The Future of (MSP) Work

Providing Productivity and Work Analytics for Market Dominance and Client Success

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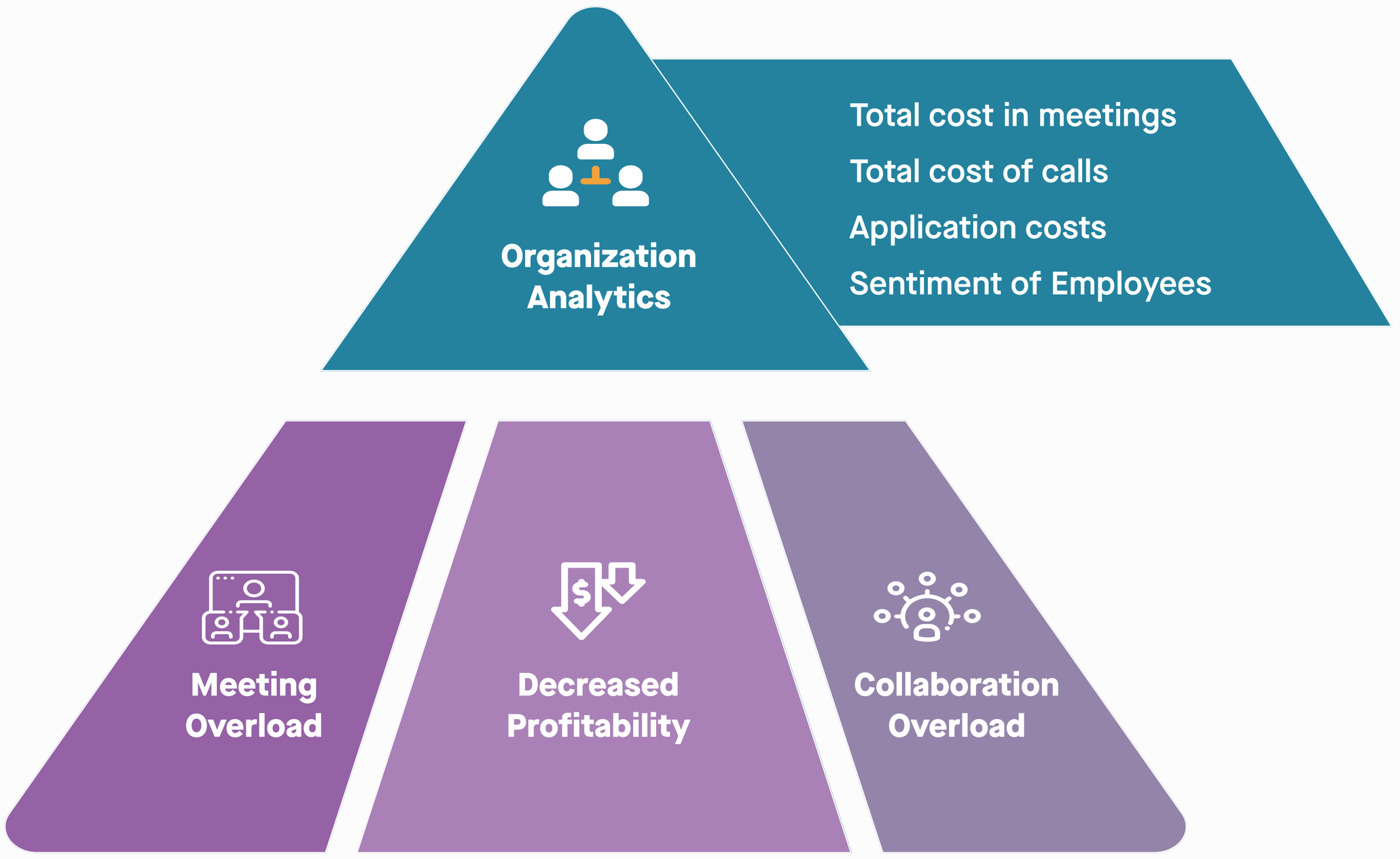
Introduction

Over the past two decades, the managed services industry has evolved from being something nobody understood to a widely adopted business model. Today, it's a global market worth $500 billion, growing at 12% annually, and projected to surpass $1 trillion by 2030. You could say managed service providers (MSPs) have arrived!

