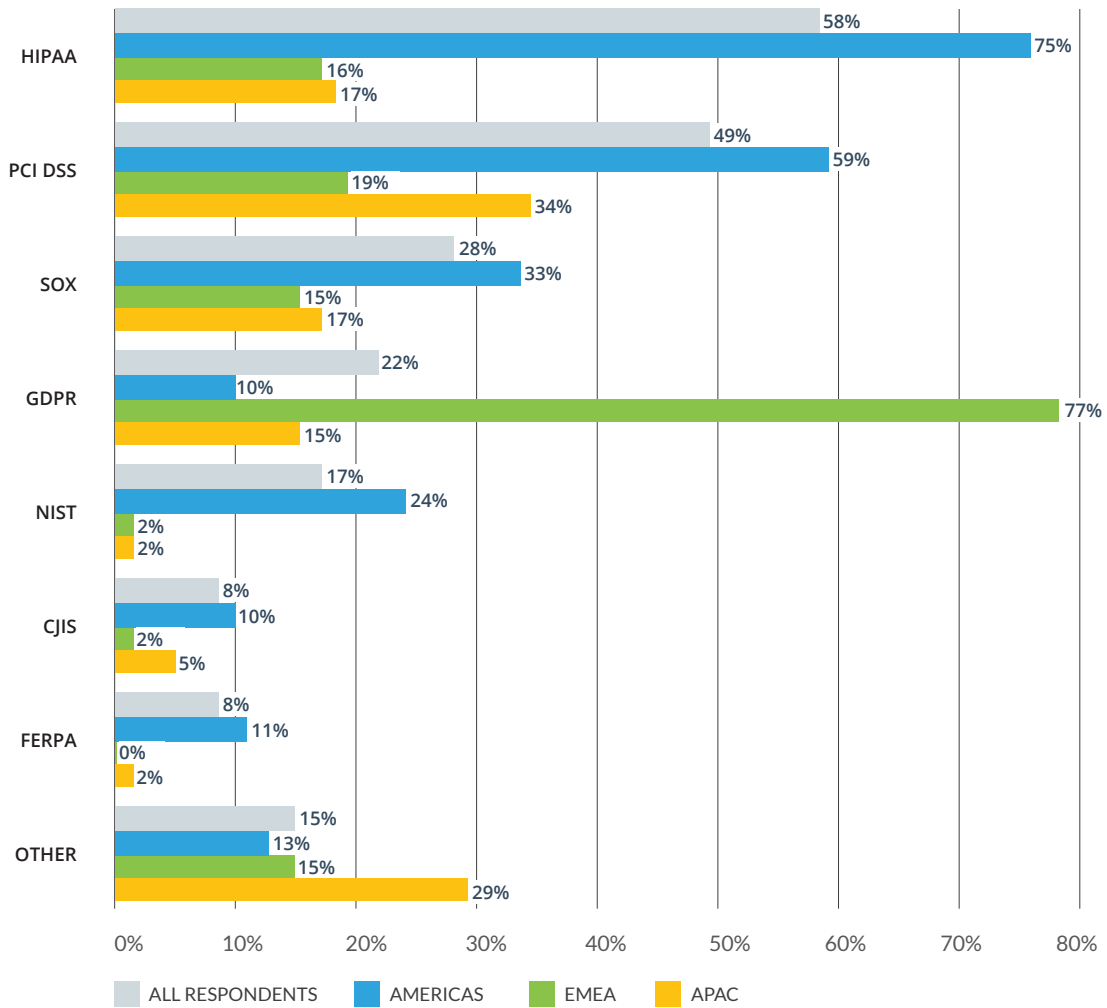
NUMBER OF SERVICES OFFERED	PERCENTAGE OF RESPONDENTS
1 to 3	15%
4 to 6	28%
7 to 9	32%
10 to 11	25%





## Compliance

20. Which of the following compliance requirements or regulations impact you or the customers you currently serve? (percentage of all and regional respondents)



21. Do you offer compliance assessment services to grow your business?

(percentage of all and regional respondents)

RESPONSE	ALL	AMERICAS	EMEA	ASIA PAC
Yes	48%	47%	45%	59%
No	52%	53%	55%	41%





## Cloud Services

22. Are you currently offering cloud services? (percentage of all and regional respondents)

RESPONSE	ALL	AMERICAS	EMEA	ASIA PAC
Yes	86%	86%	91%	81%
No	14%	14%	9%	19%

23. If no, what is your primary reason for not offering cloud services?

(percentage of all and regional respondents)

