

White Paper

The Roadmap to Selecting the Right MSP for Your Business

8 Key Tips



Choosing the right Managed Service Provider can be tricky. Here are eight key tips to get the job done.

Summary

The MSP market has plenty of choice today. However, the challenge is to identify one that's more than just your reliable partner. You need an MSP who's truly invested in achieving your business objectives. This article outlines eight essential characteristics that can help you beat this challenge. From in-depth experience and specialized skills to a collaborative, flexible approach, and the ability to offer value-driven outcomes, these tips will help you find an MSP that's not just a fit for today — but one that sets you up for long-term success.



Introduction

The Managed Services market is booming. And how!

According to latest data, the Managed Services market size is estimated at USD 280.96 billion in 2024 and is expected to reach USD 410.92 billion by 2029, growing at a CAGR of 7.90% during the forecast period (2024-2029).

What does this indicate? That as companies realize that Managed Services are an essential tool they need to navigate today's unpredictable, complex markets, adoption is on the rise.

The expectation is that the Managed Services Provider (MSP) will deliver you with the right technology, talent, and processes — proactively, efficiently, and at cost-effective price points — so you can achieve the business outcomes you need. However, choosing the right MSP for your organization can be tricky.

Because there are a plethora of options out there, all of them offering what seem to be copy-paste service propositions and benefits. And while the claims are bold, the fact is that many providers fall short on the delivery front. They assure you that they'll work as true partners, but in reality, most of them stay stuck in the trusted supplier mode.

Also, even if an MSP is good, it might not necessarily be in sync with your organizational requirements.

Given this landscape, how do you identify the right MSP partner?

8 Key Factors to Consider to Select the Right MSP

Here are eight key characteristics of a strong MSP. By keeping these criteria in mind, you can identify the MSP best suited to meet your organization's needs.

1. Experience, Expertise, and Institutional Strength

The MSP you select needs in-depth experience and expertise in the required domain area; that's the basic 101.

Only if your provider is equipped with specialized functional or technical skills — and industry exposure in the domain area — would it be able to leverage its experience to meet your requirements effectively.

Along with domain expertise, business know-how and strategic-thinking abilities are also crucial qualifying characteristics for a good MSP.

Unlike a traditional outsourcing agency that focuses on activity or task delivery, the MSP is expected to focus on the intended business outcome.

Therefore, it's essential that your provider has the requisite business knowledge to understand your priorities and can partner not just in task execution, but also in strategy formulation. You need a provider that has the business know-how to sit down with the senior management team, understand their vision and objectives, and develop a plan to translate them into outcomes.

To ensure that the MSP you select has a demonstrated history of experience and expertise, check their reputation and request references.

Reputation and Reference Checklist

- Strong client references
- Credibility with regulators, supervisors, and vendors
- Demonstration of thought leadership in the domain area
- Consistent track record of complying with industry and function-specific regulatory updates
- History of driving industry best practices with significant effort and impact
- Demonstrated strategic-thinking and business know-how capabilities

After the domain expertise and business experience are established, the next key differentiator you need to consider is institutional strength.

Evaluate the MSP on institutional strength areas such as:

- ☑ Longevity
- ☑ Financial soundness & size
- ☑ Global presence
- ☑ Ability to attract high-quality talent

A strong score in these areas reassures you that the MSP is there for the long haul and has the muscle to invest in the infrastructure, technology, talent, and processes you need.

2. Specialized Skills and Long-term Talent

The ideal MSP provides you with access to the specialized skill sets you need; at the level you need — not just today but also in the future. So, look for a provider that continuously invests in training and developing its employees.

Another characteristic you need to assess is your MSP's ability to attract and retain talent. Quality, long-term staff and low attrition rates translate into a strong talent pool and tenure efficiencies as knowledge is not lost in the employee churn.

Indicators of an MSP's ability to attract and retain talent

- Has a well-defined, rigorous technique for identifying, recruiting, and maintaining top talent
- Follows a disciplined approach to employee career development and growth
- Focuses on skills development, coaching, and mentoring
- Has a strong reputation and employer brand in the industry
- Offers competitive compensation packages with performance-based incentives

Along with skilling, specialization, and tenure, check the staffing levels that the provider is proposing to complete the job.

You don't want an MSP that operates at bare minimum staffing levels. Sure, the job gets done, but the slim staffing levels don't leave the MSP with any bandwidth to innovate.

If your MSP builds in a cushion on the staffing front, it gives itself the room to ideate, innovate, and recognize improvement opportunities for its clients.

3. Proactive, Outcome-focused Support, with a Forward Vision

The willingness to look beyond the ask; this is one of the most critical, defining qualities of an ideal MSP.