The evolution of managed services began in 2000 with early software pioneers like N-able and Connectwise, who built remote monitoring and management (RMM) and professional services automation (PSA) specifically for MSPs. That set off the remote managed IT and security delivery model, as outlined in The Future of (MSP) Work diagram on page 7. For the most part, the MSP model has remained in the same lane (IT, security, on-premise, and cloud) up until today.

By sourcing essential tools, MSPs facilitated smooth operations and played a pivotal role in enhancing employee satisfaction and efficiency. Now more than ever, clients are demanding a deeper understanding of the hurdles impeding productivity, such as multitasking, employee burnout, distractions stemming from excessive messaging and email, time lost due to meetings, factors affecting personal wellness, and ineffective workflows. With their expertise and insights, MSPs are uniquely positioned to navigate these challenges.



MSPs are not just providers of technology — they are called upon to decipher and overcome the obstacles that hinder optimal performance.

Then came the rise of artificial intelligence (AI), which brings both opportunity and uncertainty to the future of the employee experience. As more MSP clients adopt AI tools and integrate them into their workflow, it becomes crucial to understand how these tools impact the workday. The clients will call on MSPs to put up some guardrails on AI. But before they can, MSPs must provide their customers with clear insights into how they use existing technology.

Whether it's unraveling productivity barriers or ushering in transformative technologies such as AI, a fundamental understanding of individual work dynamics is indispensable. And MSPs are uniquely positioned to offer support.

Chris Day,
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Productivity Unraveled

Let's start with a definition of productivity:

> A measure of economic performance that compares the amount of goods and services produced (output) with the amount of inputs used to produce those goods and services.
> (source: U.S. Bureau of Labor Statistics)

Sounds simple right? But productivity is actually a complicated topic in business for owners, employees, stakeholders, and managers.

Like beauty, productivity is often in the eye of the beholder! Traditionally, productivity was associated with being physically present at the office and collaborating in person. Leaders have peace of mind seeing everyone at their desks. Remote work was generally rare and even frowned upon in most small and medium-sized businesses (SMBs), being more common in large enterprises and offshoring. By and large, most employees accepted this traditional work model ...

But then came the acceleration of remote and hybrid work. And with it, the number of remote workers more than tripled between 2019 and 2021, according to the U.S. Censor Bureau.

Since the dawn of the PC era in the 1970s, through the advent of the internet, the iPhone, cloud applications, remote managed services, and social media, technology has dramatically improved our productivity. Think about what you do today on your phone versus how you used technology 10 or 20 years ago.

The counter-argument (and the data backs this up) is that technology overload combined with a hybrid distributed workforce has made us less productive. And that's with workers pulling longer hours and feeling burnout more often.

For the first time, MSPs were tasked with sourcing solutions to assist their customers in understanding the dynamics of newly remote teams. This marked a significant shift in their involvement, as they became integral in tackling the challenges of work and optimizing workforce productivity.

Technology is designed to distract us

Our business tools adopted the characteristics of consumer apps and rely on infinite scrolling, @mentions, push and email notifications.

We are excessively task switching

An average worker losses 36 min/day toggling between tools, and an additional 10 minutes is required to regain focus.

Too many meetings

As much as 50% of our work week is spent in meetings, and we spend over 90 minutes daily in collaboration tools like Teams/Slack.

