

Kaseya[®]

REPORT

2025 Global MSP benchmark report



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Introduction

At Kaseya, we believe knowledge is power. This is why we compile the Global MSP Benchmark Report each year to provide clear, actionable industry insights that help managed service providers (MSPs) navigate shifts, identify growth drivers and tackle challenges head-on.

This year, we surveyed over 800 MSPs worldwide to identify the key trends, revenue drivers and competitive pressures shaping 2025 and beyond. The message from the data is clear — the MSP landscape is more competitive than ever, cybersecurity is the biggest revenue opportunity and automation is no longer optional.

The 2025 Kaseya Global MSP Benchmark Report is designed to give you a clear, data-driven roadmap to success. We will cover everything from pricing trends and profitability to merger and acquisition (M&A) activity and co-managed IT growth. Your success is our mission, and this report is designed to equip you with the strategic direction you need.

The MSP industry continues to evolve rapidly, bringing new challenges and even greater opportunities. The decisions you make today will shape your competitive edge and long-term success.



Five key takeaways

Here are the key takeaways from the report.

01 Cybersecurity is the top revenue driver

MSPs that offer security services are seeing strong revenue growth, with cybersecurity ranking among the top three revenue sources for providers earning 15% or higher net profit margins. Why? Businesses are becoming more aware of cyber-risks and increasing their security budgets. This gives MSPs a massive opportunity to expand their security offerings, bundle managed security services and build deeper client relationships. Those who fail to do so risk falling behind as security moves from an add-on to a must-have service.

02 Automation and integration are the building blocks of MSP efficiency

One of the clearest takeaways from this year's survey is that MSPs can no longer afford inefficiency. About 95% of MSPs confirm that integrating RMM, PSA and IT documentation is critical for smooth operations. Disconnected tools, manual workflows and inefficient processes waste time and money. The most successful MSPs are those that invest in automation and integration, freeing their teams to focus on high-value work rather than repetitive tasks.

03 Co-managed IT is the next growth engine

For MSPs looking to expand beyond traditional managed services, co-managed IT is a major opportunity to increase revenue and secure larger contracts. About two-thirds of executive respondents said revenue from co-managed

services increased year on year. This model allows MSPs to serve larger clients, diversify their revenue streams and build long-term partnerships with businesses that want flexibility without fully outsourcing IT.

04 M&A is heating up after a slow year

The M&A strategy was not the focus for MSPs in 2024, but that is changing. This year, 53% of MSPs said they plan to pursue M&A as a key growth strategy. With competition tightening, M&A is becoming an essential strategy for those looking to solidify their market position and drive long-term growth.

05 Winning new business is getting harder

As more MSPs enter the market and offer similar services, competition is fiercer than ever. To stay competitive, MSPs must refine their sales approach, invest in marketing and adopt tools that help streamline lead generation and client acquisition. The days of relying on referrals alone are over. Winning new business requires a proactive strategy.

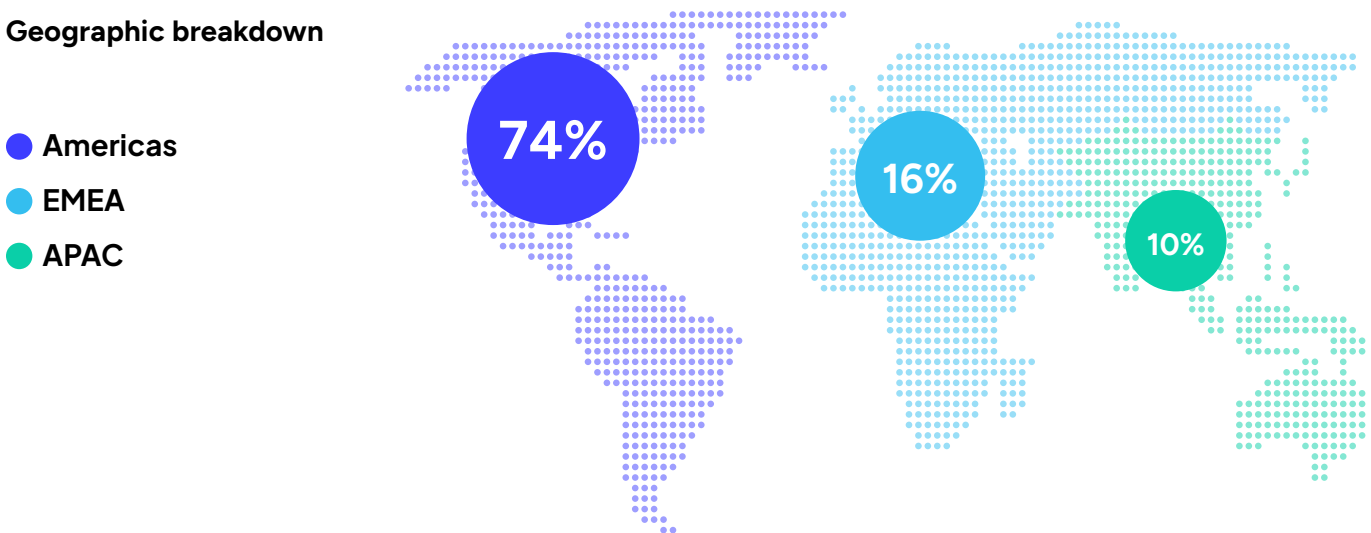
Meet the respondents

Understanding the state of the MSP industry starts with knowing who's shaping it. This year's Global MSP Benchmark Survey gathered insights from 841 MSPs worldwide, providing a comprehensive perspective on industry trends, challenges and opportunities. By analyzing responses from MSPs of different sizes, business models and geographic regions, we can identify key shifts, growth drivers and areas of concern. This enables MSPs to benchmark their own strategies against real-world data.

Where are the respondents located?

The survey reflects a global view of the MSP industry, ensuring that insights are not limited to one region. While the majority of respondents are based in the Americas, a significant percentage participated from EMEA and APAC.

Geographic breakdown



Company size

The survey captures MSPs of all sizes, from small teams to large enterprises. As Figure 1 shows, most respondents operate with 50 or fewer employees, but larger MSPs (51+ employees) now make up 36% of the participants, up from 28% in 2024.

Company size (number of employees)

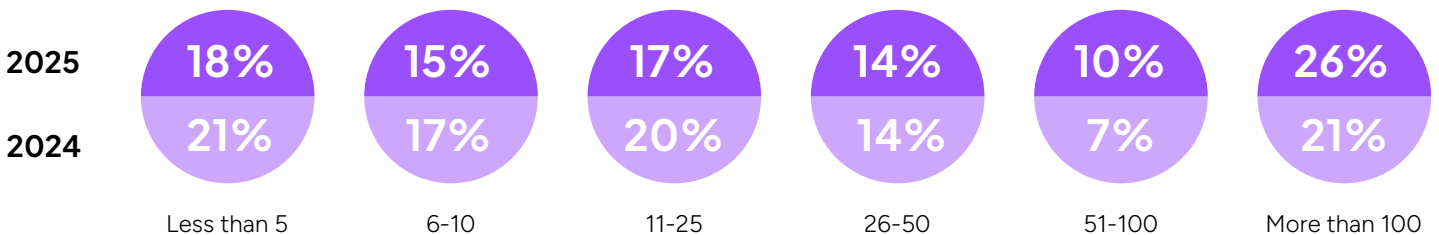
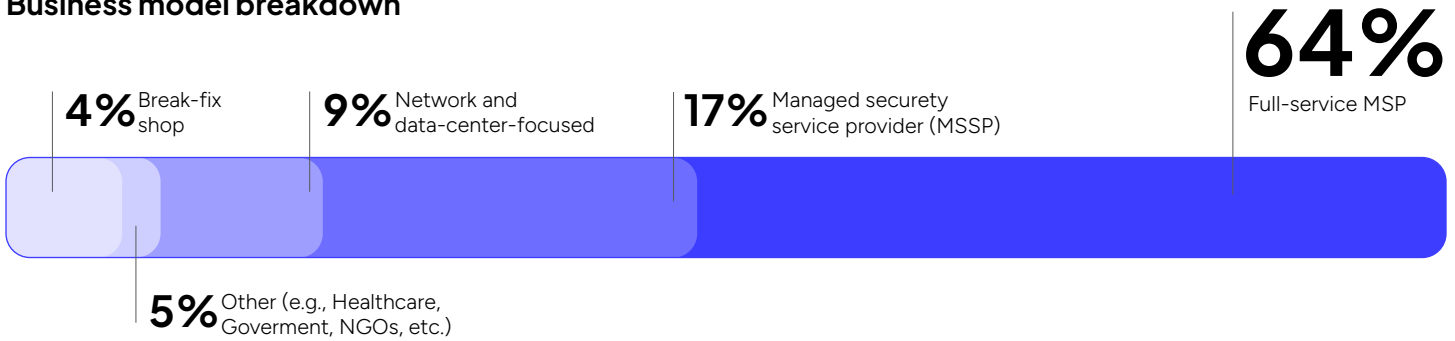


Figure 1

Business models: How MSPs operate

MSPs serve businesses in different ways, but a full-service MSP model remains dominant, with 64% of respondents offering comprehensive IT management. Meanwhile, 17% specialize as managed security service providers (MSSPs), focusing on advanced security and compliance. Others carve out niches in networking, data centers or specialized industries. A mere 4% still rely on break-fix models, providing reactive IT support.

Business model breakdown



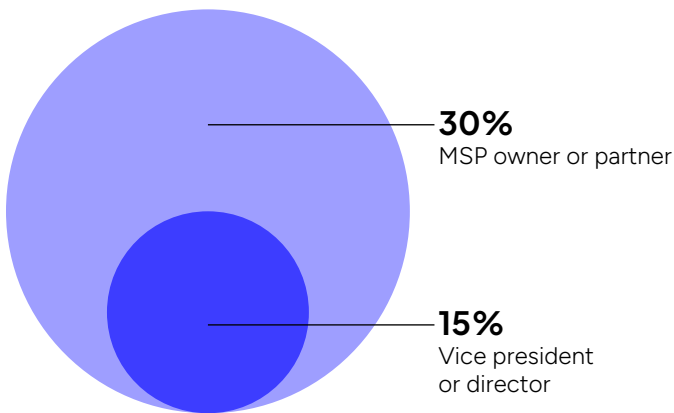
Who took the survey?

This report presents a balance of perspectives from strategic decision-makers and hands-on IT professionals, providing both a business-level and day-to-day operational view of the MSP landscape.

Figure 2 highlights the breakdown.

- **45% of respondents are executives** who drive business strategy, growth and operational efficiency.
- **55% are technicians** who manage the daily workflow and ensure smooth operations.

Executives



Technicians

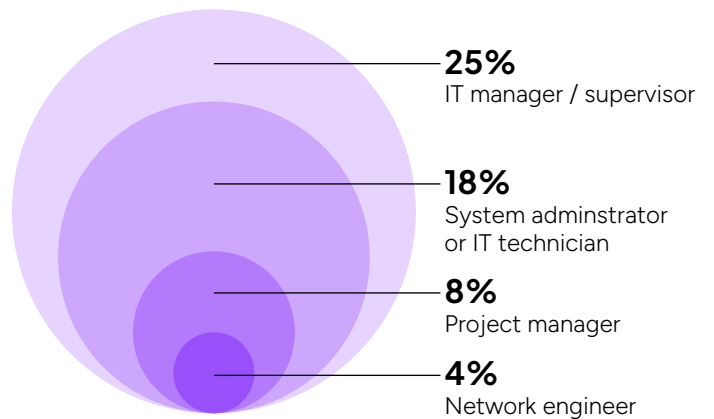


Figure 2

Note: For some questions, we've broken down data by executives and technicians to highlight their respective outlooks on key industry trends.

Cybersecurity: A profitable growth driver for MSPs

Cybersecurity services are not only in high demand but also a key revenue driver for MSPs. As cyberattacks grow more frequent and sophisticated, businesses are prioritizing security investments, creating a significant opportunity for MSPs that offer advanced protection.

Our survey found that every MSP with net profit margins of 15% or more ranked enhanced security services among their top three revenue sources.

In contrast, those with lower margins did not. This highlights the financial power of cybersecurity services as a high-growth, high-profit offering that can strengthen an MSP's bottom line.

Every MSP with net profit margins of 15% or more ranked enhanced security services among their top three revenue sources.



Cybersecurity is the #1 client concern

Cybersecurity is also the top concern for MSP clients. When asked about the most pressing IT challenges their clients face in 2025, MSPs overwhelmingly pointed to security.

The sharp gap between cybersecurity and other concerns underscores how businesses are no longer treating security as just another IT service but rather as a fundamental part of their risk management strategy. Clients are willing to invest in security because the cost of an attack is far greater than the cost of prevention. For MSPs, this presents a clear revenue opportunity.

Highlighted legacy system replacement

34%

Pointed to AI and machine learning

44%

Named cybersecurity as their clients' top concern

76%

Cyberattacks are becoming routine

The rising demand for security services is being driven by one key factor — more businesses are being attacked. The data presented in Figure 3 shows a significant decline in MSPs that report cyberattacks are rare among their clients.

- The percentage of MSPs saying less than 10% of their clients experienced an attack dropped from 62% in 2024 to 52% in 2025.
- The biggest shift is in the 21% – 40% category, which jumped from 11% to 19%.

- The percentage of MSPs reporting that more than 40% of their clients faced a cyberattack jumped from 6% in 2024 to 8% in 2025, showing a slight but concerning rise in attack frequency.
- Cyberattacks are no longer isolated incidents, they are becoming a constant reality. This shift underscores why businesses are prioritizing security and looking to MSPs for expert guidance.

Percentage of clients that have experienced a cyberattack within the past 12 months

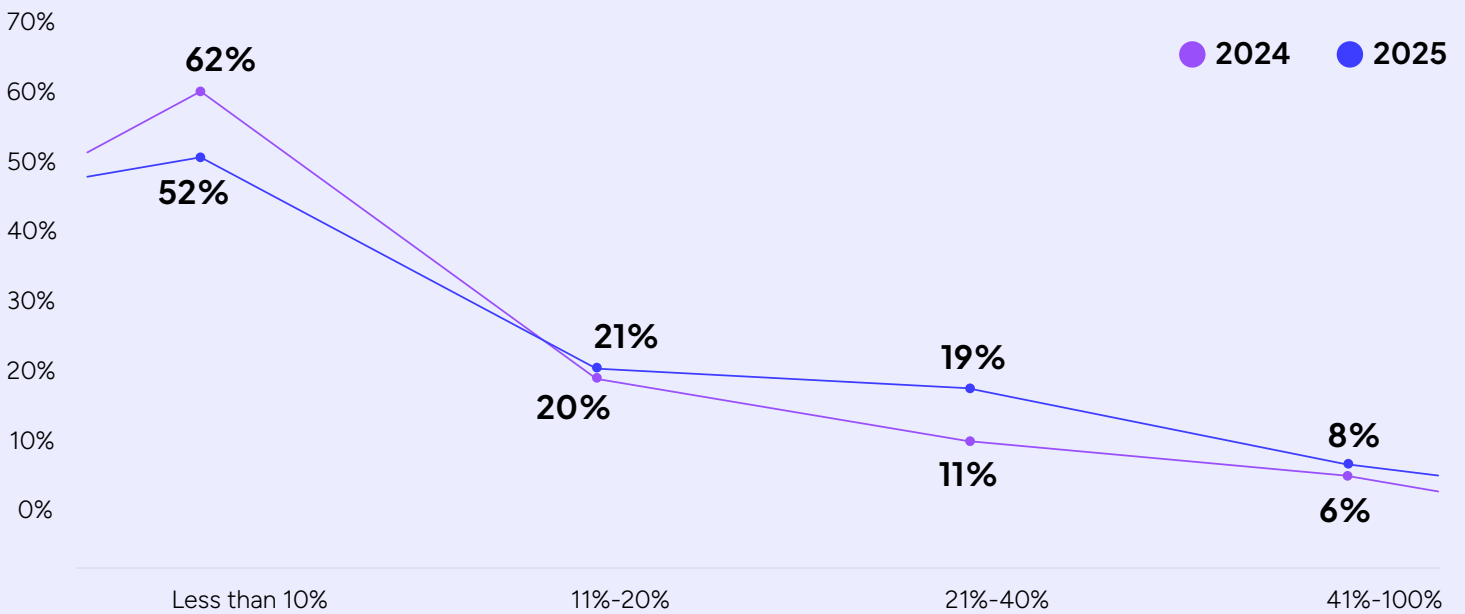
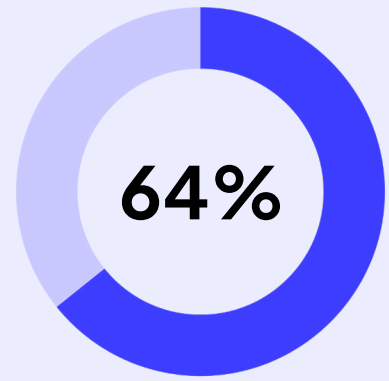


Figure 3

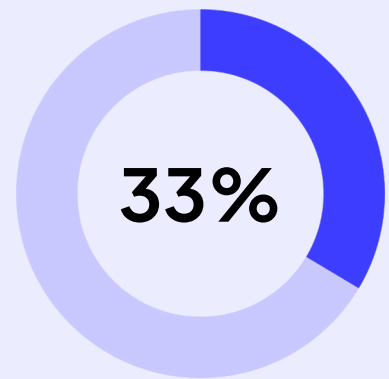
MSPs are the first line of defense

As cyberthreats grow, businesses are relying on MSPs to strengthen their defenses. When asked how many of their clients sought advice on cybersecurity plans and best practices, MSPs made it clear just how serious the situation has become.

