

More Capability, Less Complexity:

How the Managed Service Provider
Business Model Is Evolving

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Today, managed service providers (MSPs) are defined less by the technology they sell and more by the outcomes they deliver.

Customers want to take advantage of technologies like AI while strengthening security, resilience, and compliance, and they want it all to be easier to adopt, manage, and scale.

That's changing what they look for in an MSP.

More than a transactional relationship, customers want a partner that can bring together the right solutions and expertise, manage them over time, and demonstrate measurable business value.

This shift comes up regularly in my conversations with partners. They often tell me that they're being asked to deliver more capability and less complexity.

However, meeting that demand requires new skills and a different way of working, beyond the IT support and product sales many MSPs were built on. Transactional business will still have its place, of course, but it will increasingly sit within a broader, more continuous customer relationship.

As a result, many MSPs are carefully considering how to transition from their traditional models to a new approach focused on helping customers navigate change and achieve better outcomes.

And those who get it right will be well placed to benefit. Omdia forecasts that **managed services revenue in the channel could reach \$635 billion in 2026**, and that growth will favor the partners that can "build trust quickly and sell to the most necessary business outcomes."

Two forces are driving this shift more than any other: **AI and security.**

AI Is Reshaping MSP Services and Operations

AI creates two complementary opportunities for MSPs.

The first is inside the MSP's own business, where AI and automation can streamline support, reduce repetitive work, improve service delivery, and help the business scale more efficiently. According to Omdia, leading MSPs are already seeing technician **productivity gains of 15% to 25%** and cuts in ticket resolution times of **40% to 70%**.

By establishing solid in-house AI foundations first, MSPs will find it far easier to capture the second opportunity: helping customers do the same.

An MSP that has put AI to work in its own business is better placed to help customers move beyond experimentation and deliver measurable results, earning trust and repeat business along the way. Alongside the technology itself, customers need help identifying relevant use cases, preparing their data, and addressing security and governance considerations before deployment.

Therefore, the greatest value will come from combining AI technology with implementation expertise, governance, and ongoing management. That governance piece matters more than ever, too, because every AI deployment also brings new security responsibilities.



Security, Resilience, and Compliance Are Expanding the MSP's Role

If AI is changing what MSPs can offer, security is changing how long and how often customers need their support, with cybersecurity moving from an individual technology sale to a rolling commitment.

Customers increasingly need help with risk management, regulatory compliance, business continuity, and resilience, and those needs keep changing as risks and regulations do.

The numbers reflect this:
Omdia expects compliance
services for MSPs to grow

21% in 2026

and cyber insurers are adding momentum by raising the security standards organizations must meet to obtain coverage.

All of this moves the MSP closer to the role of long-term strategic advisor. The relationship becomes a lasting partnership, which puts trust, specialist expertise, and services that can adapt at the center of it.

The Focus Is Shifting from Sales to Ongoing Success

AI and security illustrate a broader change across the channel. The perceived value technology partners provide is moving from the moment of sale to everything that follows it.

Customers aren't simply buying products or individual services like they used to. They want an ally to simplify complexity, integrate different technologies, and remain accountable for outcomes over time.

Managed services allow partners to go beyond selling and supporting technology, extending their value across the customer lifecycle through assessment, implementation, management, and optimization.



Recurring Revenue Demands a Different Operating Model

Relationships built around outcomes need a commercial model to match. Recurring revenue gives MSPs greater predictability, stronger customer relationships, and a foundation for sustainable growth.

But a subscription is a pricing model. A managed service is an operating model.

Building one requires:

-  Clearly defined, repeatable services
-  Efficient onboarding and service management
-  Strong customer success capabilities
-  Automation and consistent processes
-  Clear measures of customer value, so services can be continually optimized as needs change

The shift is operational as well as commercial, and the MSPs that treat it that way will be more likely to scale. For partners moving from resale to services-led and recurring-revenue models, the next step is to find ways to deliver more services without adding more effort.

Marketplaces and Platforms Are Helping MSPs Scale

As MSP portfolios grow, so does the work of accessing, combining, provisioning, managing, and billing for multiple solutions. Marketplaces and integrated platforms can take much of that effort out of the process, helping MSPs create services faster, manage recurring offerings more easily, and respond quickly as customer requirements change.

Marketplaces complement established distribution rather than replacing it. Different models will continue to serve different partner needs, particularly when complex solutions call for financing, logistics, integration, or specialist support. The goal is choice, so partners can work in the way that best suits their business and their customers.

Skills, Specialization, and Collaboration Will Set MSPs Apart

Platforms make solutions easier to access, but expertise is harder to source. No MSP can develop every capability internally. As customer requirements become more complex, partners will need deeper skills and clearer specializations.

They'll also need to work more closely with vendors, distributors, marketplace providers, and peers to deliver complete solutions. Security already shows how well this can work. Omdia notes that many MSPs have expanded their capabilities by drawing on specialist providers for services such as managed detection and response, rather than building everything themselves.

And I'd go further: collaboration is a commercial capability, not just a practical one. It allows MSPs to extend their expertise, pursue more complex opportunities, and focus on the areas where they add the greatest value.

What Vendors Must Do Differently

The responsibility for adapting doesn't sit with MSPs alone. Technology vendors need to make it easier for partners to build relevant skills and specializations, access technical and commercial expertise, and develop repeatable managed services.

They also need to help partners navigate different procurement models, connect technologies across the portfolio, collaborate with one another, and identify new opportunities for growth.

The vendors that do this well will become an extension of their partners' own capabilities. That's the standard we hold ourselves to at Lenovo.



Building the Next MSP Growth Model

PAI, security, and changing customer expectations are accelerating a wider evolution in the channel business model. The MSPs best positioned for growth will combine technology, services, and specialist expertise around customer outcomes, supported by recurring revenue, marketplaces, and stronger channel connections.

And MSPs don't have to make that shift alone.

Lenovo 360 is our award-winning global partner framework, built to help partners grow their business with Lenovo. Lenovo 360 for MSP is its dedicated MSP pathway, designed to support partners as they move to services-led growth. It helps them develop skills and specializations, access expertise and market insight, connect with peers, and build opportunities across our portfolio of devices, infrastructure, services, security, and AI.

The channel has always evolved in response to changing customer needs. In this next phase, the MSPs that deliver measurable value throughout the customer lifecycle will lead the way, and we're committed to helping them get there.

**Find out more about
Lenovo 360 for MSP
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