Employee wellness is a serious challenge

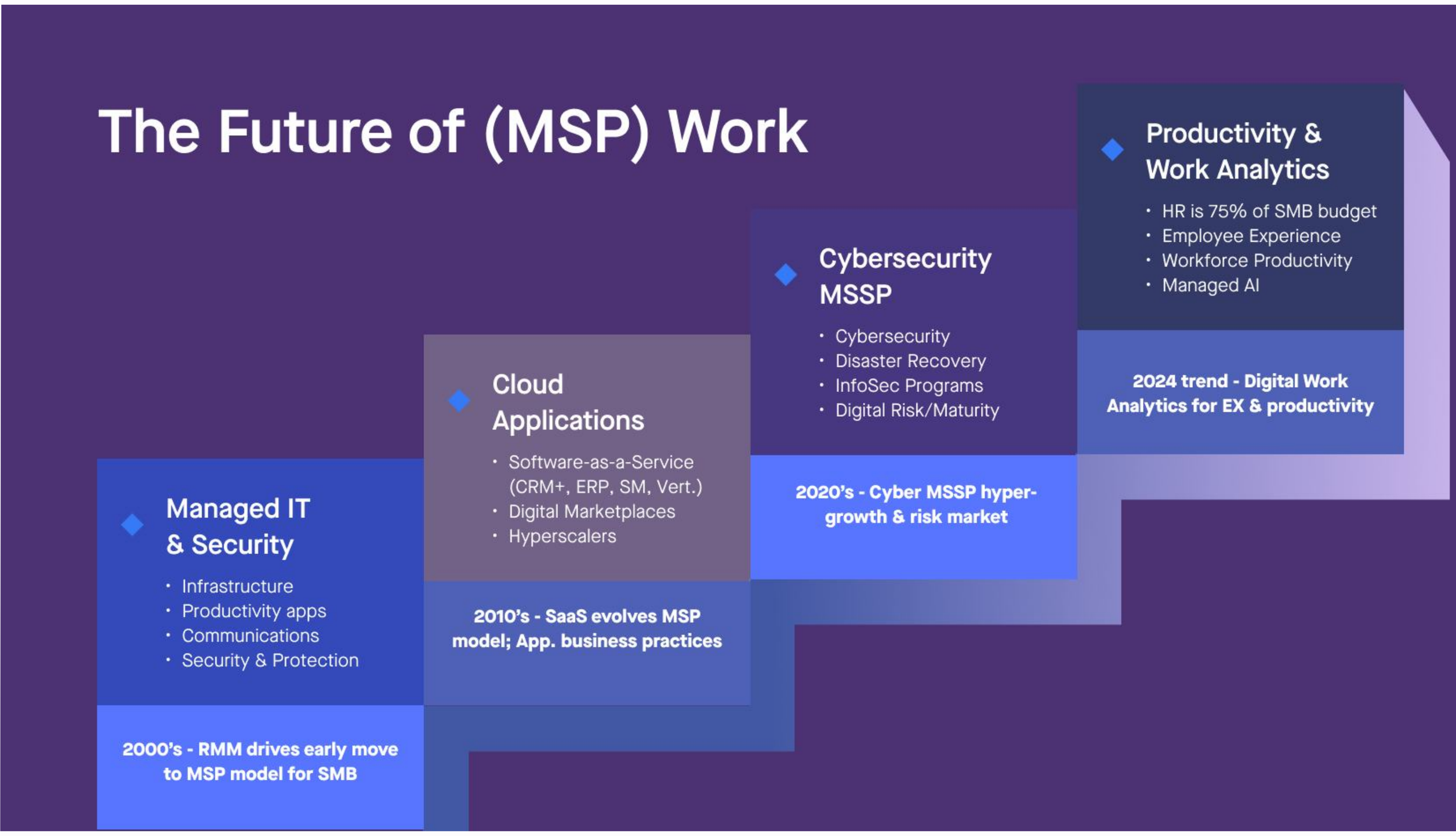
We lose up to 17% of the average workday to burnout and disengagement.

The Next Dimension of MSP

The MSP industry is large, global, growing, and hyper-competitive. The challenge for most MSPs is differentiating from the other 100 competitors in their region, all of whom essentially offer the same services: managed IT, security, automation, cyber ninjas, cloud application experts, etc. (Don't believe us? Test this by reviewing 10 MSP websites and asking, "How unique is our value proposition for new and existing customers?")

We believe The Future of (MSP) Work requires MSPs to cross the chasm from providing technology products and services (5% of a company's budget) to becoming business productivity experts (HR is 75% of most budgets).

Later, we will discuss why MSPs are perfectly positioned to do this through their Virtual Chief Information Officer (vCIO) function as trusted advisors to SMBs. First, let's dive into how the MSP model has evolved with the increasing criticality of information technology and security for most SMBs.



The MSP model has grown through three main phases:

Managed IT and Security (the 2000s): The early days of managed services started with traditional value-added resellers (VARs) and system integrators transitioning their break-fix IT support models to monthly recurring revenue managed services. This was pioneered by RMM and PSA platforms to remotely monitor, manage, and automate many of the service delivery processes, facilitating proactive service and support engagement. These platforms have become the largest and most influential software companies in the industry, expanding into the likes of security, business applications, and data backup.