REASON	ALL	AMERICAS	EMEA	ASIA PAC
Current customer base is not interested	56%	59%	80%	30%
Unable to get new customers interested in cloud services	19%	13%	0%	50%
Unable to sell to current customer base	19%	23%	0%	10%
I don't understand cloud services	7%	5%	20%	10%

24. What is your margin range for the following cloud services? (percentage of all respondents)

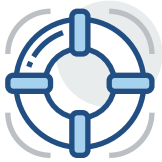
	CLOUD EMAIL (HOSTED EXCHANGE)	CLOUD BACKUP	OFFICE 365	G SUITE	PUBLIC CLOUD INFRASTRUCTURE
0%	17%	9%	15%	69%	35%
1 - 5%	15%	7%	17%	10%	13%
6 - 10%	16%	12%	19%	7%	14%
11 - 20%	23%	18%	22%	7%	18%
21 - 30%	9%	21%	7%	2%	8%
31 - 40%	8%	13%	8%	2%	6%
41 - 50%	5%	8%	5%	2%	3%
Greater than 50%	7%	13%	8%	1%	3%

25. How much do you charge for cloud monitoring services on a monthly basis?

(percentage of all respondents)

PRICING	PERCENT OF RESPONDENTS
Up to \$250 per month	32%
\$251 - \$500	14%
\$501 - \$1,000	8%
\$1,001 - \$1,500	3%
\$1,501 - \$2,000	1%
More than \$2,000	6%
We do not provide these services	37%

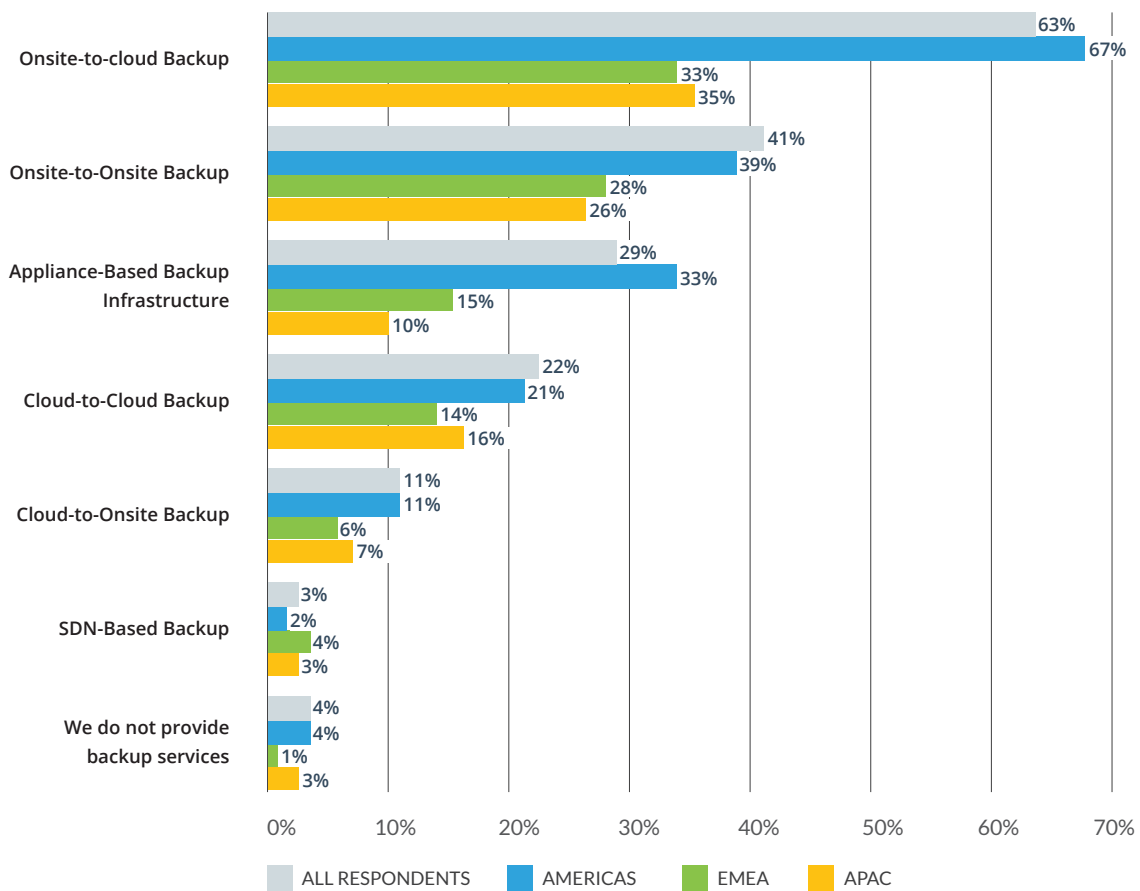




## Backup and Recovery

### 26. Which statements best describe your backup and recovery ?

(percentage of all and regional respondents)