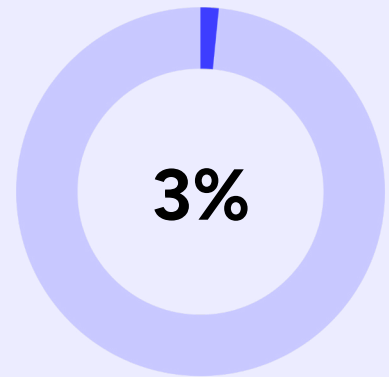
This reinforces a critical truth: MSPs are no longer just service providers — they are security advisors. Businesses are looking to their MSP partners to implement the right security strategies, manage ongoing risks and ensure compliance with evolving regulations.



64% said all or most of their clients asked for help



33% said some of their clients asked for help

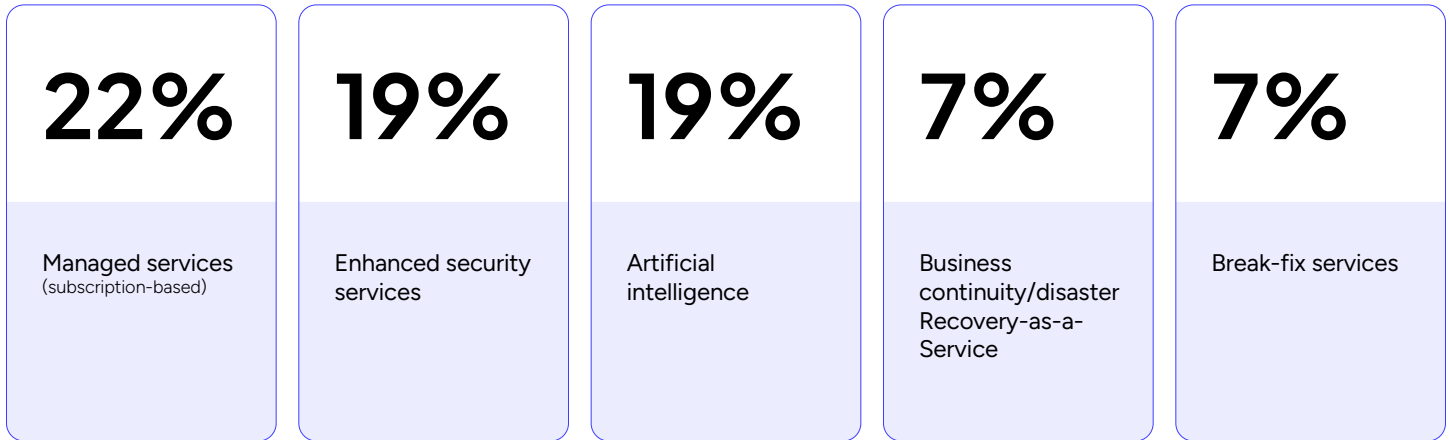


Only **3%** reported that none of their clients asked for guidance

Security services: A high-growth, high-profit opportunity

Security services stand out because they offer recurring revenue, strong margins and long-term client retention. Clients are willing to pay more for robust protection, and MSPs that position themselves as security leaders are highly likely to grow faster in 2025. The fear of ransomware, data breaches and compliance failures is driving more investment into proactive security solutions.

MSP service categories that exhibited the most growth in the past year are:



With high margins and strong growth potential, security services have become a major revenue driver for MSPs. As Figure 4 shows, this year, there is an 11% increase in the number of respondents, from 22% in 2024 to 33% in 2025, who identified enhanced security services as their top revenue source. This represents the biggest increase across all categories.

Top five revenue sources for MSPs

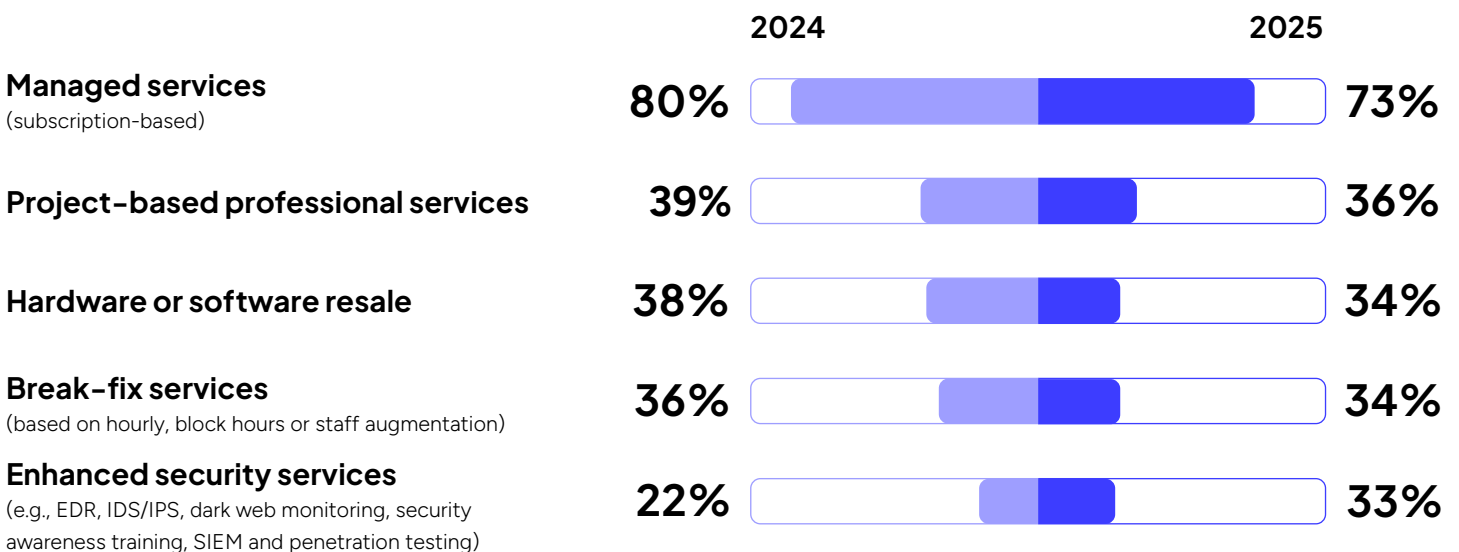


Figure 4

Moreover, as noted in Figure 5, about two-thirds (67%) of respondents said their security services revenue went up. Nearly half also noted growth in cloud management (49%) and desktop support (46%).

Top five categories where revenue increased are:

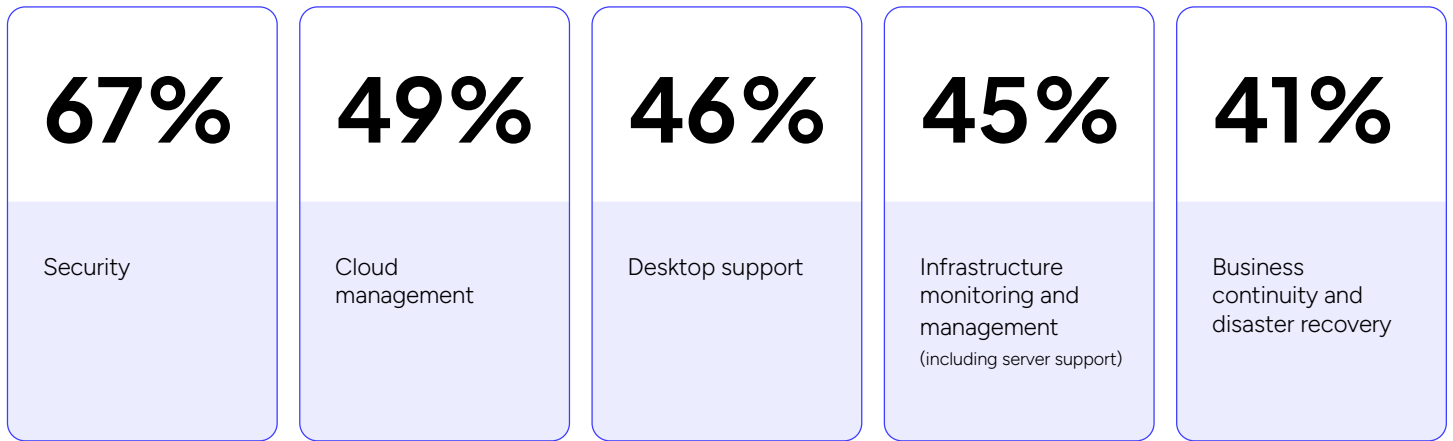


Figure 5 The full table can be found in the appendix.



Growth strategies: How MSPs are planning for the future

The MSP industry is more competitive than ever, and growth does not happen by accident. It requires strategic planning, adaptability and a forward-thinking approach. With competition intensifying and client expectations rising, MSPs need a clear plan to stand out, expand their revenue and secure long-term success.

To understand how MSPs plan to scale in 2025, we asked respondents about their top growth priorities. The results show an increased focus on sales, marketing and partnerships to drive business expansion.

Sales and marketing: The key to sustainable growth

Many MSPs excel at technology but struggle with marketing. In a crowded industry, having the best solutions means little if potential clients don't know about them. A well-executed marketing strategy helps MSPs target the right audience, clearly communicate their value proposition and establish trust before the first conversation even happens.

Figure 6 shows that while 61% of MSPs still prioritize launching new services, the real shift is in sales, marketing and brand positioning. Marketing is now one of the top priorities for over half (53%) of MSP executives, up from 49% last year. This reflects a growing understanding that brand awareness, lead generation and credibility are essential for long-term success.

Effective marketing not only attracts new clients but also strengthens relationships with existing ones.

Growth strategies for 2025

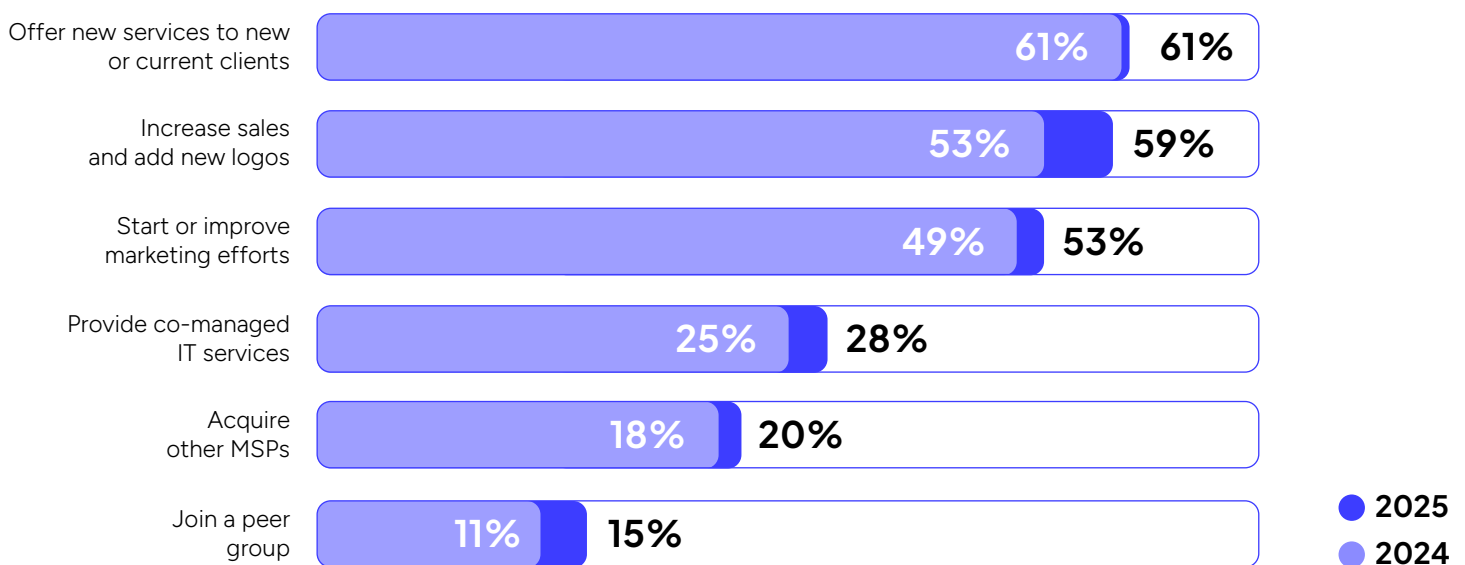


Figure 6

Peer group: A competitive advantage

More MSPs are recognizing the strategic advantage of joining peer groups, with 15% planning to join one in 2025 — up from 11% last year.

These groups provide:

- Access to mentorship from industry leaders.
- Proven growth strategies tested by peers.
- A strong professional network for collaboration and insights.

MSPs that leverage peer groups gain faster access to best practices, helping them avoid common pitfalls and accelerate growth.

The M&A expansion strategy

As competition heats up, more MSPs are considering M&A as a strategic growth path (see Figure 7).

- 53% of executives say they are considering M&A, up from 45% last year. This includes those who identified M&A as their primary growth strategy and those planning to buy or sell an MSP within the next 24 to 36 months.
- 13% say M&A is their primary growth strategy, up from 11% in 2024.

M&A strategy

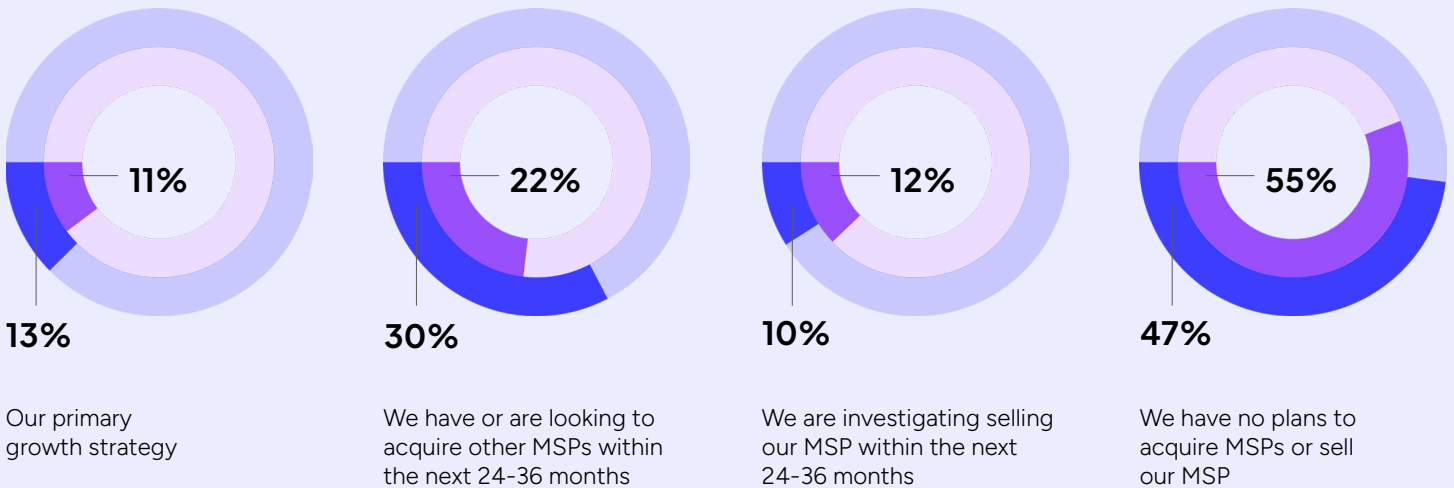


Figure 7

● 2024 ● 2025

Larger MSPs see acquisitions as a faster way to scale, allowing them to expand service offerings, acquire skilled talent and strengthen vendor relationships.

For smaller MSPs, the rise in M&A presents both challenges and opportunities. Some will choose to compete by specializing in niche services, while others may opt for acquisition to gain stability and better resources.

MSPs not looking to buy or sell will be impacted by M&A activities as the landscape shifts and competitors become larger. Pricing pressure and competing services will increase, pressuring MSPs to differentiate their value or risk being undercut by larger competitors.

Outsourcing: A strategic approach to efficiency

As workloads increase, MSPs are becoming more strategic about what to keep in-house and what to outsource (see Figure 8).

- Nearly one-third of MSPs plan to outsource to a security operations center (SOC), up from 26% in 2024. The demand for cybersecurity services is skyrocketing, but skilled security professionals are difficult to find.