Cloud Applications (the 2010s): Although cloud services and applications have been available since the early days of the MSP model, the launch of Microsoft 365 in 2011 sent shivers through the industry. MSPs wondered, “What will we manage for our SMB customers if everything shifts to the cloud? What if Microsoft and the other large, less-channel-friendly vendors decide to deliver remote-managed services themselves?”

Obviously, the industry survived and thrived. MSPs shifted to delivering more business value to their customers through vCIO services and developing business application practices in areas like Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), and cloud and vertical applications. By the decade’s end, digital marketplaces of cloud apps and related services became more prevalent.

Cybersecurity (the 2020s): MSPs have always provided information security for their SMB customers, but the growth and need for more advanced Managed Security Service Provider (MSSP) cybersecurity services have exploded over the past five years. Anyone who attends MSP events nowadays will notice that half the tradeshow floor is occupied by cyber-something vendors and larger security vendors that have platformized tech stacks for MSPs. As big as the MSSP opportunity is, the risk of the typical MSP do-it-yourself model is challenging for profitability, liability, and scalability.

So, what's next for MSPs in an era of AI, hyper-automation, consumerization of IT, and hybrid work? Can they really transition from technology to business advisors? And what technology platform will enable MSPs to deliver these types of services?

Productivity and Work Analytics (2024 and beyond): Productivity is a complicated metric to measure for both people and products (like technology) that businesses invest in. Interestingly, the digital transformation SMBs have gone through provides most of the data we need to move productivity from anecdotal to data-driven.

- To achieve this, MSPs need a productivity and work analytics platform that collects the three main sources of data in the workday: interaction and time in applications and web services, calendar information, and calls/meetings data. Business impact reporting, such as the cost of meetings across the organization, application usage, and collaboration overload, provides the actual metrics needed to make informed decisions.
- Designing the product for end users to control their data is critical for employee adoption within an organization. While productivity and efficiency are priorities for businesses, digital well-being, better workflow, addressing meeting overload, and employee sentiment and experience are what drive end-user adoption.
- Demo the end-user and business owner experience at www.produce8.com.

Supporting the Employee's Digital Experience

MSPs have been the unsung heroes behind the scenes for a while now, supporting and ensuring access to essential tools and resources for troubleshooting technical issues.

As work evolved from local area networks (LANs) to the Cloud, the demand for MSPs' expertise in optimizing employee digital experiences has only intensified. Clients rely on MSPs for both technical support and strategic guidance in navigating the ever-changing digital work environment. Today, the digital experience is woven into every aspect of work life. And MSPs are indispensable partners in driving productivity, innovation, and overall organizational success.

Looking ahead, MSPs are poised to lead in managing AI-driven applications and productivity and work analytics, thus empowering organizations to effectively navigate new technologies and workflows.

How Is the Digital Experience Impacting Productivity?

Maximizing productivity and well-being is paramount for organizational success. However, numerous obstacles hinder employees' efficiency and effectiveness. Navigating challenges such as multitasking, burnout, distractions, and poor management is essential for maintaining peak performance. We can narrow down three buckets of work that are impairing productivity:

Meeting Overload

Twenty-four billion hours are wasted each year as a result of unproductive meetings.

(source: Cross River Therapy)

Productive Time Leak

About 70% of people say it takes a long time to find information across different tools. On average they spend nearly an hour each day searching for the right information.

(source: Qatalog and Cornell University)

Collaboration Overload

90% of workers spend up to five hours a day checking work messenger apps like Slack or Microsoft Teams.

(source: Zapier)

Addressing the challenges of digital work productivity requires a collective effort and a shared understanding within organizations. These are not problems that individuals can tackle alone. Instead, they necessitate a collaborative approach that draws upon data-driven insights and a unified vision. Without a comprehensive understanding of the underlying issues, it becomes challenging to identify which problems are most prevalent and how to effectively address them.

How Can Work Analytics Solve These Productivity Problems?

By leveraging data analytics, organizations can gain valuable insights into the root causes of productivity impairments and develop targeted strategies to mitigate them. This collaborative approach creates a sense of ownership and accountability among employees while laying the groundwork for sustained improvement in digital work productivity.

