

Who really are these MSPs...?

Written by Jack Mandard
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by Jack Mandard, founder and CEO, compuBase



Ever since IT existed and required distribution networks to sell products, it engendered acronyms, to such an extent that there are now web sites dedicated to deciphering what these acronyms actually mean.

The wealth of a language is often related to its depth of precision and this naturally depends on the environment in which the language is used. For example, English uses more naval terms than any other language, the insular nature of the country's inhabitants having placed navigation at the very heart of their language. This alone has [generated over 1700 words](#) ...

In certain IT professions one could quite naturally hear " I'm an ISP(2) and I'd like to find a VAD(3) to aggregate a group of ISVs(4), so that I can offer my VARs(5) solutions to help them become MSPs(6)." This wouldn't strike anyone as unusual, but it could very easily lead to misunderstandings about what is actually meant. The whole thing can become even more complicated when the acronyms themselves are translated, leading to grotesque misunderstandings such as "I'm looking to recruit FAIs(7)"... "Ah, that's a shame I only know ISPs".

You might think that this is just a one-off example, but that is far from being the case. Our consultants regularly come across this, for instance when they are contacted by both the client

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and the client's marketing agency for the same operation. When this happens the description of the target required for the operation can be radically different. What is more, analysis of an operation's success shows that the quality of target definition is absolutely vital to the understanding of any message delivered and that 94% of failed operations are due to poor target definition.

So, when a new expression starts to become popular one has to be extremely careful that each component part of it is comprehensible. MSPs "Managed Service Providers" are currently considered the Holy Grail for many Cloud enterprises. At a recent conference it was amusing to watch a heated debate in which each party defended their own definition of "MSP". Here is the definition we shared with them: "A company commercializing remotely managed services, without owning the intellectual property or the infrastructure". As you can see, this is a fairly restrictive definition and would appear to exclude hosting companies, ISVs and telecom operators, including only companies that actually resell services. Another definition might be "A company commercializing their own or third party services managed remotely" which would of course be more consensual, but the disadvantage would be that as it is a much broader definition it would have to systematically include exceptions.

In fact, the term "MSP" like the term "VAR" is a new expression which arose in response to a problem; it doesn't actually constitute an activity but rather a quality, the quality of being able to resell a service.

The service may be Cloud solutions, for network administration, message hosting or web services, or even SaaS solutions. An MSP knows then how to sell services, how to sell them in a recurrent way, using the Cloud, has the human resources to provide consultancy and client support, and manages and invoices the client.

This notion of "quality" means one can include all categories of activities as long as the commercialization is handled using third party solutions, for example a hosting company may be considered an MSP if its offer includes third party solutions (SaaS for example, or Cloud solutions for certain offers). So where can one find these famous partners we call MSPs? A recent study we made on Cloud skills reveals three activities that stand out from the rest: Outsourcing (facilities management), hosting, and the integration of software solutions. These are currently activities which are the most adapted to service solution commercialization by third parties. It is therefore our primary objective to educate and to build up this new category of players.

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The following table shows the current number of such companies potentially available, of course less than 20% of them can be qualified as MSPs today, but potentially almost all of these companies could be qualified as such in the future.

	Germany	Spain	France	United Kingdom	Italy	Europe
Traditional facilities management	1423	1512	3092	943	1303	12743
Companies providing hosting , storage, and backup services/laaS	1848	523	1974	1592	1079	10633
Service suppliers specializing in the integration of applicative solutions	6412	1020	6268	6490	2778	31392
Total	8108	2349	8545	7015	3657	42503

1. Internet Services Provider
2. Value Added Distributor
3. Independant Software Vendor
4. Value Added reseller
5. Managed Service Provider
6. « Fournisseur d'Accès Internet » « ISP » in English

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