- Rather than struggling to hire and retain in-house talent, many MSPs are choosing to outsource SOC functions to provide advanced security solutions without the operational burden.
- Marketing, however, is shifting in-house, dropping from 31% in 2024 to 26% in 2025, suggesting MSPs want more control over their brand and client acquisition.

Services that MSPs most want to outsource

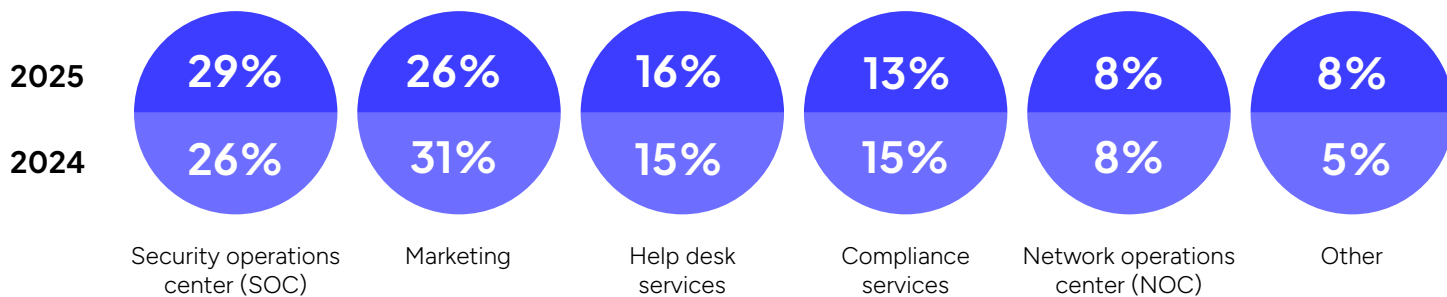


Figure 8



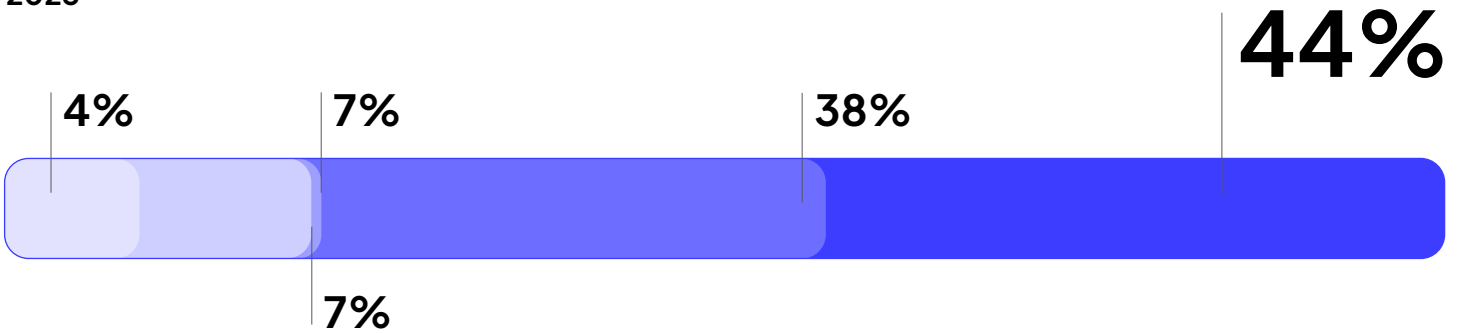
Service expansion: Scaling up offerings

Expanding services is not just about growth. It is about staying relevant, meeting evolving client needs and driving profitability. As Figure 9 illustrates, by broadening their offerings, MSPs strengthen client retention and increase recurring revenue, making them indispensable partners rather than just IT vendors.

- MSPs that added 4-5 new services increased from 30% to 38% in 2025, showing a move toward larger service expansions.
- At the same time, the number of MSPs adding between 1 and 3 services dropped from 53% to 44%, suggesting a shift toward more significant diversification.
- About 4% of MSPs didn't add any new services in the past two years, citing low client interest and a lack of in-house expertise.

Services added in the past two years

2025



2024

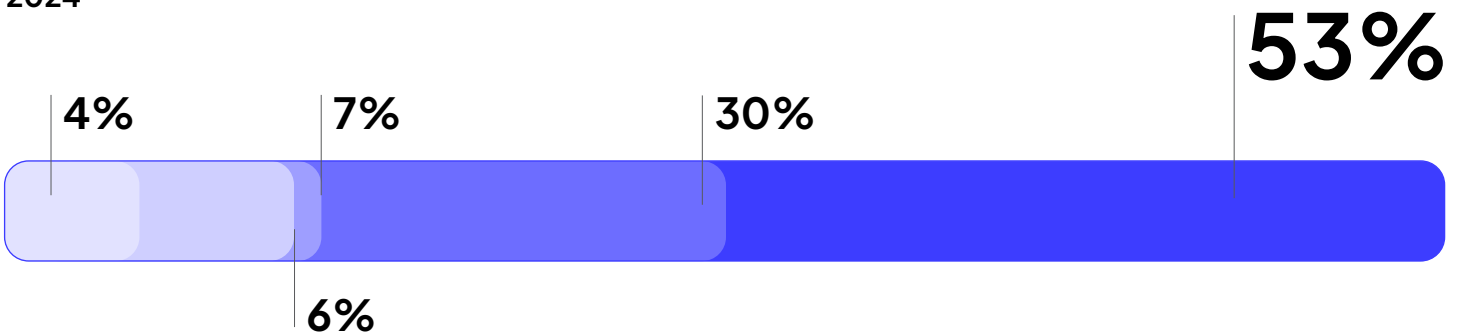


Figure 9



The steady rise of co-managed IT

Co-managed IT services are an increasingly valuable revenue stream for MSPs, enabling them to support larger organizations that maintain in-house IT teams but require external expertise.

Revenue growth in co-managed IT

- 61% of executive respondents said revenue from co-managed increased.
- 37% said it stayed the same.
- Only 3% said it somewhat decreased.

This growth trend is reflected in revenue distribution as well as Figure 10 illustrates. Two-thirds (66%) of respondents generate up to 50% of their revenue from co-managed IT, up from just over half (54%) last year. While co-managed IT is expanding, it remains a supplemental income source rather than a primary business model for most MSPs. Only a small percentage of MSPs derive more than 75% of their revenue from co-managed IT, reinforcing that this approach is more about steady income than a dominant strategy.

Revenue from co-managed IT

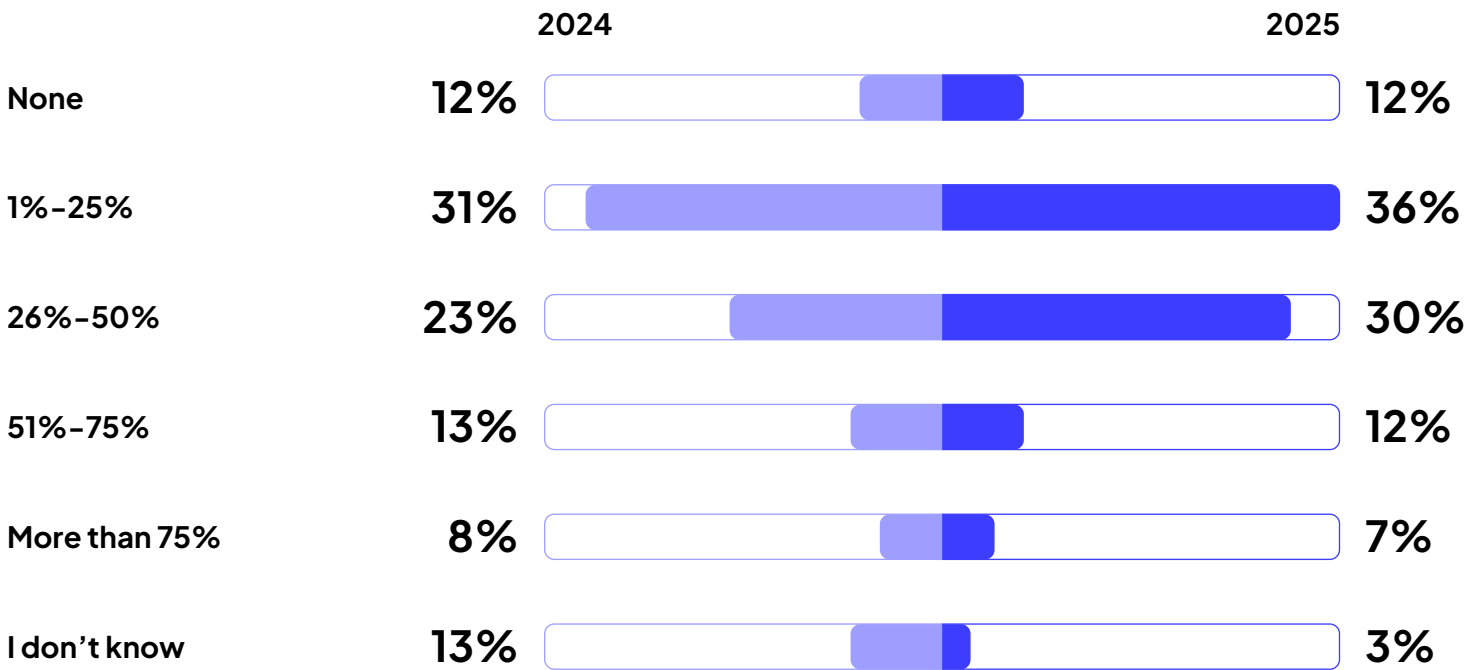


Figure 10

The roadblocks to growth: Key challenges MSPs must overcome

Growth brings new opportunities, but it also comes with obstacles. As MSPs scale their operations, they face increasing competition, evolving cybersecurity threats and ongoing hiring challenges. To stay ahead, MSPs must identify these roadblocks early and develop strategies to overcome them.

The biggest challenge: Winning new business

Acquiring new customers is the most pressing challenge for 33% of respondents this year. The MSP market is saturated, making it harder than ever to stand out. Even the most advanced services can go unnoticed without strong branding, lead-generation strategies and a solid sales infrastructure, as Figure 11 shows.

Challenge MSPs anticipate in 2025

- 33% ● Acquiring more customers
- 19% ● Dealing with advanced and sophisticated security threats
- 9% ● Hiring
- 8% ● Shrinking IT budgets and spending
- 7% ● Retaining current customers
- 7% ● Sales and marketing expertise
- 7% ● Reduced service offerings to fit shrinking customer budgets
- 5% ● Retaining current employees
- 3% ● Decreasing profit margins
- 2% ● Supporting remote work for staff and clients



Figure 11

While competition is a universal struggle (see Figure 12), the specific challenges vary based on MSP size:

Small to midsize MSPs struggle with sales

MSPs with 50 or fewer employees face limited resources and lack a structured sales process, making it difficult to attract and convert leads.

Their top hurdles include:

- No dedicated sales rep to handle prospecting and outreach.
- No formal lead-generation strategy, leaving growth to chance.
- Intense competition from both new and established MSPs.

Larger MSPs face operational bottlenecks

For MSPs with over 50 employees, the challenge is not just winning clients but also efficiently managing them. Their biggest roadblocks include:

- Client onboarding bottlenecks, which delay service delivery.
- Difficulty maintaining consistent documentation, which impact operational efficiency.

Consolidated: biggest customer acquisition challenge

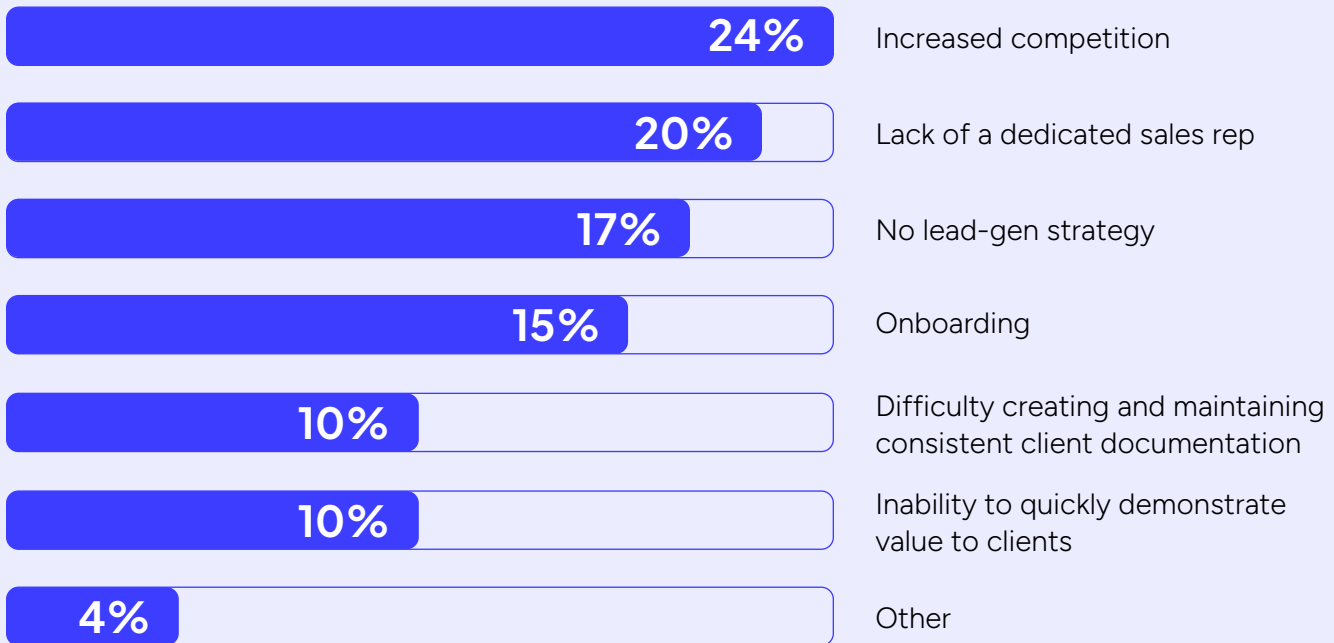


Figure 12

Cybersecurity: A challenge that never stops

Going back to Figure 11, dealing with advanced and sophisticated cyberthreats is the second biggest challenge nearly 1 in 5 respondents expect to face in 2025. Unlike other IT issues, security is never a one-time fix.

With security services now a major revenue driver, MSPs that do not keep up with modern security tools and practices risk losing business to competitors and leave their clients increasingly vulnerable.

The IT talent shortage

Referencing Figure 11 again, hiring remains a significant roadblock for 9% of respondents. MSPs are struggling to find skilled IT professionals, especially cybersecurity specialists, network engineers and cloud experts. The demand far outweighs the supply, making it harder to scale operations efficiently. With hiring challenges slowing growth, many MSPs are turning to automation and outsourcing to bridge the gap.

Why cybersecurity is a continuous battle:

Threats are evolving daily, requiring constant adaptation.

Clients demand **stronger security solutions**, expecting MSPs to stay ahead of new attack vectors.

Regulatory **compliance is growing more complex**, forcing MSPs to navigate shifting security standards.



Disconnected IT tools:

A productivity killer

MSP technicians juggle long hours, repetitive tasks and an ever-growing workload. Many of these struggles stem from outdated, disconnected tools that create inefficiencies rather than solving them. When we asked MSPs about their biggest operational challenges, the answers pointed to one major issue — ineffective tools make everything harder. Figure 13 breaks it down.