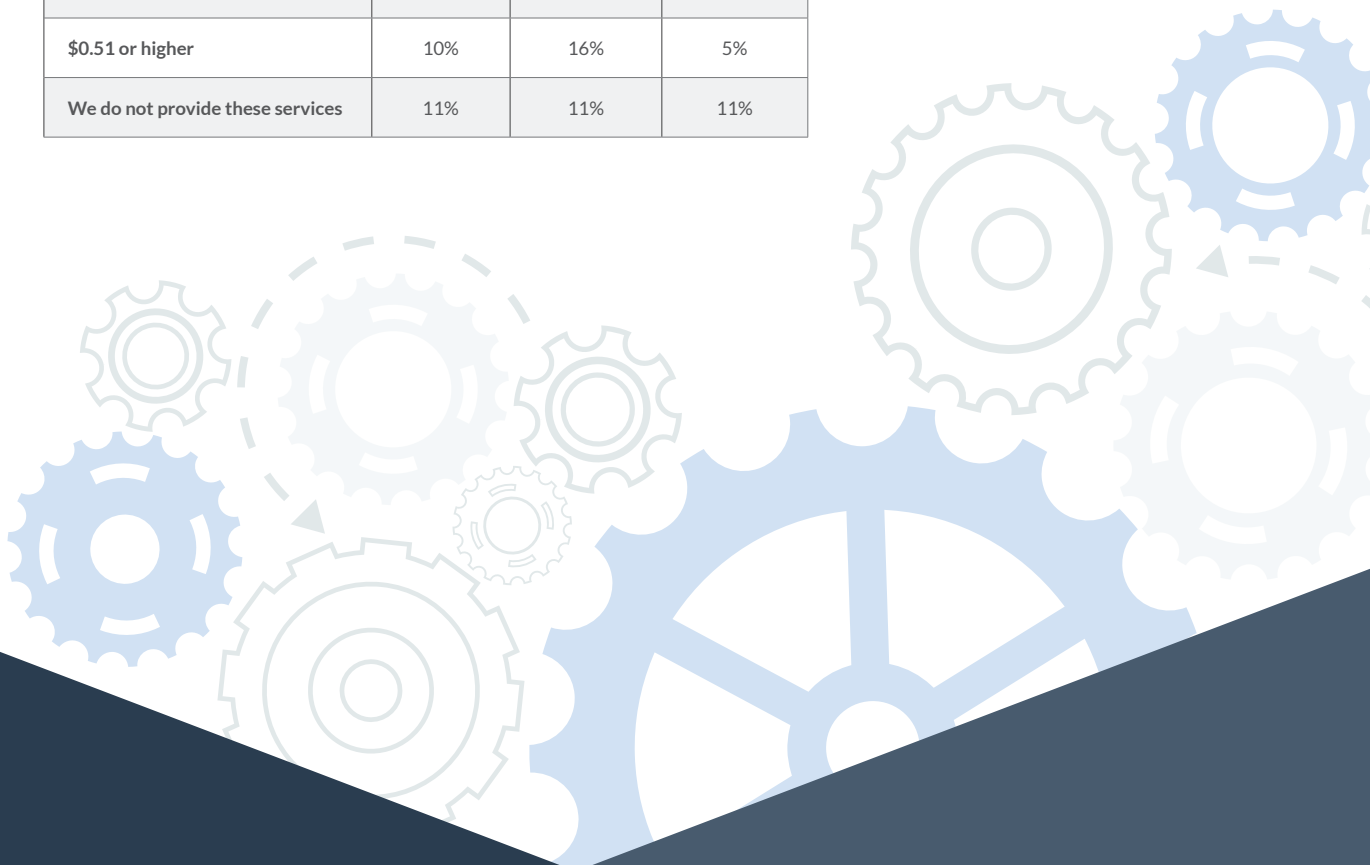


**27. On average, how much do you charge per GB for cloud backup and recovery services?**  
(percentage of all respondents; US\$)

PRICING	ALL	MRR>10%	MRR=<10%
Less than \$0.10 per month	12%	11%	13%
Between \$0.11 and \$0.25 per month	34%	35%	33%
Between \$0.26 and \$0.50 per month	27%	21%	31%
More than \$0.50 per month	10%	16%	5%
We do not provide these services	17%	16%	18%