The technology and platforms supported by MSPs underpin many of these problems. Plus, MSPs can assist their clients in resolving these issues.

When MSPs provide their clients with productivity and work analytics tools like Produce8, they can analyze how technology impacts the employee experience. This enables clients to make necessary changes and improvements while measuring their effectiveness.

Here's how Produce8 works:

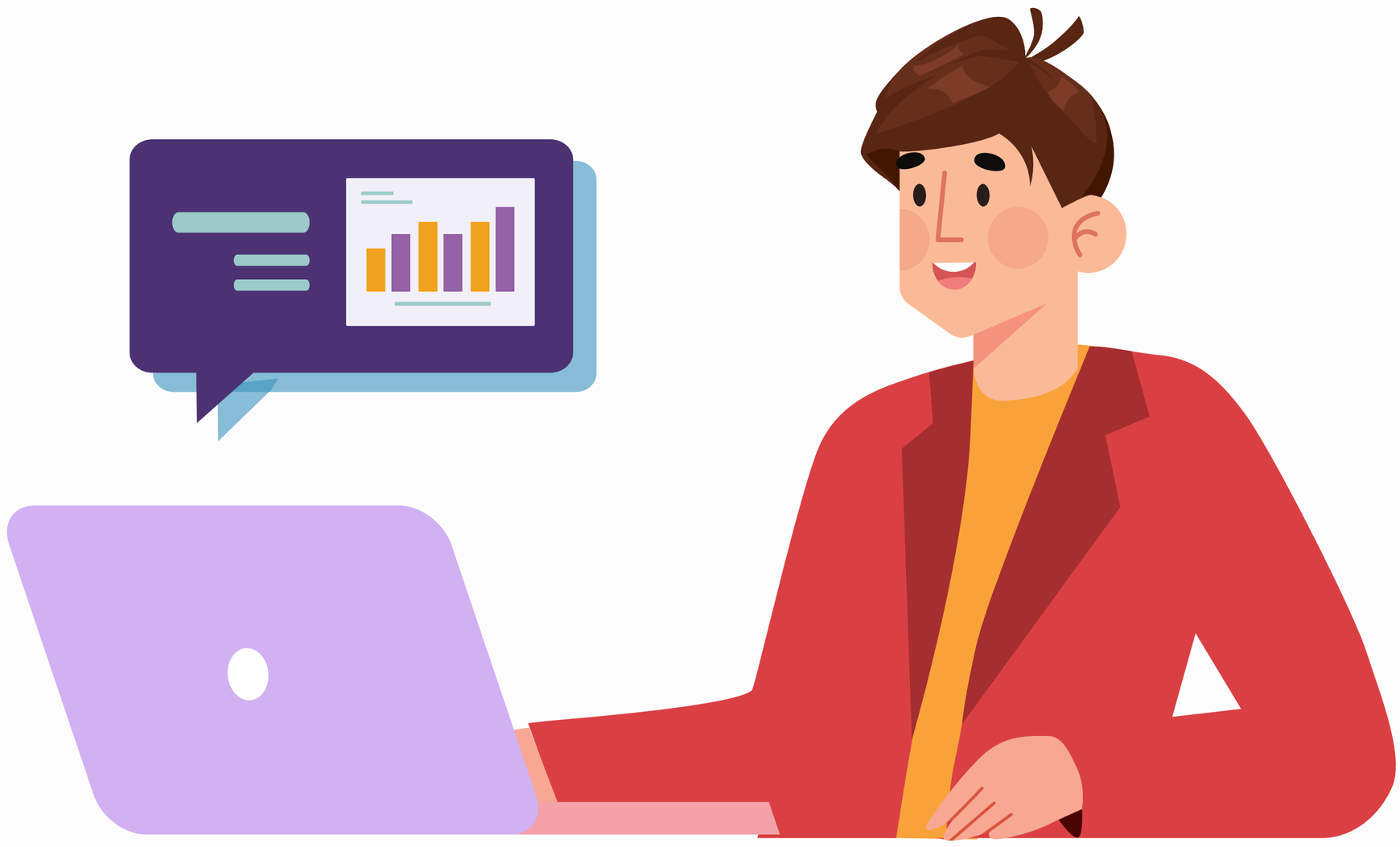
- First, integrate the system with the browser, device, and app APIs to access data.
- Produce8 then provides insights that examine the workday in personal, team, and organizational analytics suites.
- See how all work technologies are being used.
- See the impact of these technologies on the worker.
- Improve the employee experience and measure the impact.
- Take steps to address work issues and alter work patterns.