A good MSP provides you with proactive, holistic support and the forward vision you need to achieve intended outcomes and future-proof your business. Check if your provider has the ability to meet this expectation.

Ask yourself these questions:

- Does the MSP have the expertise and inclination to constantly scout for vulnerabilities and value creation opportunities?
- Is the MSP willing to shift tracks to deliver optimum outcomes?
- Does the MSP have the expertise and experience required to get ahead of issues before they get out of hand?
- Does the MSP have the skills and experience to identify and actualize performance improvement opportunities that you may be unaware of?

If the MSP scores yes on all these counts, it's a keeper.

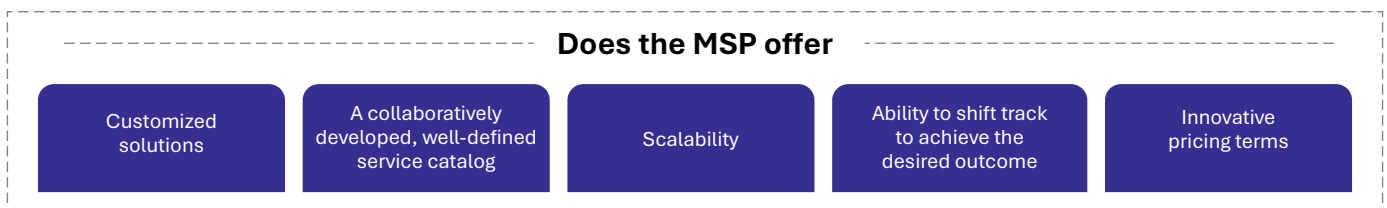
Strawberry Shortcake vs Vanilla Cake

Let's say, you're planning a party. You tell the catering team that you want to wow the guests with a special dessert. And you decide that vanilla cake is a good option. The party starts. The caterers bake a brilliant vanilla cake. The guests quite like it.

Now consider a slightly different scenario: After meeting you, the catering team goes back and does some homework. It realizes that vanilla cake is very last season. Strawberry shortcakes are the new thing in town. So, the caterers suggest a menu change. Their pastry chef bakes a wonderful strawberry shortcake for your party. The guests love it. Wow factor established!

The second scenario is an excellent example of proactive, outcome-focused support. Instead of fixating on the narrow deliverable of 'Vanilla Cake', the catering team focuses on the broader goal you want to achieve, "The Wow Factor". It uses its expertise to identify a superior value option and leverages its in-house skills to deliver this option to you.

4. Collaborative, Flexible, Innovative Approach



Flexibility, agility, scalability, and innovation – most MSPs tout these benefits as their value proposition. Confirm whether your potential provider can deliver on these promises.

■ **Is the MSP offering you customized solutions?**

Over time, an MSP develops comfort with certain products, processes, and technologies. It tends to leverage them when building solutions. And yes, the MSP's experience and expertise in these areas yield you an advantage.

However, is your MSP willing to invest time and effort in assessing the suitability of the technologies and processes vis-à-vis your requirements? Is their product or process agnostic? Will it provide you with a solution customized to your needs?

If not, you should be looking elsewhere.



■ ***Is the MSP offering you a collaboratively developed, well-defined service catalog?***

The service catalog is the heart of a strong, turnkey managed service. This service catalog is a discrete way of defining the results you want to achieve.

It lists the desired deliverables the MSP provides, along with the key differentiators such as service levels, complexity levels or any other methods you'd like to differentiate essential outcomes. The catalog also specifies the standard costs associated with the service offers.

A mature MSP would offer you a standard catalog of services that could be easily understood and consumed by your organization.

But the MSP you want is the one that goes a step further.

It would define the service catalog in collaboration with you. Your preferences, as the customer, are used to shape the offerings. The indicators used to qualify these service offerings are also developed collaboratively, to ensure they meet your specific needs.

■ ***Is the MSP offering you scalability?***

Here, a good MSP allows you to select the type and level of service you want.

If your requirements change, will your MSP be able to scale up or down, and be able to provide you with all the services and support you need — when you need them?

■ ***Is the MSP willing to shift tracks to achieve the desired outcome?***

The ideal MSP focuses on outcomes rather than narrow task or activity definitions. (Strawberry Shortcake vs Vanilla Cake)

Do check if your MSP is committed to finding innovative, effective ways to improve performance. Ask the MSP if they're open to shifting track and redefining activities or tasks to achieve the intended outcomes. Better still, see if they can provide you with client references for such instances.

■ ***Is the MSP offering you innovative pricing terms?***

Throughout the world, mature MSPs are embracing the consumption-based pricing trend that allows you to pay for managed services on an as-per-usage basis.