**28. Which of the following price points most closely matches your backup and recovery solution on a per GB basis?** (percentage of all respondents; US\$)

PRICING	ALL	MRR>10%	MRR=<10%
\$0.01 - \$0.05	12%	11%	12%
\$0.06 - \$0.10	13%	10%	15%
\$0.11 - \$0.20	25%	20%	29%
\$0.21 - \$0.30	15%	18%	12%
\$0.31 - \$0.40	7%	7%	7%
\$0.41 - \$0.50	8%	8%	8%
\$0.51 or higher	10%	16%	5%
We do not provide these services	11%	11%	11%





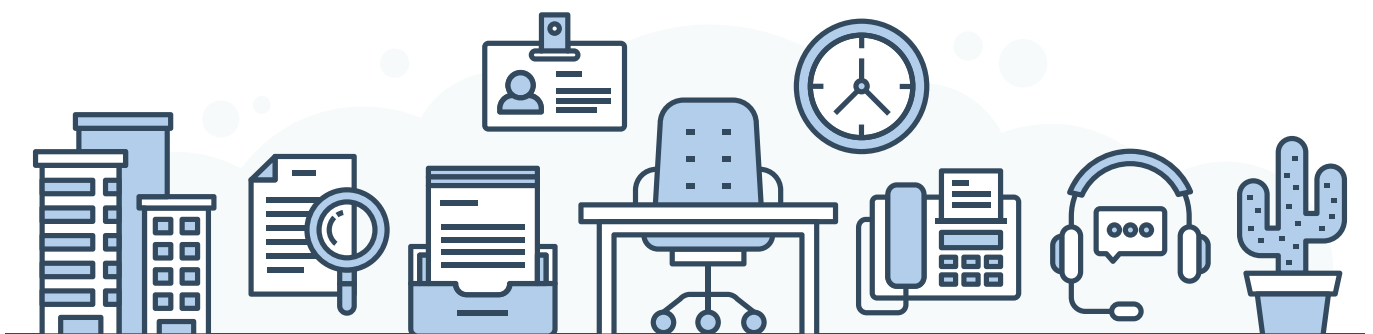
## Business Solutions and Processes

29. Which of the following applications is the most important to your own MSP operation? (percentage of all and regional respondents)

APPLICATION	ALL	AMERICAS	EMEA	ASIA PAC
RMM	45%	43%	49%	41%
IT Documentation	20%	18%	20%	20%
PSA	16%	18%	12%	6%
CRM	13%	11%	12%	20%
General ledger/accounting	6%	5%	7%	4%

30. On average, how much time do you spend on billing/reconciliation each month per client? (e.g., for Office 365, AWS, and Azure)? (percentage of all respondents)

RESPONDENTS	0 MINUTES	15 MINUTES	30 MINUTES	45 MINUTES	60 OR MORE MINUTES
All	9%	26%	21%	9%	35%
MRR > 10%	7%	27%	22%	7%	38%
MRR < 10%	10%	25%	21%	9%	35%



### 31. Which of the following accounting systems do you use?

(percentage of all and regional respondents)

SYSTEM	ALL	AMERICAS	EMEA	ASIA PAC
QuickBooks	50%	69%	7%	14%
Microsoft Dynamics GP	6%	6%	7%	6%
Xero	5%	2%	2%	26%
Sage 100	3%	2%	8%	0%
Sage One	3%	2%	10%	0%
Sage 50 US (formerly Simply Accounting)	2%	2%	7%	0%
NetSuite	2%	3%	0%	1%
FreshBooks	2%	3%	0%	3%
MYOB	2%	0%	1%	14%
Sage 300	1%	0%	1%	3%
Zoho Books	1%	1%	0%	0%
Sage Live	1%	1%	1%	0%
Other	22%	13%	48%	32%
We don't use any accounting system	6%	4%	13%	7%

### 32. Which of the following service are you using for mobile device management?

(percentage of all and regional respondents)

SERVICE	ALL	AMERICAS	EMEA	ASIA PAC
Microsoft Intune	11%	10%	13%	14%
VMware Airwatch	9%	9%	7%	12%
IBM MaaS360	8%	11%	2%	3%
Citrix XenMobile	6%	6%	9%	3%
Other	18%	15%	24%	22%
We do not offer mobile device management at this time	52%	53%	52%	49%