A New Opportunity for Your vCIO Service

There's no doubt cybersecurity has breathed new life into the typical MSP vCIO service. However, beyond the challenges of building a cyber practice and the scarcity of qualified resources, most business owners see cybersecurity as a necessary evil. The conversation is generally negative, as most SMBs believe they already pay their MSP for security.

Productivity and work analytics discussions are new and very interesting to business owners in this ever-evolving, technology-driven world. Who better than your vCIO, who guided the business through its digital transformation, to deliver this new, high-value service? Just consider the discussions and ancillary revenue opportunities that can arise from having data on all the activities occurring across an organization in a workday!

Offering this solution to your customers allows you to transform into a new practice area, differentiating you from the competition and helping you win new customers and retain and expand your current monthly recurring revenue (MRR) base. Leveraging the Produce8 work analytics platform will prepare you for what's coming next: Managed AI.



Managed AI: Understanding the Employee Experience in the Age of AI

Generative AI (GenAI) and Large Language Models (LLM) are here, and there's no doubt they will change the world, including the MSP universe. While the current AI focus is more consumer-related or involves basic use cases like call centers, the sheer pace at which large technology vendors are innovating and investing means new AI applications are emerging by the hour. Interestingly, the main use case for AI is productivity.

In this era of AI, MSPs must reinvent themselves once again. Many manual tasks, such as helpdesk support, will be automated. Digital marketplaces and Software as a Service (SaaS) vendors may encroach more on the MSP turf. And SMBs will require fewer people to do the same amount of work.

Embracing productivity and work analytics platforms like Produce8 today positions forward-thinking MSPs to tackle the foremost challenge with AI: establishing guardrails for its utilization within businesses. Managed AI service providers, armed with work analytics, possess insights into the use of numerous technology applications, enabling them to leverage AI effectively and measure its impact on employee work patterns and manual effort.

While AI is a pivotal focus and a topic your clients are ready to discuss, productivity remains paramount. By integrating AI paired with productivity and work analytics into the MSP offering, MSPs can help their clients enhance margins, reduce costs through automation, and glean deeper insights via machine learning. Ultimately, the effectiveness of AI hinges on whether they facilitate a noticeable shift in user behavior, which can be analyzed through the study of work habits.

Getting Started With the Produce8 Partner Program

Becoming a productivity expert for your customers requires the same “building a new MSP practice” mentality and methodology you had when you first entered the managed IT arena, built your business application practice, or developed your MSSP cybersecurity practice. Like RMM/PSA, work analytics is a platform investment, not a widget in your tech stack.

As a result, the Produce8 Partner Program combines our productivity and work analytics platform, purpose-built for MSPs, with a comprehensive set of technical, go-to-market, and partner development resources. And it’s all supported by a team of experts.

P8 Partner Program	Select	Premier	Elite
End-user licenses	50	100	250
Partner Center (GTM tools; admin dashboard)	✓	✓	✓
Technical Support	✓	✓	✓
Partner technical support	✓	✓	✓
Partner Development Specialists	Office Hours	Dedicated	Dedicated
Customer sales web support; Events		✓	✓
NFR License	Up to 10	Up to 20	Up to 40

Conclusion

About 40% of North America's knowledge workers are facing a whopping $1 trillion problem altogether. Luckily, MSPs can tackle a big chunk of that—around $400 billion in losses every year.

Leading the charge are vCIOs at forward-thinking MSPs. By taking charge of the productivity and work analytics conversation, these MSPs can cement their position in the market while empowering their clients to thrive in this era of unprecedented change.

MSPs are on the brink of addressing a colossal problem, presenting a monumental opportunity for those bold enough to seize it. Own the productivity and work analytics discussion, and you can provide great value to the customers!

Contacts

Produce8's Partner Program:
https://ww.produce8.com/msp-partner-program

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