



# Managed Service Provider (MSP): A Peek into the Buyer's Mind – Digital and Futuristic Outlook is the Key to Buyer Delight

Managed Service Provider (MSP)

Market Report – August 2018: Complimentary Abstract / Table of Contents

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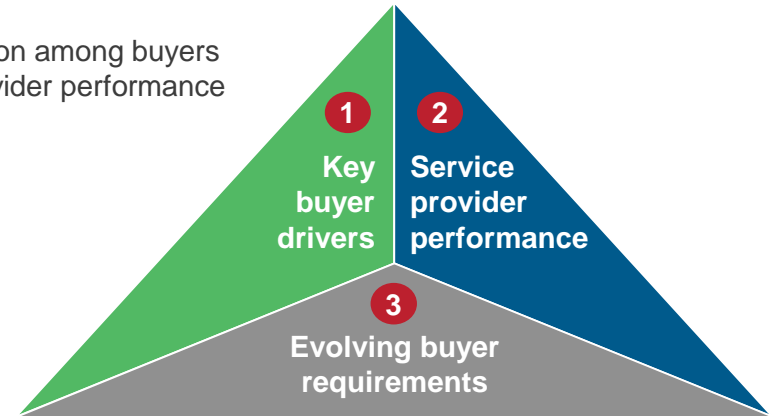
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# Background and methodology

## Objective

- This report aims to provide an insight into the key factors driving MSP adoption among buyers in addition to an overview of the buyers' perception of aggregate service provider performance
- The analysis in this report is presented at three levels:
  - Key factors driving MSP adoption among buyers
  - MSP provider performance
  - Evolving buyer requirements
- For this analysis 31 buyer feedback surveys and interviews have been considered, which were conducted by Everest Group in 2017



## Methodology

Everest Group undertakes global web-based surveys and conducts one-on-one executive-level interviews with buyers to understand how organizations perceive the performance of their MSP provider. The surveys/interviews focus on different aspects of an outsourcing relationship including:

- Key drivers for adopting MSP and buyer-provider relationships
- Contract details (including process scope, signing year, and duration)
- Overall performance of the service provider including key strengths and improvement areas
- The level of buyer satisfaction and the underlying reasons
- Detailed assessment of service provider performance across elements such as:
  - Key MSP metrics
  - Various subprocesses covered
  - Implementation and transition phases
  - Governance and relationship management
  - Technology and innovation

# Overview and abbreviated summary of key messages

This report aims to provide an insight into the key factors driving MSP adoption among buyers, in addition to providing an overview of the buyers' perception of aggregate service provider performance.

**Some of the findings in this report, among others, are:**

## Key buyer drivers

- While cost reduction (traditional parameter) stands as the most important driver for MSP adoption, buyers are increasingly driven to adopt MSP due to factors such as making contingent workforce management future ready, impacting top line growth

## Service provider performance

- Overall service provider performance declined owing to a widening gap in expected performance across next-generation requirements
- Softer parameters, such as relationship management and next-generation solutions, now have a higher correlation to the overall performance as the buyer's expectations from MSPs evolve

## Evolving buyer requirements

- Most buyers are willing to expand the scope of their relationships with their incumbent MSPs, especially around SOW (Statement of Work) / service procurement, total talent management, and digital tools(primarily analytics and automation)

# Research calendar – Managed Service Provider (MSP)

■ Published   ■ Planned   ▨ Current release

## Flagship MSP reports

### Release date

Managed Service Provider (MSP) Annual Report 2016 – Embracing the New Talent Landscape .....	June 2017
Managed Service Provider (MSP) – Service Provider Landscape with PEAK Matrix™ Assessment 2017.....	September 2017
Managed Service Provider (MSP) Service Provider Profile Compendium 2017 .....	October 2017
Managed Service Provider (MSP) Annual Report 2018 – Towards the Next Frontier – Boldly Going Where Few Have Gone Before .....	December 2017
Managed Service Provider (MSP) – Service Provider Landscape with PEAK Matrix™ Assessment 2018 – Asia Pacific .....	December 2017
Managed Service Provider (MSP) – Service Provider Landscape with PEAK Matrix™ Assessment 2018 .....	Q3 2018
Managed Service Provider (MSP) Service Provider Profile Compendium 2018 .....	Q3 2018
Managed Service Provider (MSP) Annual Report 2019 .....	Q4 2018

## Thematic MSP reports

### Release date

Offshoring in MSP: A Scenario-Based Analysis of Potential Savings .....	October 2016
Managed Service Provider (MSP): A Peek into the Buyer's Mind – Continuous Innovation is the Key to Buyer Delight .....	February 2017
Enterprise Total Talent Acquisition (ETTA) – The Future Ready Talent Approach .....	May 2017
<b>Managed Service Provider (MSP): A Peek into the Buyer's Mind – Digital and Futuristic Outlook is the Key to Buyer Delight .....</b>	<b>August 2018</b>
The clash of MSP & PO .....	Q3 2018

Note: For a list of all MSP reports published by us, please refer to our [website page](#)

# Additional MSP research references

The following documents are recommended for additional insight on the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **Managed Service Provider (MSP) – Service Provider Landscape with PEAK Matrix™ Assessment 2018 – Asia Pacific** ([EGR-2017-3-R-2501](#)); 2017. This report examines the dynamics of the Asia Pacific MSP service provider landscape and its impact on the MSP market. Based on the comprehensive Everest Group PEAK Matrix, each of the MSP service providers are segmented into Leaders, Major Contenders, and Aspirants. The report also provides key insights into the capabilities of various service providers. It will assist key stakeholders (service providers, buyers, and technology providers) understand the current state of the regional MSP service provider landscape
2. **Managed Service Provider (MSP) Annual Report 2018 – Towards the Next Frontier – Boldly Going Where Few Have Gone Before** ([EGR-2017-3-R-2471](#)); 2017. The global Managed Service Provider (MSP) market continued to remain one of the fastest-growing single-process HRO markets. It is expected to pose a high growth rate of 9-11% in 2017, backed by ever-increasing demand for contingent workers, rise in adoption of Statement of Work (SOW), and the emergence of the gig economy, resulting in rapidly-increasing numbers of freelancers/ICs.
3. **Managed Service Provider (MSP) – Service Provider Landscape with PEAK Matrix™ Assessment 2017** ([EGR-2017-3-R-2354](#)); 2017. In an age of rapid economic, demographic, and digital & technological evolution, the MSP market is undergoing transformative changes as well. Providers investing substantially and continuously in innovation over the next few months will be able to meet the upcoming challenges most effectively and surge ahead of competition

For more information on this and other research published by Everest Group, please contact us:

**Arkadev Basak**, Vice President:

[arkadev.basak@everestgrp.com](mailto:arkadev.basak@everestgrp.com)

**Amitesh Rawat**, Senior Analyst:

[amitesh.rawat@everestgrp.com](mailto:amitesh.rawat@everestgrp.com)

Website: [www.everestgrp.com](http://www.everestgrp.com) | Phone: +1-214-451-3000 | Email: [info@everestgrp.com](mailto:info@everestgrp.com)





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### Dallas (Headquarters)

info@everestgrp.com  
+1-214-451-3000

### Bangalore

india@everestgrp.com  
+91 806-781-9999

### Delhi

india@everestgrp.com  
+91-124-496-1000

### London

unitedkingdom@everestgrp.com  
+44-207-129-1318

### New York

info@everestgrp.com  
+1-646-805-4000

### Toronto

canada@everestgrp.com  
+1-416-388-6765

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