Top IT challenges that lead to higher workload

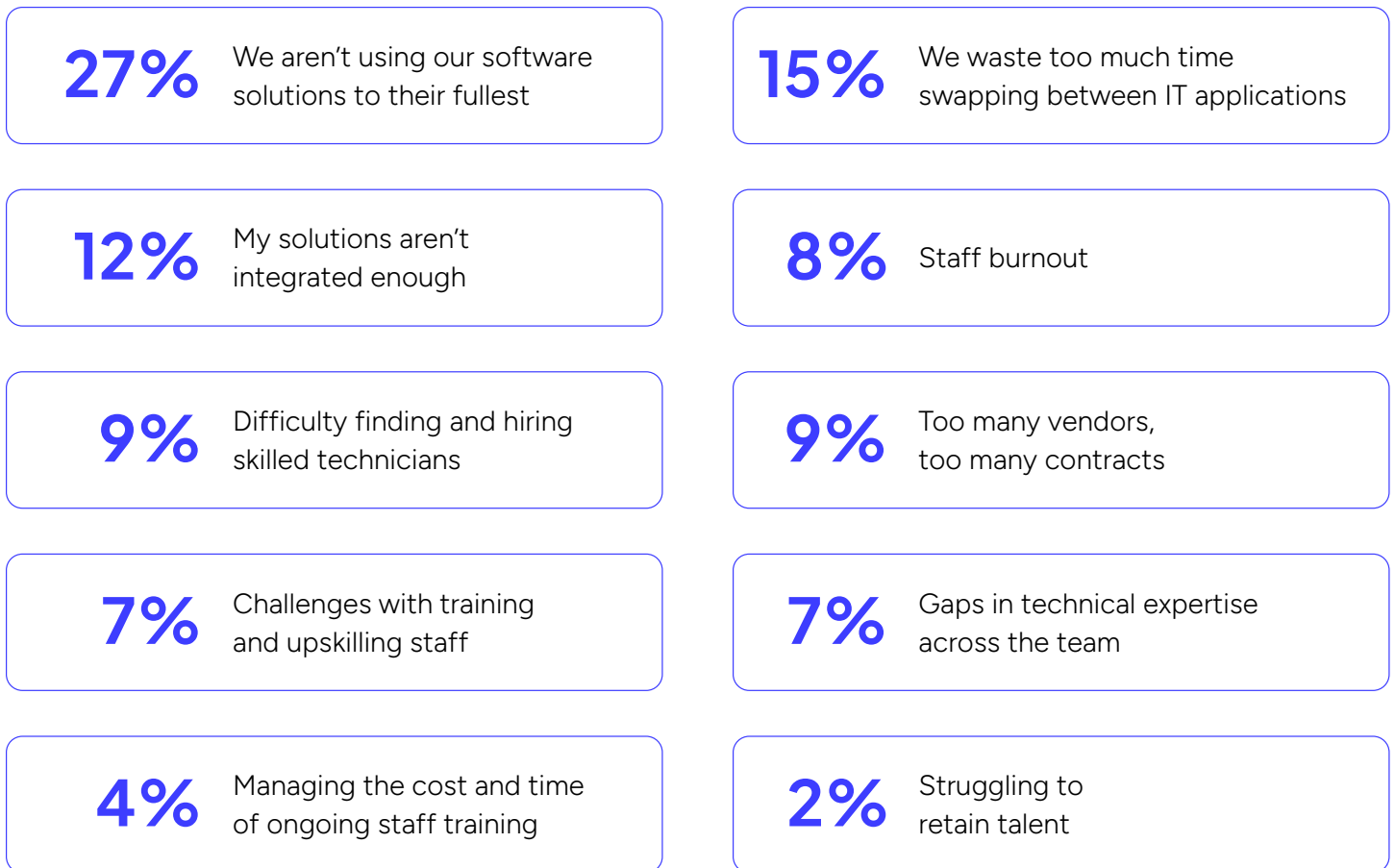


Figure 13

The three biggest IT tool problems for MSPs

1. Inefficient software usage

MSPs invest in tools but do not use them to their full potential, wasting money and missing out on key features.

2. Lack of integration

Without seamless integration, technicians waste hours switching between platforms, manually entering data and piecing together fragmented information.

3. Vendor fatigue

Juggling multiple IT tools — each with different interfaces, support processes and licensing models — creates unnecessary complexity.

Automation and integration: The MSP growth formula

Manual processes, disconnected tools and inefficient workflows are no longer sustainable. They slow down service delivery, increase operational costs and limit an MSP's ability to take on new clients.

The importance of automation

For MSPs, the difference between scaling successfully and struggling to keep up often comes down to how well they leverage automation and integration.

- 81% of respondents said the role of automation has increased in their business over the past two years.
- 85% of technicians say automation is essential to getting their job done efficiently.
- 88% of executives agree that automation is critical to running their business successfully.

RMM: where automation delivers the most impact

RMM solutions are at the heart of every MSP operation. The more tasks an MSP can automate within their RMM software, the more time they can save and the more clients they can support without hiring additional staff. When we asked MSPs what they value most in an RMM, automation topped the list, as illustrated in Figure 14.

MSPs that rely too heavily on manual processes face a major bottleneck. They simply cannot scale their operations effectively. Automation eliminates repetitive, time-consuming tasks, allowing MSPs to focus on higher-value work, improving both efficiency and profitability.

Most important feature of RMM

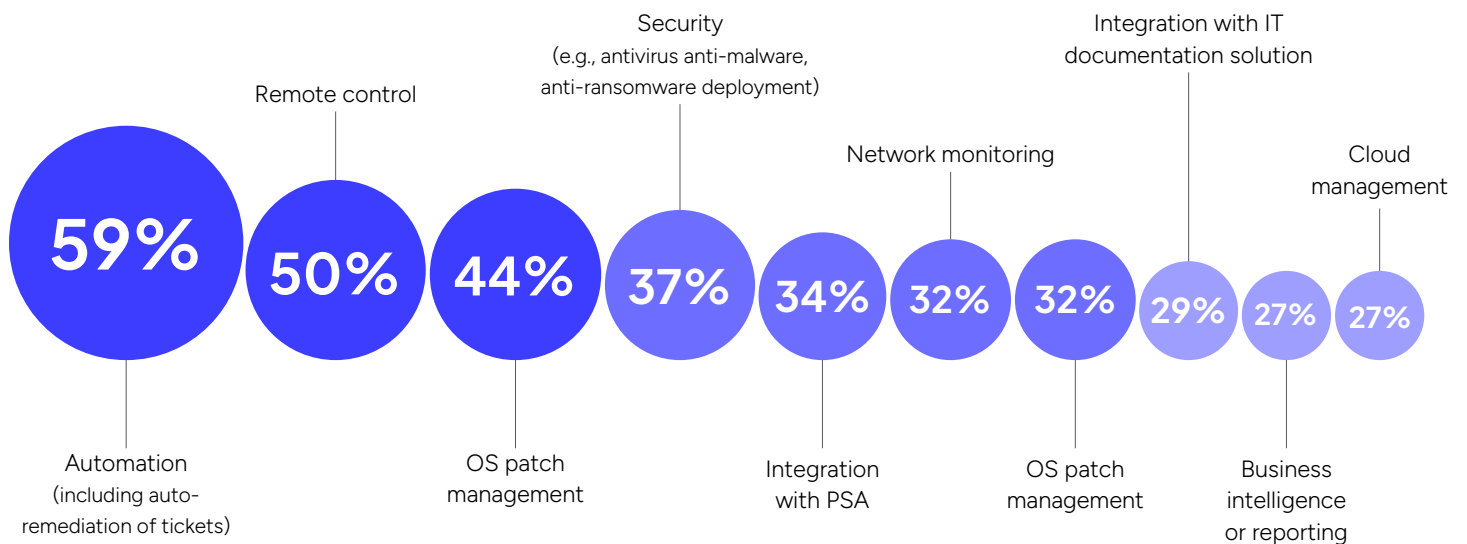


Figure 14

Where automation delivers the biggest gains

Both executives and technicians agree that security management is where automation delivers the greatest value. The ability to automate patching, threat detection and monitoring is critical to protecting clients from cyberthreats while reducing the burden on technicians.

For executives, automation helps achieve broader business goals, such as reducing operational costs, improving security and streamlining billing. For technicians, automation is a lifeline. It eliminates routine, repetitive work, allowing them to focus on complex issues instead of spending hours on manual maintenance tasks. Figure 15 breaks down automation usage.

Top uses of automation

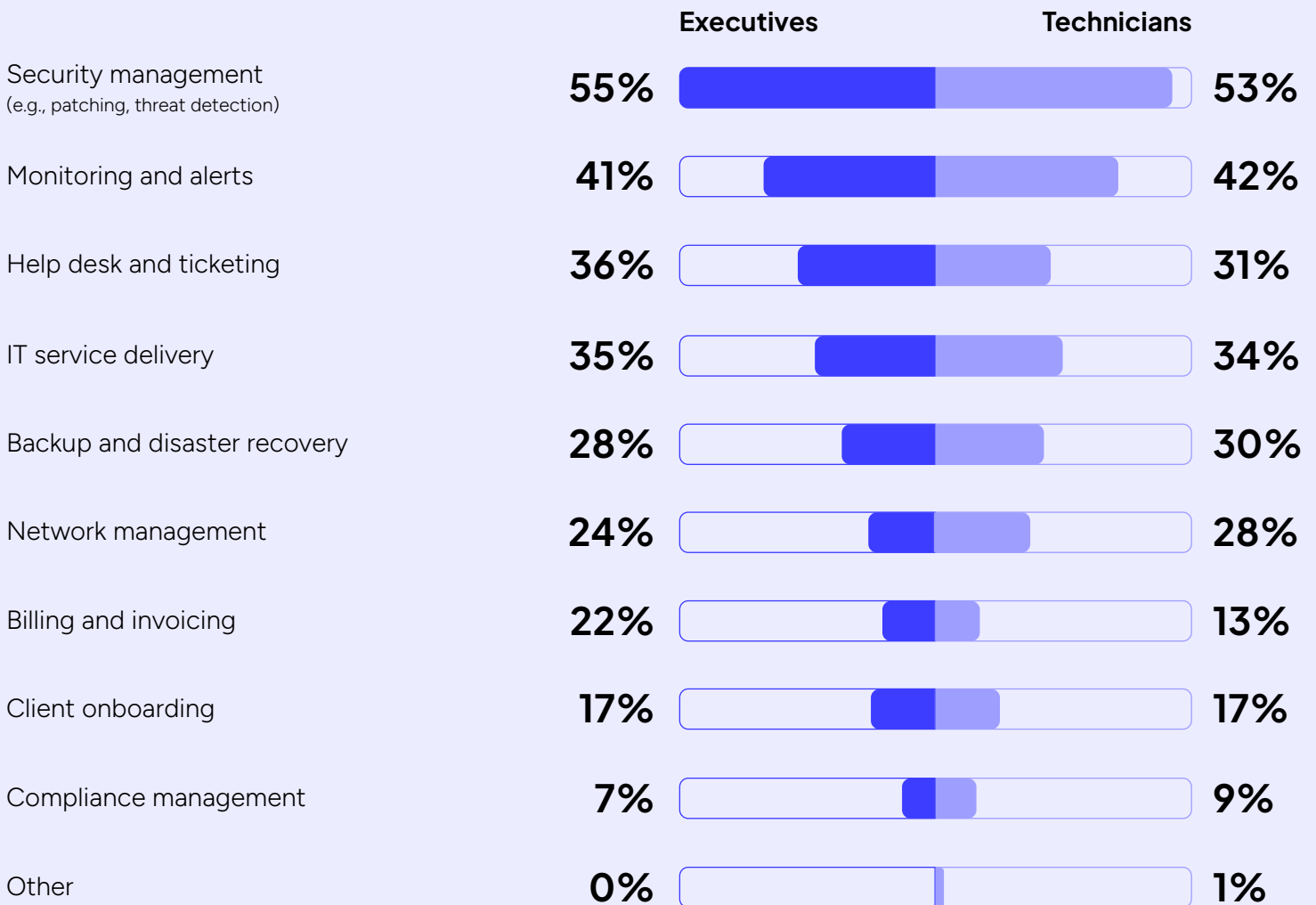


Figure 15 Respondents were asked to select up to 3 ways they are using automation.

Integration: The key to unlocking efficiency

Automation is only half the equation. Without integration, MSPs still face inefficiencies, jumping between platforms, manually inputting data and wasting time on fragmented workflows.

That is why 95% of MSPs say integration between core MSP applications (RMM, PSA, security, IT documentation and backup) is critical. They no longer want standalone tools; they need a fully connected ecosystem.

What MSPs most want in a PSA solution

While ticketing remains the top priority (59%), the high demand for integration (54%) signals that MSPs want a centralized system that eliminates silos between essential IT management tools.

Other critical PSA features, cited in Figure 16, reflect the need for operational efficiency:

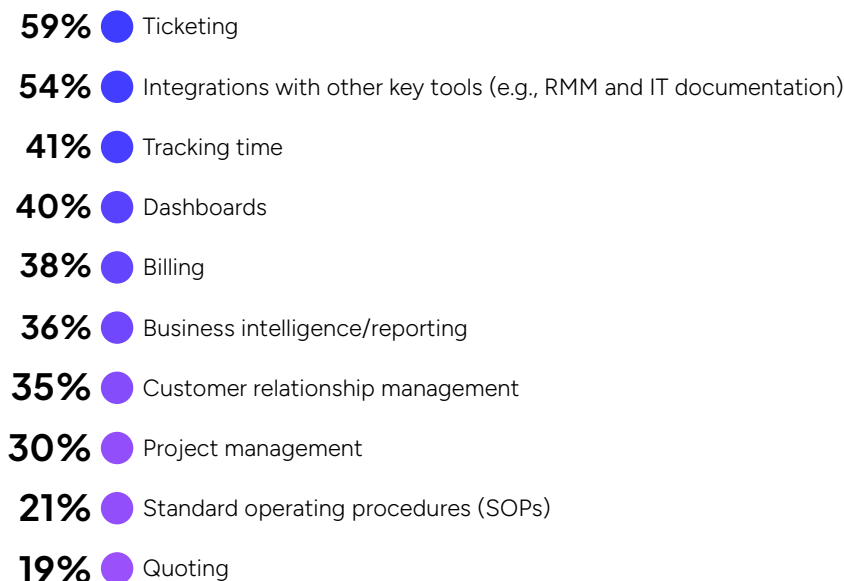
- 41% want better time tracking to ensure accurate billing and resource management.
- 40% prioritize dashboards for a real-time view of business performance.
- 38% emphasize billing, reinforcing the need for financial clarity.
- 36% value business intelligence and reporting, showing a growing focus on data-driven decision-making.

95%

of MSPs say integration between core MSP applications (RMM, PSA, security, IT documentation and backup) is critical

What MSPs want most in a PSA solution

Figure 16



What MSPs most want in a PSA solution

MSPs want a PSA that not only handles service management but also connects seamlessly with other tools. When core applications work together, it reduces context switching, increases efficiency and frees up technicians to focus on problem-solving instead of administrative tasks, as explained in Figure 17.

- **RMM and network monitoring (33%)** is the top PSA integration, enabling real-time visibility, proactive issue resolution and automation.
- **IT documentation (21%)** ensures technicians can quickly access configurations, service history and troubleshooting without leaving the PSA.
- **Accounting and general ledger (14%)** improves billing accuracy and financial tracking by reducing errors through seamless integration.
- **Security (12%)** helps MSPs manage cybersecurity risks by streamlining incident tracking and compliance reporting.

Most important PSA integration

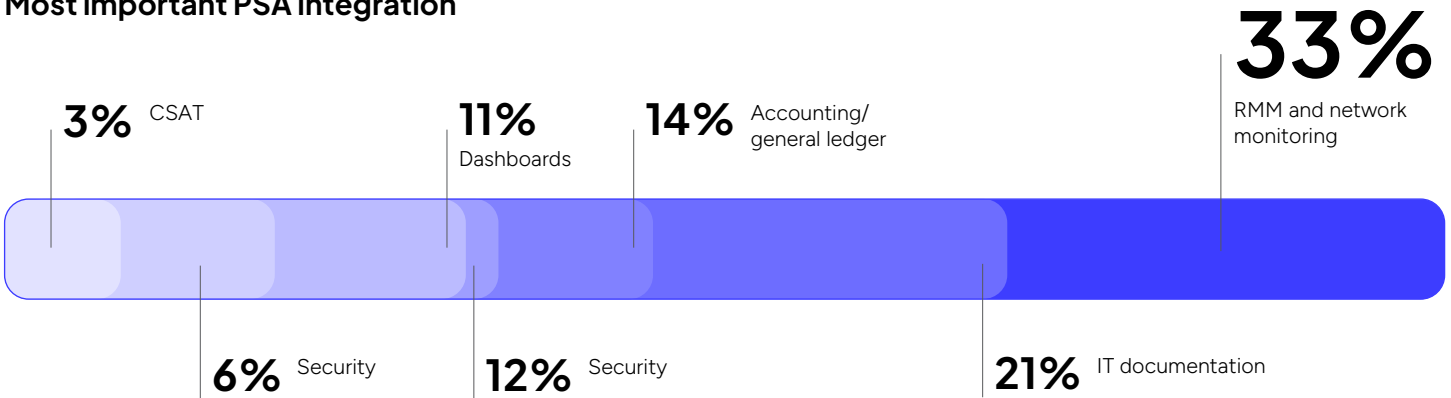


Figure 17



The ROI of integration: More work, less effort

For MSPs, integration isn't just a convenience; it's a game changer for efficiency, cost savings and business growth. The data in Figure 18 reveals that both executives and technicians recognize time savings and improved efficiency as the top benefits of integration.

Other observations:

- Cost savings matter, but there's a noticeable gap between leadership and frontline workers; 54% of executives see integration as a money-saver, compared to 41% of technicians. This suggests leadership has a broader view of reduced operational costs, while technicians experience more direct workflow improvements.
- Workload reduction is valued differently. While 52% of technicians say integration makes their job easier, 48% of executives agree, indicating that frontline workers feel a more immediate impact.
- Cost reduction and staffing efficiencies are real but vary. While 40% of executives say integration reduces overall costs, only 32% of technicians agree. Similarly, 38% of executives believe integration reduces the need for additional technicians; only 25% of technicians agree.