However, some are going a step ahead; they're committing to optimizing cost structures and transferring some of the gains back to their clients.

These providers are confident that they'll be able to leverage multiple efficiencies — including tenure, capacity, automation, and functional efficiencies — to deliver great results at the best possible price.

Partnering with such a provider puts you in a win-win situation. If there're savings, you share in them. If there is a miscalculation, the risk is on the MSP.

5. Coopetition to Facilitate Multi-vendor Involvement

Coopetition = Collaboration + Competition

The ideal MSP recognizes that it may need to work in coopetition with other vendors to achieve client objectives.

These other vendors may well be the MSP's competitors. However, instead of undermining them, a good provider focuses on working in partnership with the competition so that it can deliver higher value to its clients. It realizes that the best way to get ahead of the competition is not to undermine others but to work more innovatively and collaboratively.

That said, before signing on the dotted line, confirm if your MSP allows you the flexibility to bring in new vendors on an as-required basis without disrupting the existing service delivery relationship.

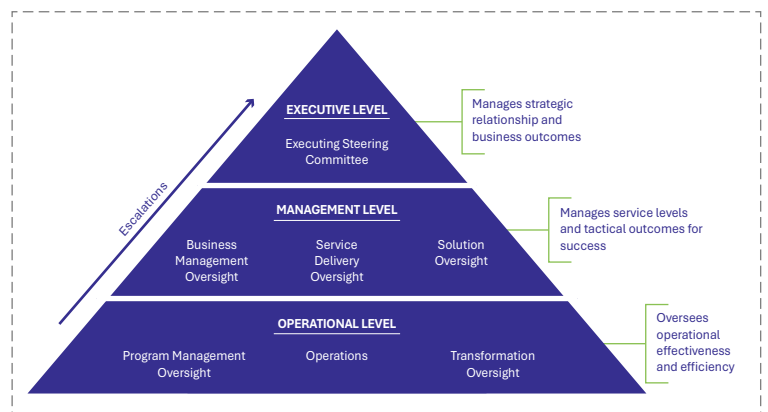
6. Mature Program Governance — From Strategy to Execution

Any managed service project entails a level of business transformation desired by the customer. Delivering this transformation is not possible without a mature program governance structure.

Look for an MSP whose team structure and governance allow them to operate at all operational, tactical, and strategic levels.

This multi-level governance structure enables the provider to implement the managed service or task, continuously monitor it, and make necessary course corrections as and when required.

This way, you're assured of alignment of goals at strategic levels, alignment of VLAs at tactical levels, and alignment of operating procedures at operational levels. Only when all three levels are in tandem will the MSP be able to deliver your business objective optimally.



7. VLAs — The Next Evolution in Service Delivery



As the maturity levels of outsourcing engagements advance, service level agreements too have started moving up the relevance path.

Traditional SLAs focused on task or activity achievement parameters such as response and resolution times. However, good MSPs recognize that the achievement of such SLAs does not necessarily translate into desired outcome achievement.

Therefore, they're moving towards the Value Level Agreements (VLAs) model.

VLAs link service delivery to desired business outcomes, which means MSP measures its results in terms of the value they've been able to create for their partner, you.

Since the desired outcomes would differ across engagements, the VLAs would be defined as per your requirements, such as:

- Enhanced customer experience
- Ability to adapt to change
- New functionality delivery
- Increased process reliability

That said, has your preferred MSP demonstrated the ability to talk and negotiate VLAs? If not VLAs, is it at least discussing Value Level Objectives (VLOs) with you?

The ability to set VLAs (or, failing that, VLOs) collaboratively with you signifies the expertise and maturity of the MSP. Also, when results are tracked in terms of value delivered, chances are that your outcome achievement will improve.

8. Transparency and Good-fit Assessment

Openness, accountability, and transparency are essential differentiators that set apart a good MSP. Not only does a mature, strong MSP have the experience and expertise to define fixed, clear cost structures and deliverables, it can also clearly outline its culture, processes, approaches, technology, and tools.

This transparency enables you to make an upfront assessment of the fit between the MSP and your organization, an essential selection criterion given the partnership nature of Managed Services engagements.

The ideal MSP is also transparent about its performance. Its offering would come complete with dashboards that allow you to track the service provider's activities across strategic, tactical and operational levels — ensuring you have visibility right from vision setting to actual delivery.

Conclusion

Choosing the right MSP is a critical decision that can shape the future of your business. But if you focus on these eight key traits, you'll move closer to finding an MSP best suited to your business needs — a provider who takes care of your requirements for today — as well as prepares you to navigate the challenges of tomorrow. With the right partner by your side, you can achieve your business goals and stay ahead of the curve in an ever-evolving market. Happy partnering.



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