

# Vendors can help MSPs to grow their cyber-security portfolios while also benefitting themselves

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Small and medium-sized business (SMBs) continue to show strong demand for cyber-security services, and many report a desire to purchase security solutions from their trusted managed service providers (MSPs). However, many MSPs lack the expertise to provide full-scale security to clients, despite this strong opportunity. Cyber-security and MSP-focused vendors can help MSPs to bolster their security credentials, while also benefitting themselves.

## SMBs are purchasing more of their cyber security via MSPs

Many SMBs already work with channel partners for their cyber-security needs. Our report, [SMB technology survey insights: getting back to business](#), shows that 30% of SMBs already purchase at least some of their cyber-security solutions via MSPs. We predict that SMBs' security spending via MSPs (including managed security service providers (MSSPs)) will grow from USD25 billion in 2022 to USD48 billion in 2027, at a CAGR of 14%.

Figure 1: SMBs' security spending, by channel, worldwide, 2022 and 2027

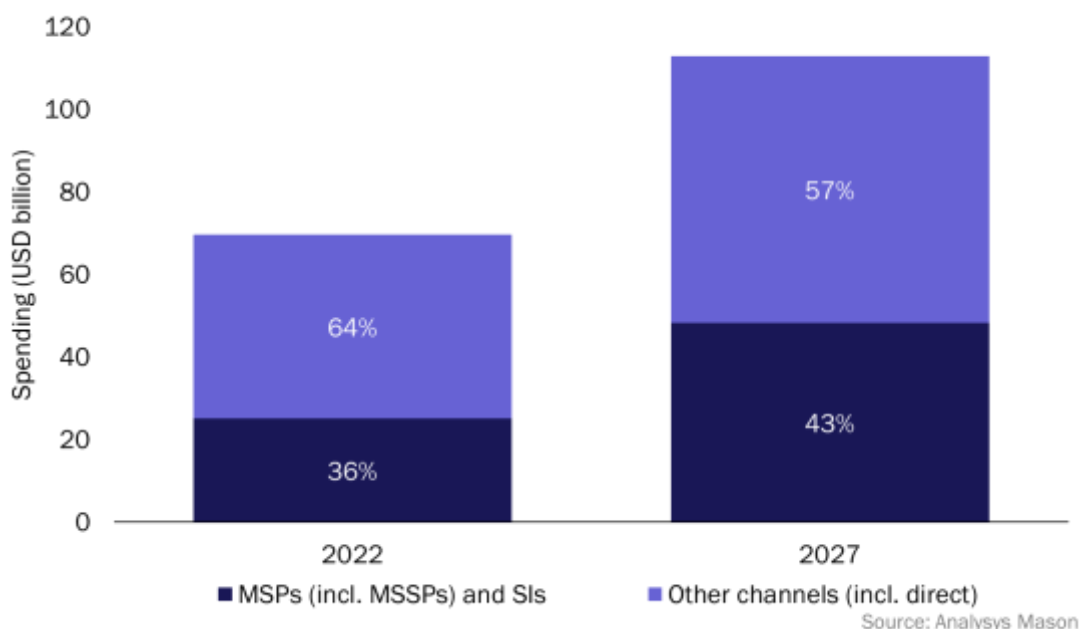


Figure 1 shows that 43% of all SMB spending on cyber security will go to MSPs and systems integrators (SIs) by 2027. Businesses that have started to work with an MSP for general IT workloads are likely to want to work with the same partner to address their cyber-security needs. SMBs typically prefer to work with fewer parties

when possible, and they lack the time needed to meet and vet new providers. This creates a strong ‘land and expand’ opportunity for MSPs, which can also benefit the vendors that sell security solutions.

## Many MSPs lack the expertise to provide comprehensive cyber-security services

Many MSPs are not well-equipped to provide the full scope of security that SMBs need, despite the growing security opportunity. MSPs typically start off as value-added resellers (VARs) that adopt managed services into their portfolios or as very small shops (with fewer than five employees) that monitor IT for clients remotely. These providers are typically focused on monitoring and managing hardware and network infrastructure, along with other specialised services.

MSPs often begin the foray into security with basic solutions such as reselling anti-virus and email protection products. Moving into offering more-sophisticated cyber-security solutions is a challenge for these MSPs because managing security is very different to implementing and managing IT and requires specific skills that need to evolve regularly. However, MSPs risk stagnation if they are unable to add security solutions into their portfolios.

## Vendors can help MSPs to grow their security portfolios by providing training, sales and marketing support and by facilitating partnerships

Vendors that sell security solutions have an opportunity to significantly increase the size of their addressable market if they can help their partners to become better at selling and managing security services. Vendors can help their partners to build profitable security portfolios by providing technical training, sales and marketing support, and by offering partner-to-partner collaboration.

Technical expertise is a major barrier for MSPs that are looking to offer security solutions. Vendors can help these partners to fill any gaps by offering comprehensive training programmes. For example, ConnectWise has a security assessment tool that allows MSPs to determine where they are on the security journey and what types of solutions they need to offer in order to become a security provider. [ConnectWise also announced a partnership with CompTIA](#) in July 2022 to provide training and certification for cyber-security roles. These programmes will help MSPs to find cyber-security professionals for their teams.

Many MSP also lack the right sales and marketing competencies. Vendors can empower their MSP partners that are shifting their focus to security by providing co-marketing and co-selling support. Microsoft’s partner programme is a good example. Microsoft discussed some of the benefits of its security focused co-selling programme during a break-out session of the [2022 Microsoft Inspire partner event](#). These benefits include:

- access to a marketing consultant
- profile optimisation and referral management
- ready-made and customisable marketing assets
- on-demand digital marketing content.

Datto is also focused on providing MSP training. [The Datto Academy](#) provides best practices on how MSPs can grow their sales for data back-up and SaaS protection services.

Finally, vendors can help MSPs to sell security solutions by connecting them with other partners. Some MSPs do not want to become MSSPs, and some MSSPs want to focus solely on security. In these cases, it makes sense for MSPs and MSSPs to partner to provide full-scale IT solutions and security to the end customer. These partnerships can be facilitated by vendors via partner events and referrals. It is a reasonable fit considering that MSPs are already accustomed to reselling and monitoring third-party products. Vendors can use their partner events as ways to help partners to connect.

BlueVoyant is an example of an MSSP that partners with MSPs and enables them to sell solutions such as managed detection and response (MDR) for Microsoft, Splunk and others. The MSP does not need to gain expertise in security; instead, they can use BlueVoyant's expertise to boost their own revenue and offerings.

## Vendors can gain greater traction in the SMB space by helping MSPs to improve their cyber-security offerings

Cyber-security vendors have a strong opportunity to meet the growing demand among SMBs, but they will need to partner with MSPs and MSSPs in order to reach the fractured SMB market. Supporting MSPs in their efforts to provide security services is a good investment, and vendors can take advantage of MSPs' existing client bases and experience of selling to SMBs. Helping MSPs also enables vendors to broaden their reach in the SMB landscape without having to continuously scale and grow internal sales teams.

Analysys Mason provides granular insights on the MSP and SMB opportunity and has worked to develop playbooks to help vendors to better partner with MSPs for a variety of services. You can learn more about Analysys Mason's SMB and MSP capabilities at:

- [Unlocking the managed service provider opportunity in the SMB channel ecosystem](#)
- [SMB Technology Forecaster](#)
- [SMB IT Channels and Forecasts](#).