Integration benefits

● Technicians ● Executives

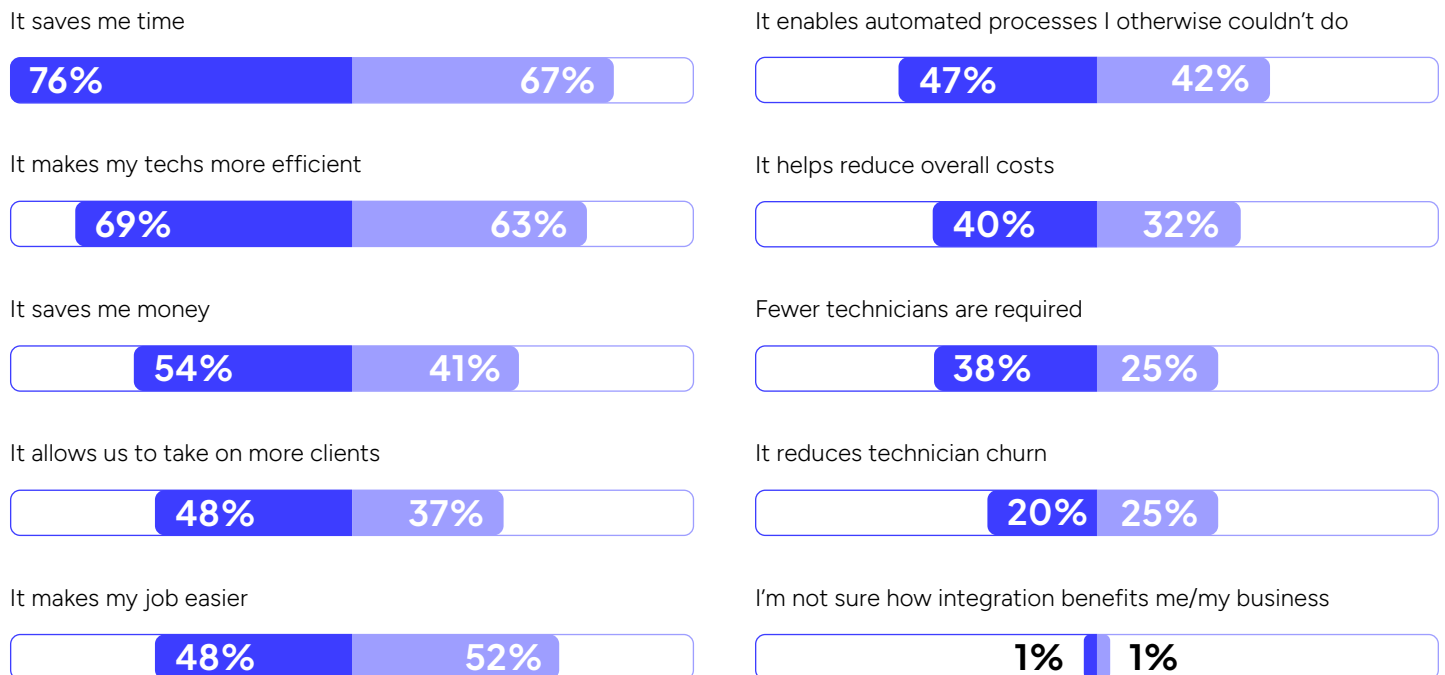


Figure 18

AI in MSP operations: Efficiency vs. security challenges

Beyond integration, AI is set to change how MSPs operate. The biggest impact? Eliminating tedious tasks (see Figure 19).

How MSPs are using AI in 2025:

- 30% of respondents say AI helps eliminate tedious tasks, slightly down from 33% last year, but still the leading benefit.
- 20% say AI frees up time for strategy and business growth, a noticeable increase from 15% in 2024. As AI adoption matures, MSPs are shifting focus from task automation to long-term business planning.
- 16% of respondents said AI's role in security held steady this year, up marginally from 15% last year.

While AI offers clear benefits, it also presents challenges:

- 19% of MSPs believe AI increases security risks, showing a slight drop from 20% last year, but still a major concern. As AI-driven automation expands, the potential for AI-related vulnerabilities grows.

Impact of AI on business

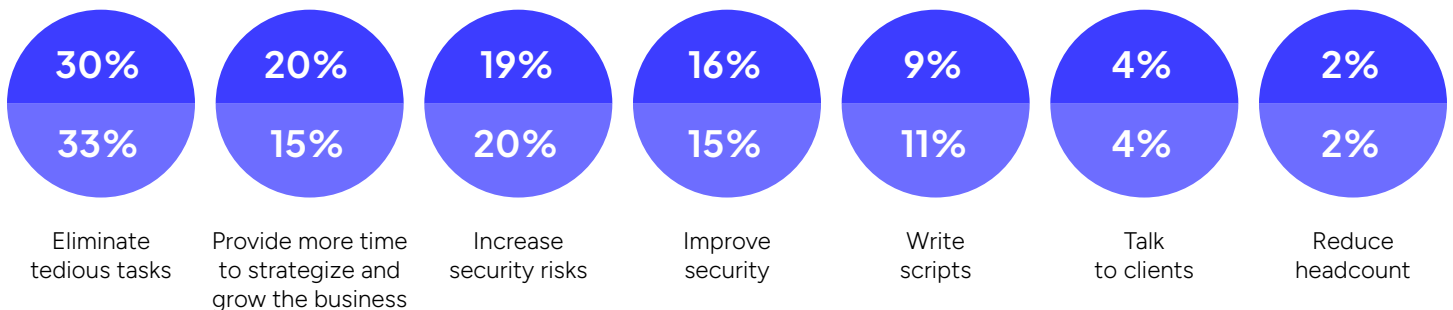


Figure 19

● 2024 ● 2025

Work-life balance: How MSPs juggle it all

Work-life balance has long been a pain point in the MSP industry. Late-night emergencies, long hours and unexpected IT crises have been part of the job for years. But as technology evolves and MSPs adopt automation and better processes, the situation is slowly improving, albeit not evenly across all roles.

The reality of MSP workload

Before diving into work-life balance, it is important to understand the scale of work MSPs handle daily.

Technicians are managing more endpoints

- In 2025, 32% of technicians reported handling more than 750 endpoints — a significant workload that requires efficient tools and automation (see Figure 20).
- The number of technicians managing 251 – 500 endpoints increased from 17% in 2024 to 21% in 2025.
- Meanwhile, the percentage of technicians handling 1–100 endpoints dropped from 25% to 22%.

Endpoints managed by technicians

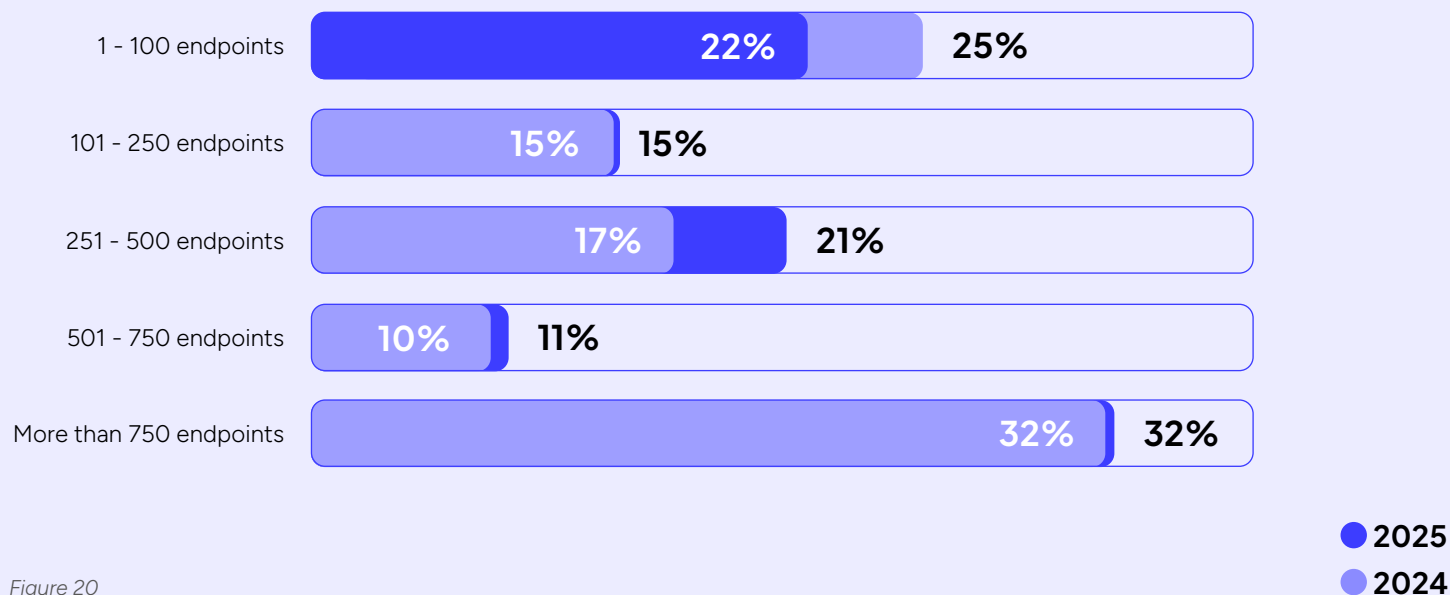


Figure 20

Executives oversee thousands of endpoints

While technicians manage endpoints on a day-to-day basis, executives are responsible for overseeing all customer endpoints across their MSP (see Figure 21).

- 60% of executives continue to oversee up to 1,000 endpoints, similar to last year.
- The percentage of executives managing between 5,001 and 10,000 endpoints increased slightly from 4% to 6%.

Total endpoints managed for all customers

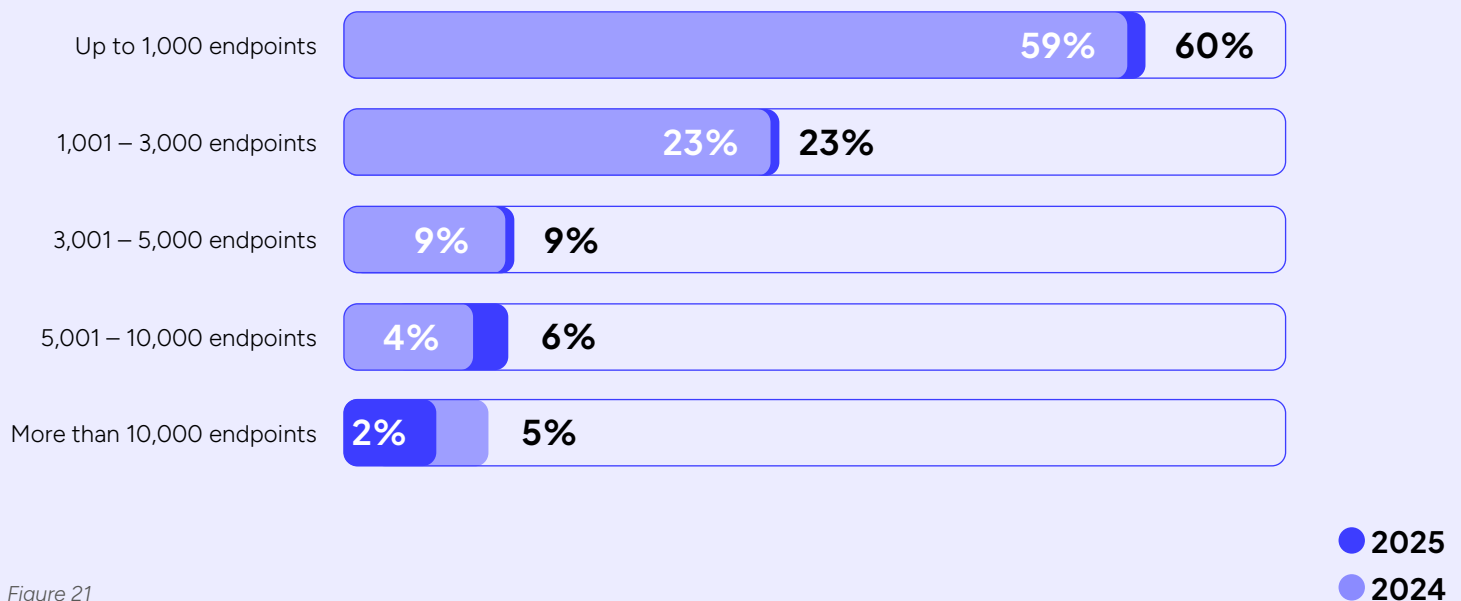


Figure 21

The sheer number of endpoints MSP executives and technicians oversee highlights the growing complexity of IT management. As endpoint volumes rise, so does the pressure on executives and technicians to ensure operational efficiency, security and customer satisfaction. When IT crises occur, managing thousands of endpoints adds to the challenge, making automation, integration and proactive monitoring essential for maintaining service quality and work-life balance.

How MSPs feel about their work–life balance

The good news is that daily workloads are becoming more manageable. The bad news is that when major IT disruptions happen, they still disrupt personal time. Figure 22 provides the details.

- Fewer technicians worked consecutive 50-plus hour weeks or pulled all-nighters, suggesting that day-to-day workloads are becoming more manageable.
- However, more MSPs reported missing family events and having had to cancel or end a vacation due to an IT crisis.
- Weekend and holiday work remains high, with 59% reporting that they had to work over a holiday or holiday weekend.

Workplace challenges

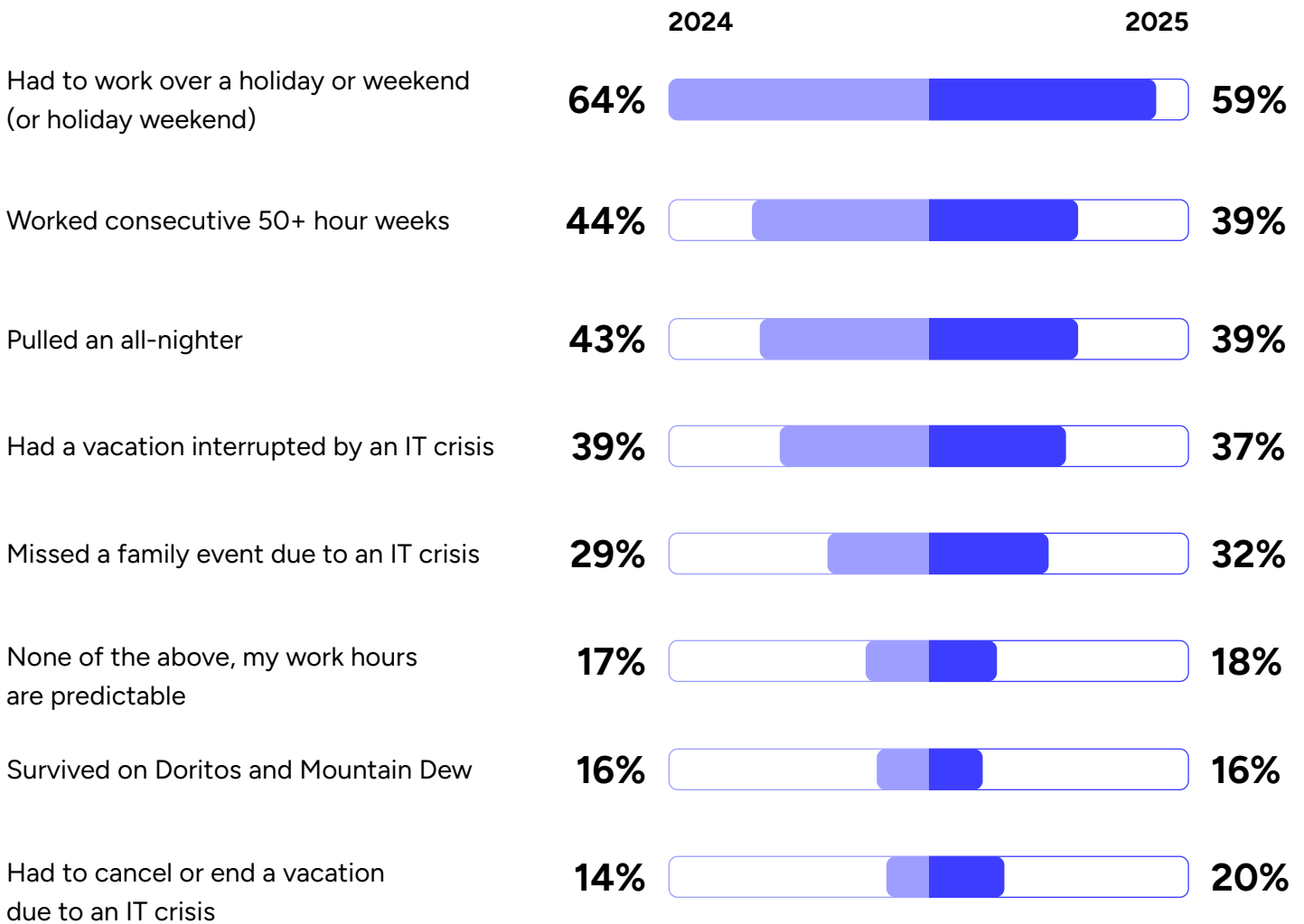


Figure 22

Despite these ongoing challenges, MSPs are feeling slightly more positive about work-life balance compared to last year, as illustrated in Figure 23.