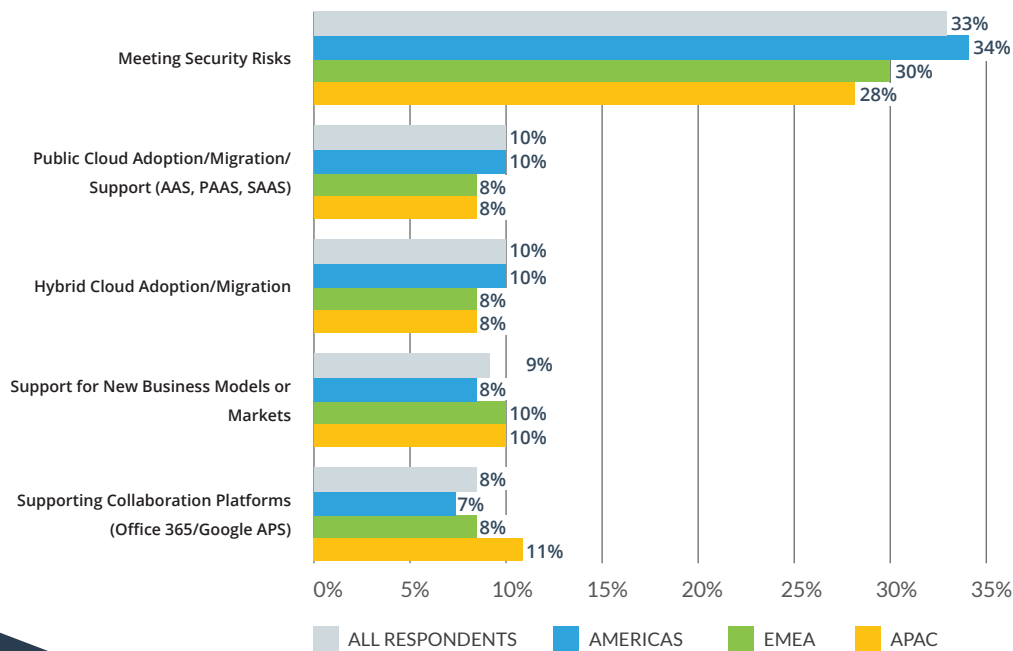
## Top Issues for 2018

### 33. What do you expect to be the top IT problem or service need for your clients in 2018?

#### a. All IT problems and service needs (percentage of all and regional respondents)

PROBLEM OR SERVICE NEED	ALL	AMERICAS	EMEA	ASIA PAC
Meeting security risks	33%	34%	30%	28%
Public cloud adoption/migration/support (IaaS, PaaS, SaaS)	10%	10%	8%	8%
Hybrid cloud adoption/migration	10%	10%	8%	8%
Support for new business models or markets	9%	8%	10%	10%
Supporting collaboration platforms (Office 365/Google Apps)	8%	7%	8%	11%
Increasing the level of IT automation	8%	8%	10%	8%
Increasing the value of IT as a competitive advantage	7%	7%	6%	6%
Delivering higher service levels/IT service availability	6%	5%	9%	7%
Enhancing network monitoring	2%	2%	1%	4%
Making the cost/budget of IT operations more predictable/manageable	3%	2%	3%	8%
Private cloud adoption/migration	2%	2%	2%	3%
Adopting a stronger business focus by outsourcing core IT functions	2%	3%	2%	2%
Implementing big data or real-time information processing	1%	1%	2%	0%

#### b. Top 5 IT problems and service needs (percentage of all and regional respondents)



## Survey Methodology

Kaseya conducted its annual user survey in Q4 of 2017 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 2015 and 2016 results where applicable. Results have been broken out by region where responses differ significantly across geographic areas. All results are included in the global statistics described as “2017.”

For this 2018 report, we have also broken out some of the results by two business growth categories. Almost all MSP respondents report positive monthly recurring revenue (MRR) growth. However some have grown faster than others. Accordingly, we have split appropriate results between those with 10 percent or less MRR growth and those with MRR growth of more than 10 percent to highlight best practices.

Overall, we’ve made every attempt to provide that data in a format that is most useful to the widest audience for this report. Note that several questions include intentionally generalized 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).

### ABOUT KASEYA

Kaseya is the leading provider of cloud-based IT management software. Kaseya solutions allow Managed Service Providers (MSPs) and IT organizations to efficiently manage IT in order to drive IT service and business success. Offered as both an industry-leading cloud solution and on-premise software, Kaseya solutions empower MSPs and mid-sized enterprises to command all of IT centrally, manage remote and distributed environments with ease, and automate across IT management functions. Kaseya solutions are in use by more than 10,000 customers worldwide in a wide variety of industries, including retail, manufacturing, healthcare, education, government, media, technology, finance, and more. Kaseya is privately held with a presence in over 20 countries. To learn more, please visit [www.kaseya.com](http://www.kaseya.com)