- More respondents said their balance is improving.
- Fewer respondents reported feeling completely burnt out.

The slight increase in work-life balance satisfaction is likely due to better automation, improved tools and refined workflows, which reduce the burden of repetitive tasks and allow MSPs to work more efficiently.

Work-life balance

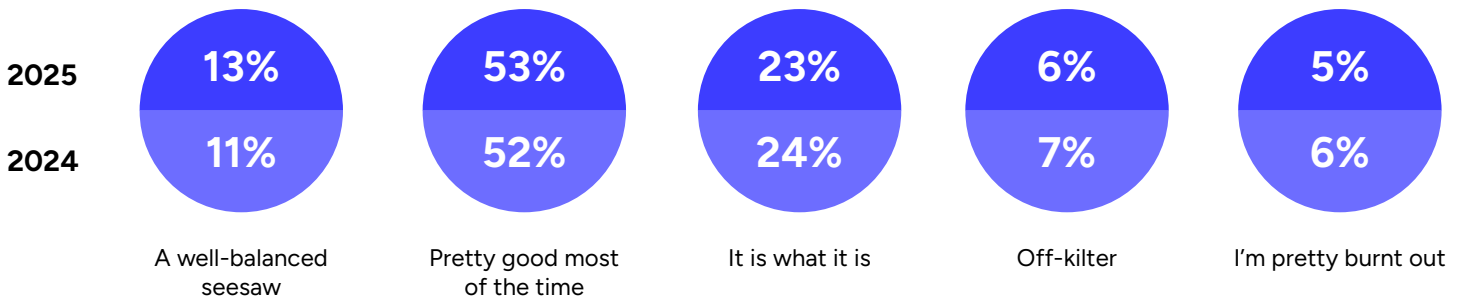


Figure 23



Year-over-year changes in work-life balance

- 51% say their balance is “better” this year, up slightly from 48% (see Figure 24).
- The percentage of respondents reporting a decline dropped to 13%, meaning fewer professionals are experiencing burnout or increased workload pressures.

Year-over-year changes in work-life balance

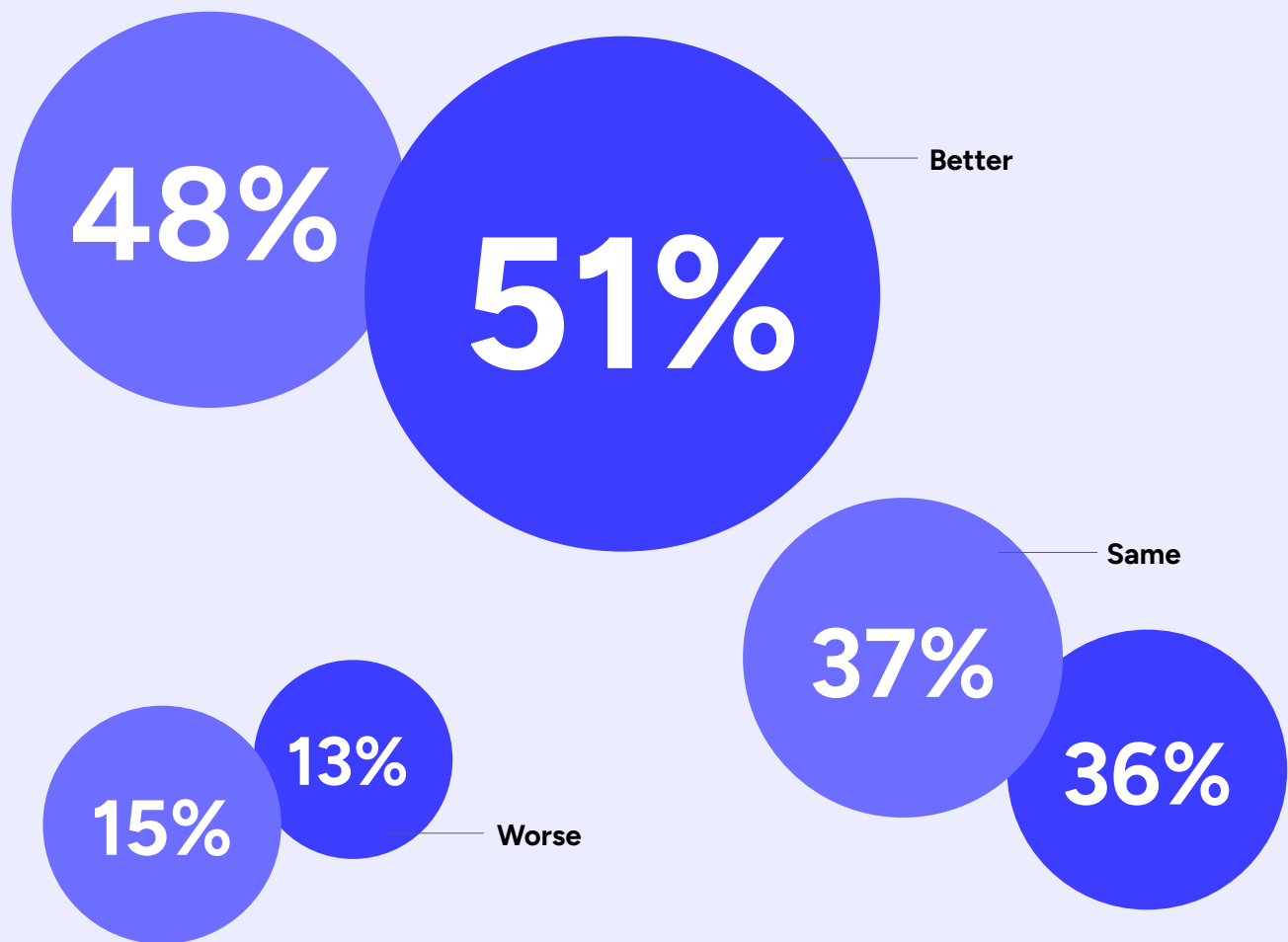


Figure 24

● 2024 ● 2025

Who feels the change?

Executives vs. Technicians

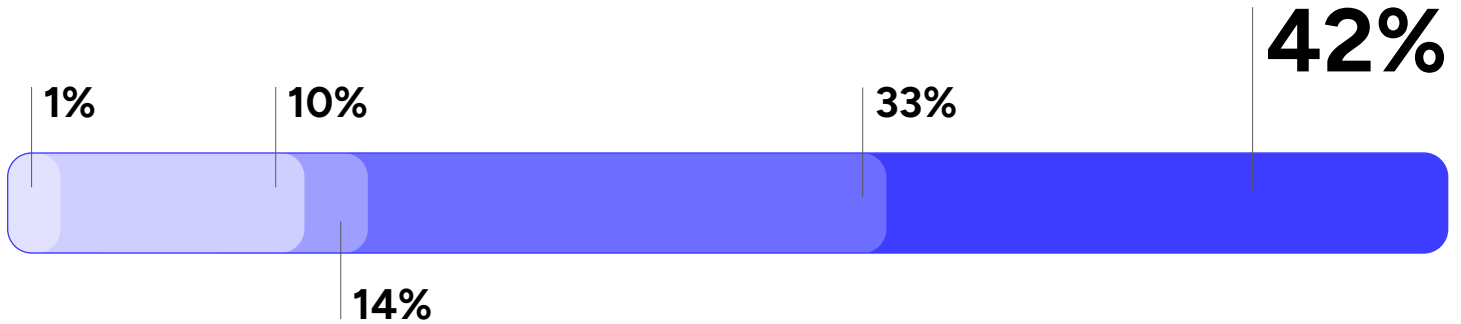
While work-life balance is improving overall, executives report a greater positive shift than technicians, as shown in Figure 25.

- Leadership feels the shift. More than half (56%) of executives say their work-life balance has improved, while only 46% of technicians feel the same. We combined the “much better” and “better” data points into a single group.

- Nearly 40% of technicians say their balance has stayed the same, compared to 33% of executives. The daily grind of IT management still weighs heavily on those handling tickets, troubleshooting and endpoint management.
- Technicians feel the strain more. 15% say their work-life balance has worsened, compared to 11% of executives. We combined the “worse” and “much worse” data points into a single group.

Change in work-life balance year over year

Executives



Technicians

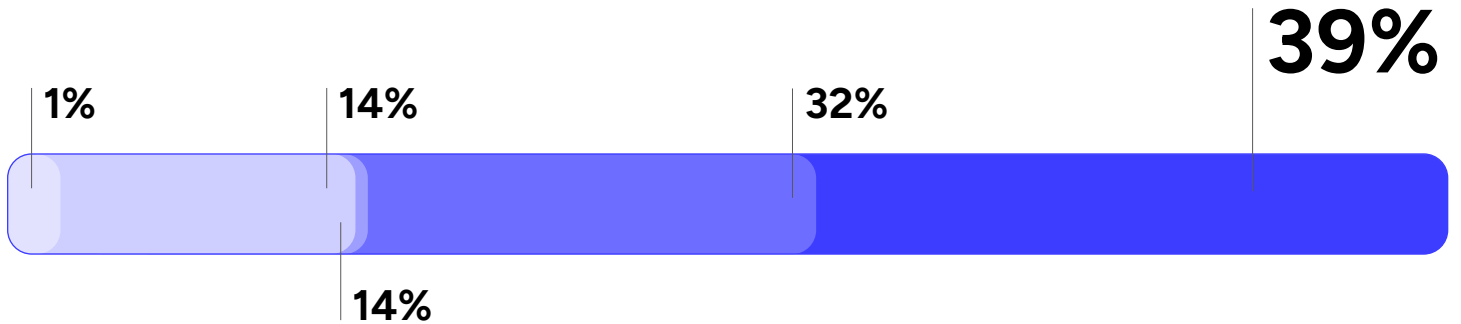


Figure 25

● Much worse ● Worse ● Much better ● Same ● Better

Conclusion

The 2025 Global MSP Benchmark Report reveals a rapidly evolving industry where automation, security and strategic growth are the keys to success.

MSPs are navigating fierce competition, escalating cyberthreats and evolving client demands. Yet, within these challenges lie new opportunities, from expanding cybersecurity offerings to leveraging automation for greater efficiency.

Mergers and acquisitions are gaining traction, marketing is becoming a priority and the demand for integrated solutions is reshaping how MSPs operate. As the industry moves forward, success will belong to those who adapt, innovate and build with the future in mind.

The road ahead: Strength in partnership

We understand that success doesn't happen in isolation. That's why we are deeply invested in helping MSPs navigate their journeys, not just by providing insights but by offering real solutions that drive meaningful results.

At Kaseya, we do more than provide tools. We listen, adapt and innovate based on what matters most to you. We understand the reality of running an MSP, and that's why our approach goes beyond technology.

Our products, policies and programs are all designed to help our partners grow and succeed.

Your success is our mission. When you grow, we grow. When you win, we win. And we're here to make sure you have the tools, resources and support to do just that. Explore how Kaseya's Partner First program can help you take the next step.



Appendix

Pricing models, contract terms and service revenue trends are constantly evolving in the MSP industry. This section explores key data points around managed services pricing, revenue growth and billing models while unpacking what it all means for MSPs navigating a competitive landscape.

Monthly recurring revenue trends

MRR remains a key indicator of MSP financial health, and the data shows a gradual shift toward higher-value services. While mid-to-high MRR tiers are expanding, nearly half (48%) of MSPs still earn less than \$2,500 per month. (see Figure 26).

- Lower MRR tiers remain dominant. 24% of MSPs earn up to \$1,000, and another 24% fall in the \$1,001 – \$2,500 range, reinforcing that a significant portion of the market still operates on lower-margin contracts.
- Mid-range MRR growth is accelerating. The \$2,501 – \$3,500 category jumped from 13% in 2024 to 22% in 2025, showing that more MSPs are successfully increasing per-client revenue.
- The \$3,501 – \$5,000 tier grew from 10% to 12%, while the \$5,001 – \$10,000+ range increased from 14% to 15%, indicating that a small but growing segment of MSPs is scaling their operations and securing higher-value contracts.

Average MRR

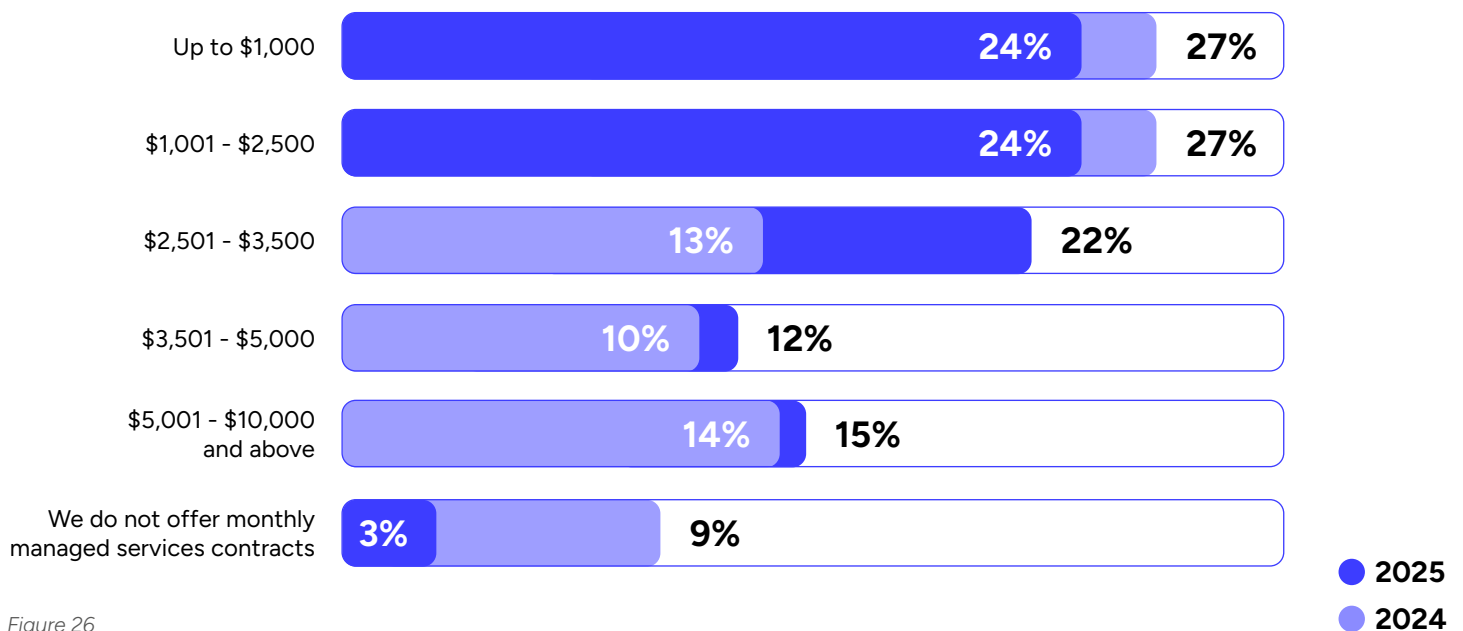


Figure 26

Monthly recurring revenue growth

Most MSPs have experienced moderate but consistent MRR growth over the past three years, signaling a stable and expanding industry (see Figure 27).

- The majority of MSPs report steady growth. The 6% – 10% growth range is the most common (27%), showing that many providers are expanding at a manageable pace.
- High-growth MSPs are thriving. 17% of MSPs saw MRR growth exceed 20%, indicating that those offering high-value services and premium bundles are significantly increasing their revenue.
- Industry stability remains strong. Only 7% of MSPs reported declining MRR, a slight increase from 6% in 2024 but consistent with 2023. This suggests that while some businesses face challenges, most MSPs are maintaining or growing their revenue streams.

Average MRR growth

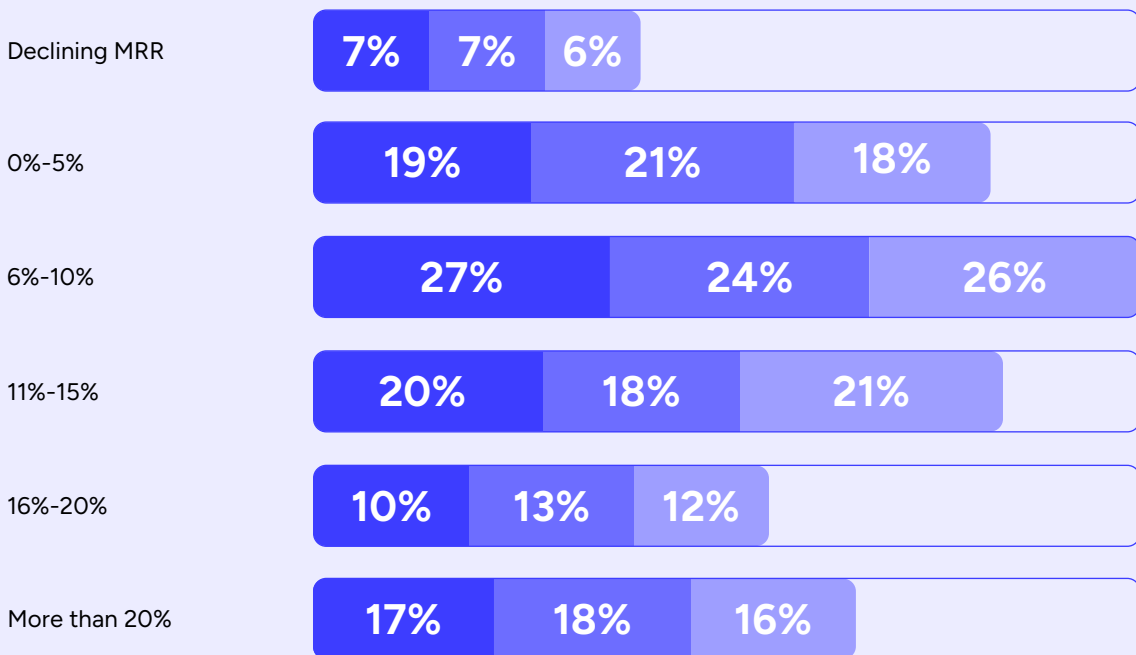


Figure 27

● 2023 ● 2024 ● 2025

Where revenue is growing and where it's shrinking

The biggest revenue driver for MSPs continues to be security services, with 67% reporting growth in this area, as explained in Figure 28. Cloud management (49%) and desktop support (46%) also saw strong increases, reflecting the ongoing shift toward cloud-based solutions and remote workforce support.

Services that stayed flat are indicated in Figure 29.

Service categories in which revenue increased workload

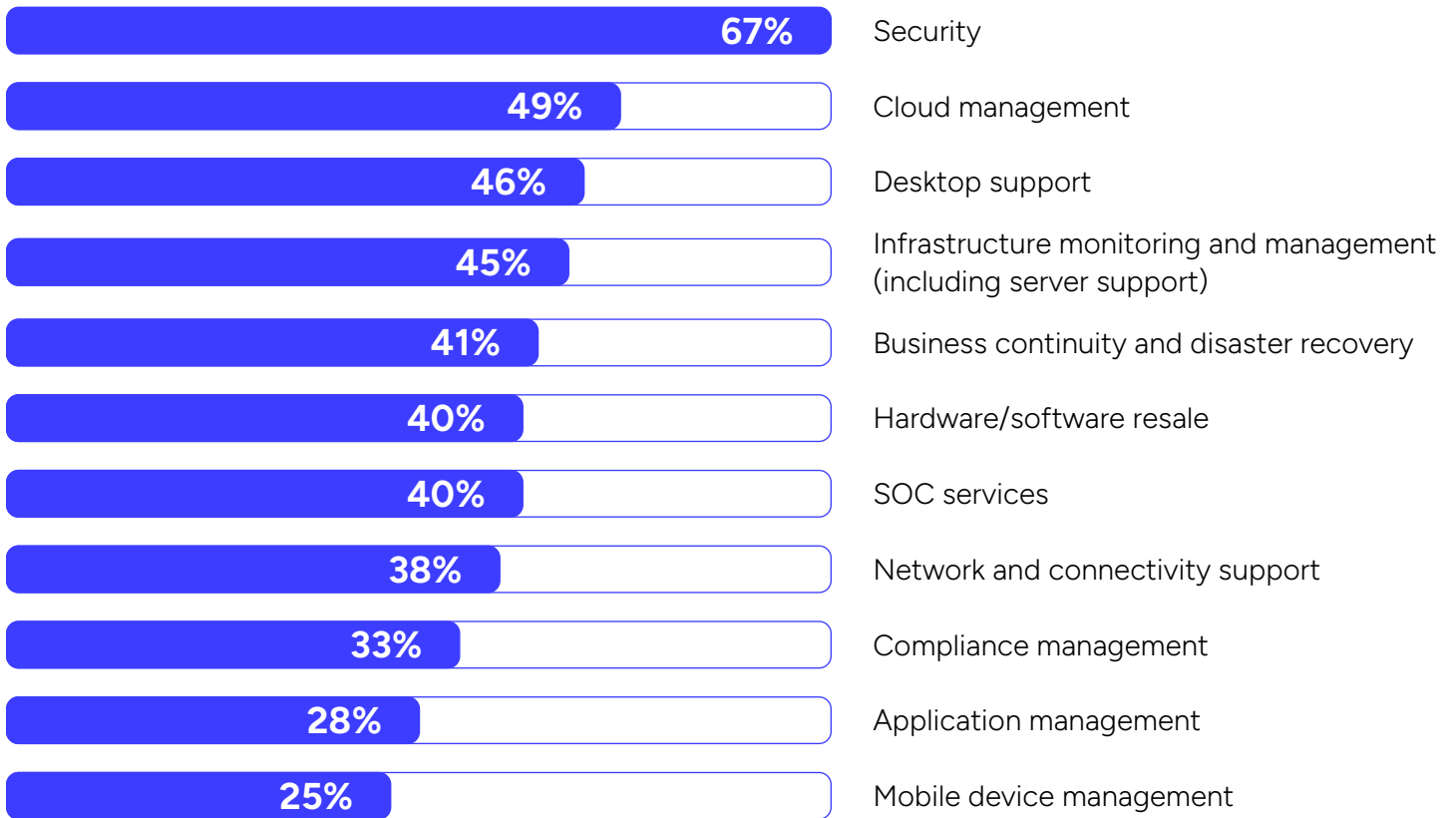
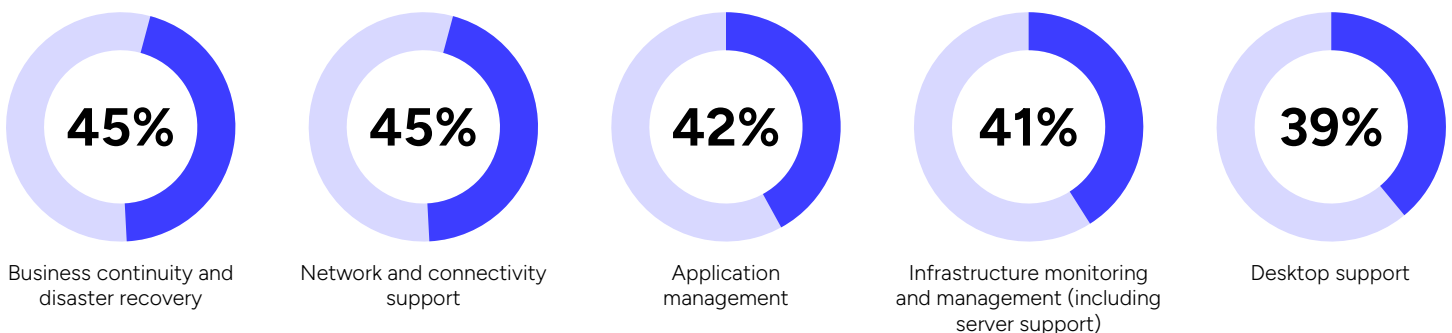


Figure 28

Service categories in which revenue stayed flat

Figure 29



However, some service categories are experiencing revenue declines, as shown in Figure 30. Hardware/software resale (17%) and mobile device management (11%) are becoming less profitable, likely due to shrinking margins and increased competition from vendors. SOC services also declined (11%), possibly due to staffing shortages or a shift toward outsourced SOC solutions.

Service categories in which revenue decreased

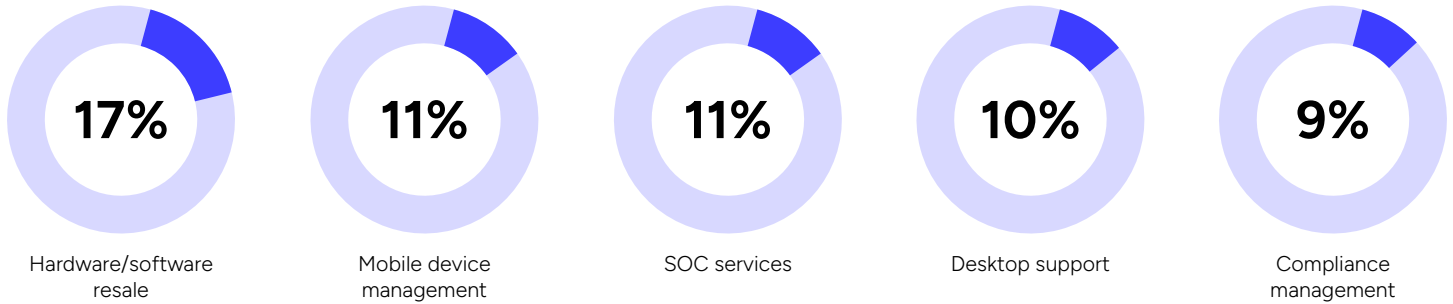


Figure 30



MSP profitability: A shift toward higher margins

MSPs are becoming more profitable, with net profit margins moving toward mid-to-high ranges. This suggests stronger financial management, better pricing strategies and a focus on high-value services (see Figure 31).

- More MSPs are seeing strong profits. 16% report net margins above 30%, while another 15% fall within the 25% – 30% range.
- The number of MSPs breaking even or losing money has declined. Only 5% are still not profitable, and just 5% are breaking even, down from 7% last year.
- Midrange profit margins (11% – 20%) are growing. 30% of MSPs now report margins between 11% and 20%, reflecting steady financial gains.

Net Profit

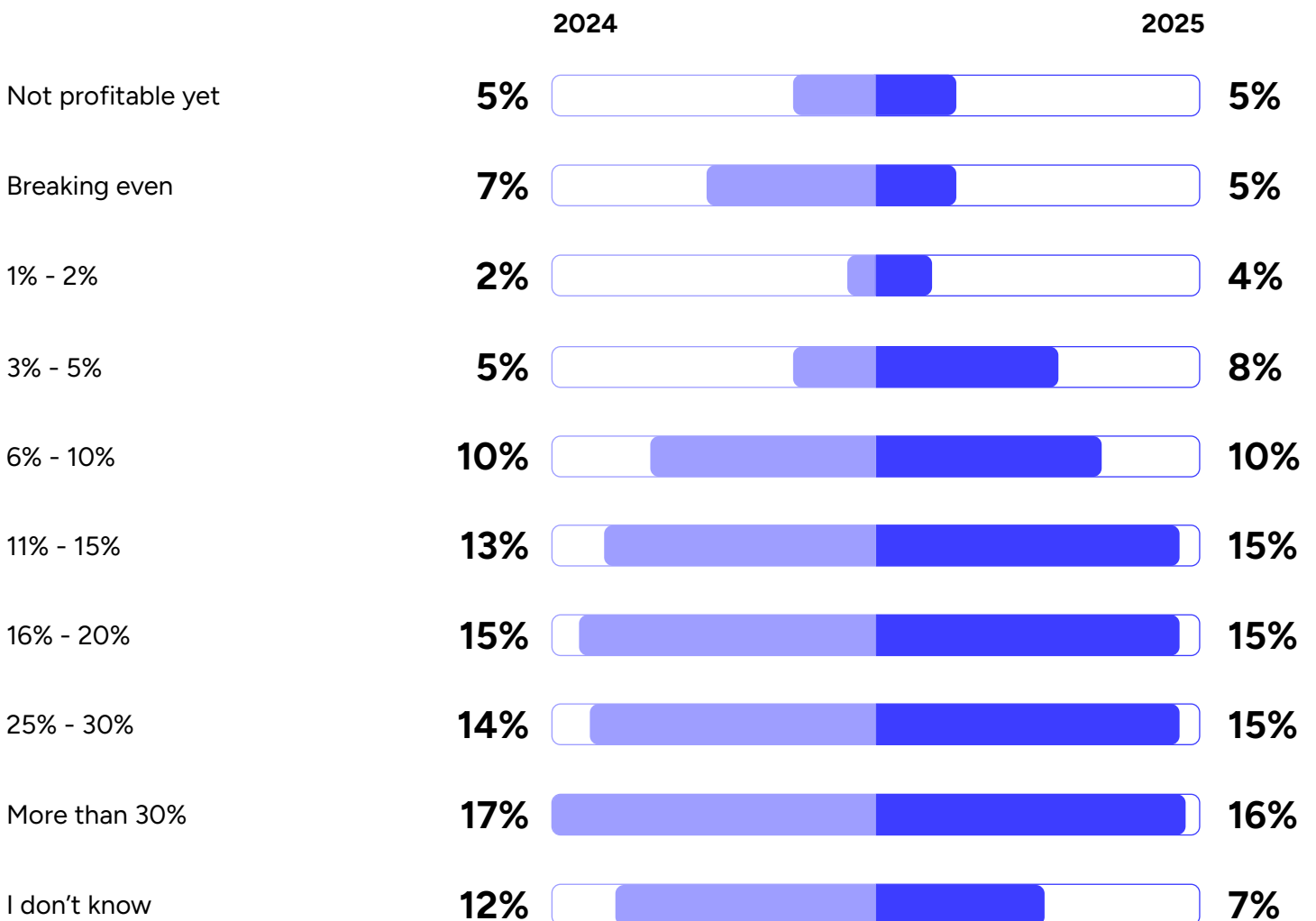


Figure 31

MSP contract terms: A preference for flexibility

The data confirms (see Figure 32) that one-year contracts remain the industry standard, providing a balance between stability for MSPs and flexibility for clients. While month-to-month agreements are still widely used (27%), longer-term contracts beyond two years are far less common.

Contract terms

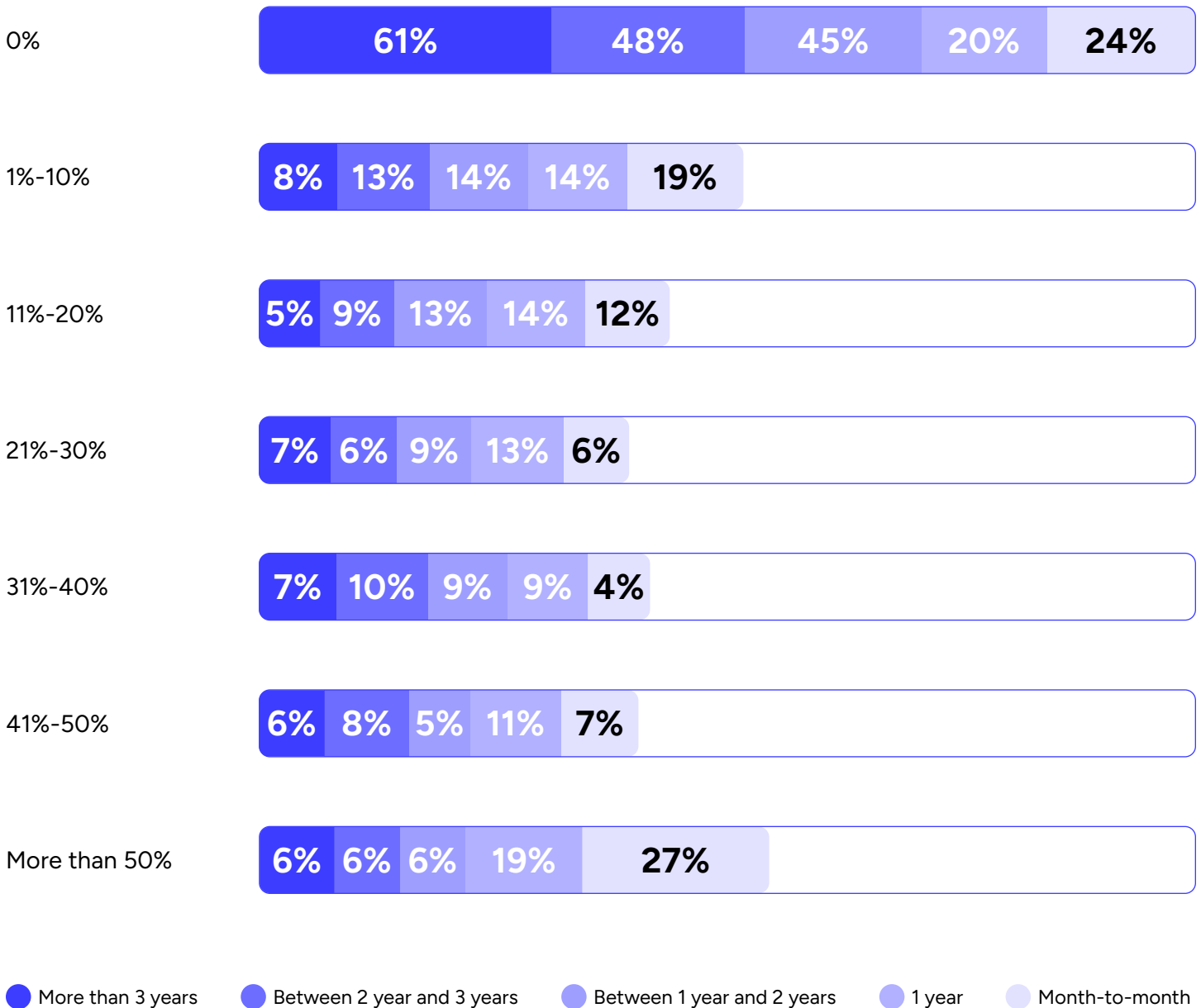


Figure 32

Billing and pricing models

MSPs are refining their billing models to balance flexibility, profitability and recurring revenue growth. The data in Figure 33 reveals a gradual shift away from mixed per-user and per-device pricing and a steady presence of tiered and value-based models.

- 22% of MSPs use a mix of per-user and per-device billing, down from 26% in 2024. This suggests some providers are shifting toward simpler, more standardized models.
- Tiered bundles (Gold, Silver, Bronze) and value-based (fixed-fee) pricing remain stable, showing that MSPs are continuing to experiment with service packaging.
- Incident response billing increased from 5% to 7%, reflecting the growing demand for emergency support services.

Predominant billing model

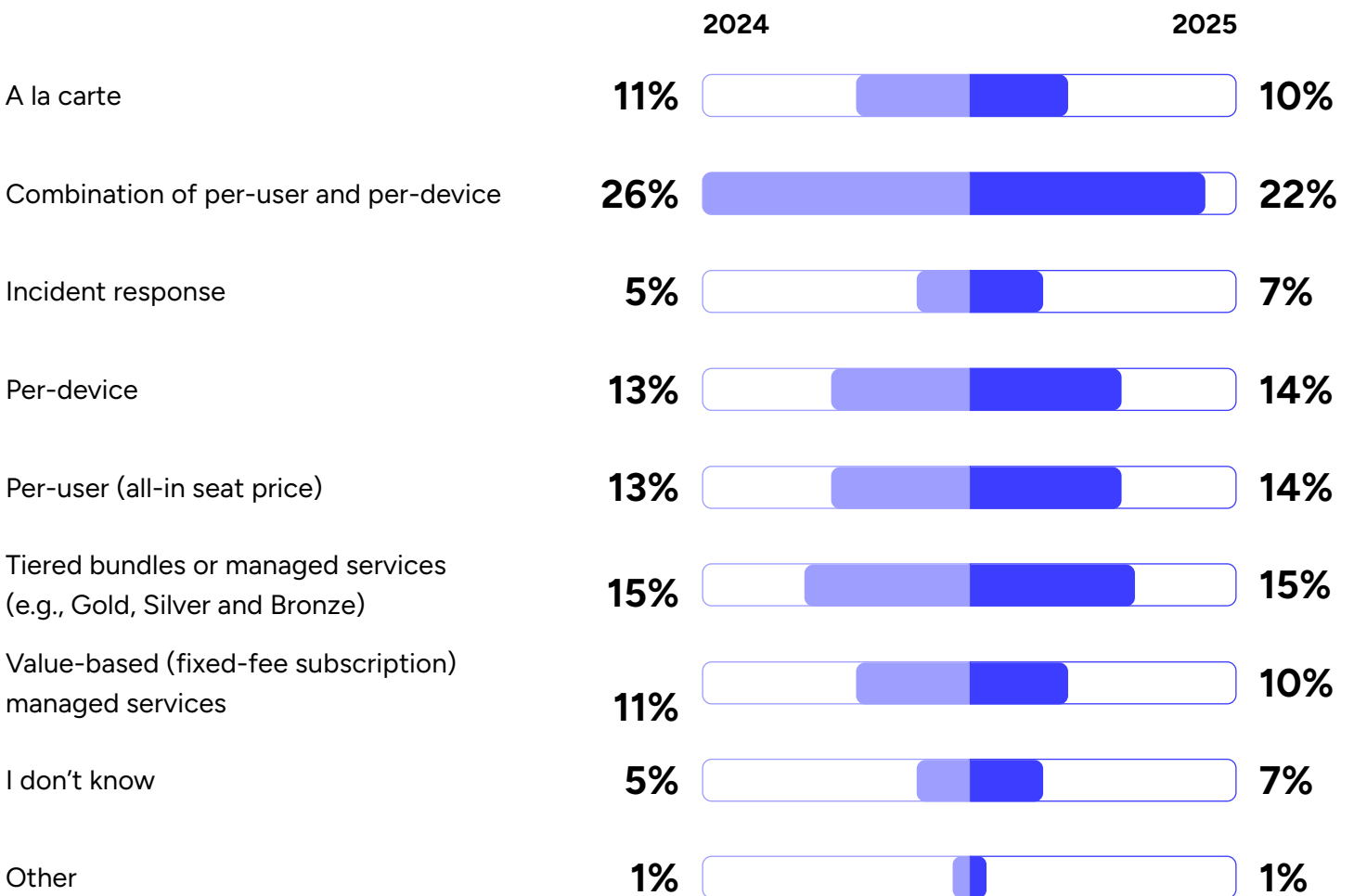


Figure 33

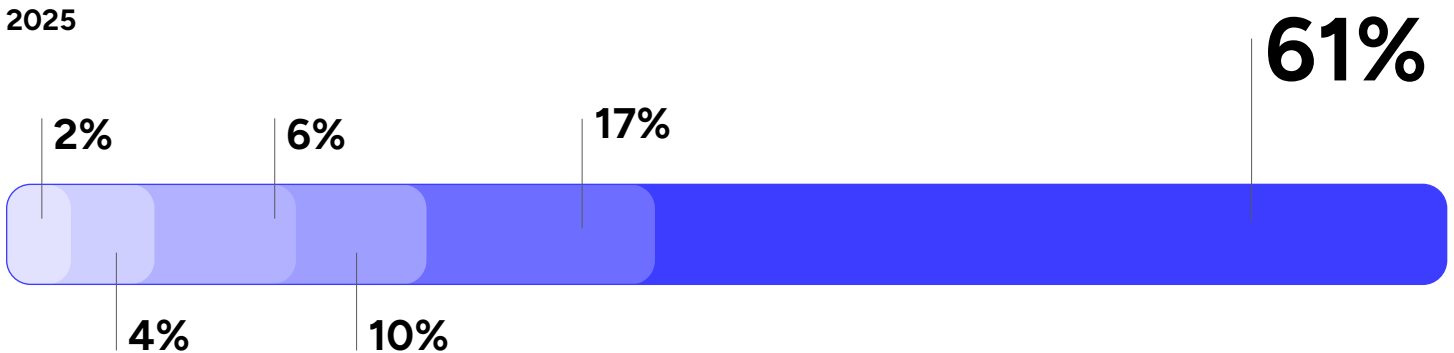
Break-fix pricing model

Even as MSPs shift toward recurring revenue models, break-fix services remain a key part of the industry and is billed on a per-hour basis (see Figure 34).

- 61% of MSPs charge \$101 – \$ 200 per hour for break-fix work, making it the dominant price range.
- There is a slight increase in both the lowest (\$50 per hour) and highest (\$200+ per hour) pricing tiers, indicating that some MSPs are competing on price while others charge premium rates for specialized services.

Hourly rate for break-fix work

2025



2024

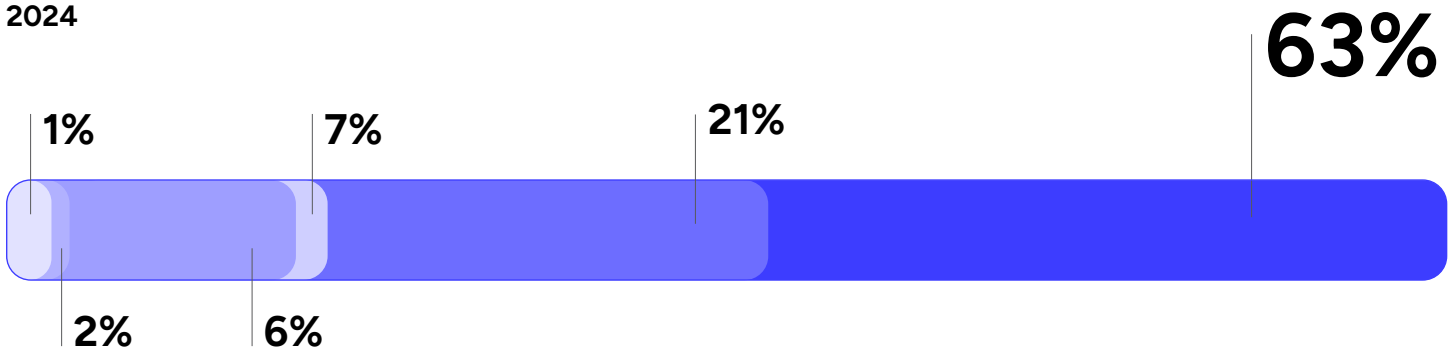


Figure 34

Per-device pricing model

Per-device pricing remains relevant, with an increase in the \$101 – \$150 per-device range, signaling a trend toward higher-value managed services pricing (see Figure 35). The most common range remains under \$50/device (24%).

Per-device pricing model

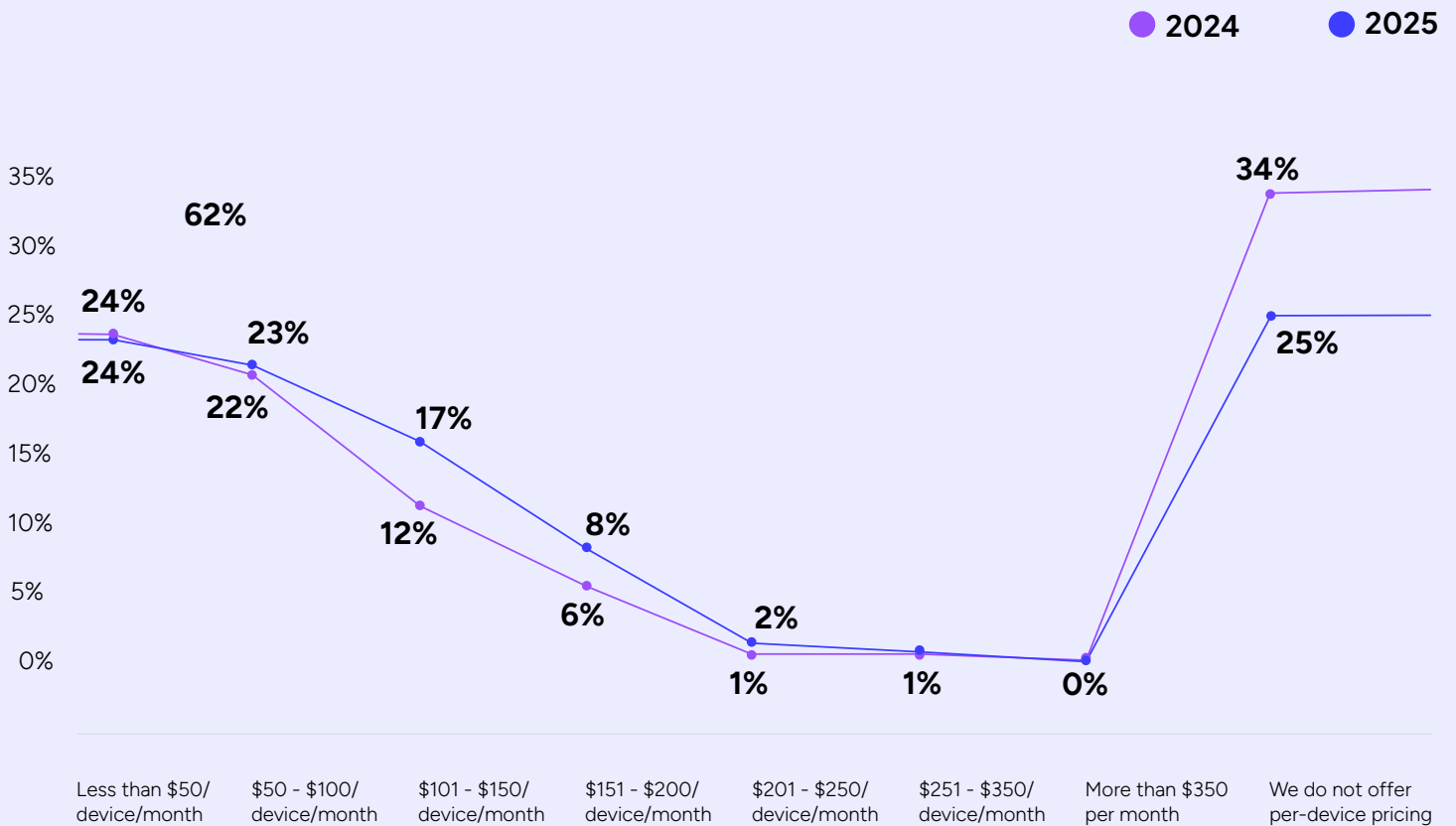


Figure 35

Per-user pricing model

MSPs are increasingly shifting to higher-value per-user pricing, positioning themselves as premium IT providers (see Figure 36).

- The \$101 – \$150 per user/month range grew from 15% to 19%, reflecting MSPs' move toward premium service offerings.
- Lower-tier pricing (\$50 – \$100 per user) remains dominant (20%), but there's a noticeable shift toward higher-value pricing models.

Per-user pricing model

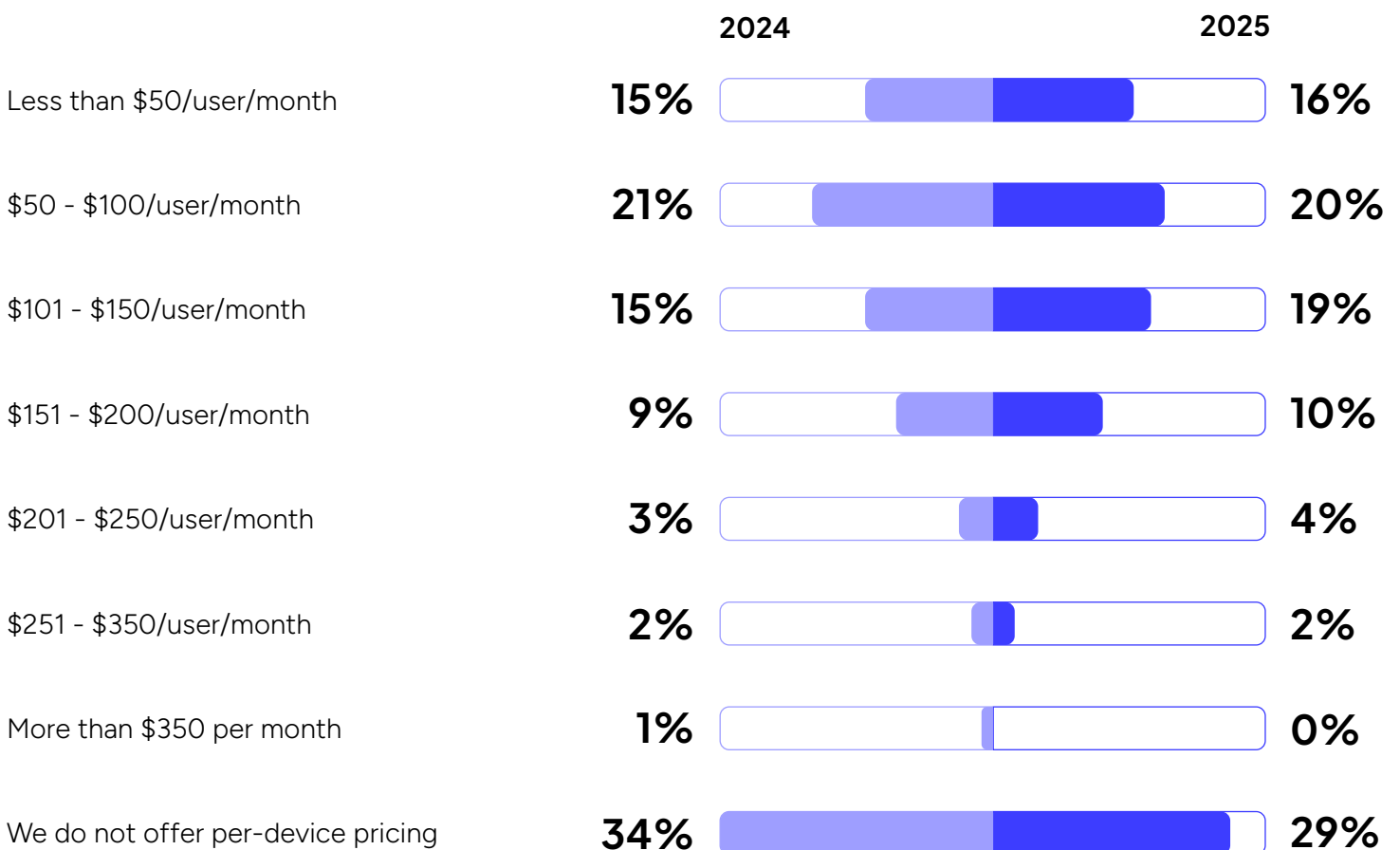


Figure 36



Survey methodology

Kaseya conducted its annual MSP Benchmark Survey in November 2024 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 2024, where applicable. All current results are included in the global statistics described as "2025." 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).