



Pax8 recently hosted a webinar titled “The Modern Channel” featuring guest speaker Jay McBain, Principal Analyst at Forrester. After McBain shared his perspectives, we asked him a few questions about how MSPs can adapt to the modern channel during this challenging time in the market.

1. What are the top three things solution providers and managed services providers (MSPs) should do to come out ahead during these challenging times?

1. Stay obsessed with your customers and prospects. Understand what stage each of them is at in this crisis — some are in survival mode and looking for efficiencies, cost savings, and flexibility, while others are in thrive mode and looking to invest in technology to emerge from this crisis stronger.

2. Understand where the opportunities are. Customers are telling us that while spending will be down and most discretionary and infrastructure spend will be postponed or canceled, areas of short-term investment include automation of processes and workflows; acceleration of cloud implementations; security, risk, and compliance in the new remote workforce; and business development opportunities around customer experience, employee experience, eCommerce, and marketplaces.

3. Don't be tone deaf — communicate with empathy. This is not the time to put out a mass marketing or advertising campaign. Each of your customers could be in a very different psychological state based on their geography, industry, sector, segment, and size of the enterprise. Being agile, responsive, and cross-functional while communicating on a personal scale will be very important to the perception that customers have of you during these difficult times. The ability to engage on opportunities and accelerate your brand is reliant on how you engage with customers during their toughest times. Remember that they are doing more than just having phone conversations — they may interact with your help desk, website, social media pages, chatbots, and other vehicles. Make sure you are consistent.



2. How is the cloud helping MSPs and solution providers adapt to the modern channel?

The multi-cloud and hybrid cloud environment represent a different topology for customers with different requirements around implementation, integration, security, compliance, continuity, and data. Much of the cloud opportunity comes today in project-based services as opposed to managed services contracts. This will likely change as the industry gets more mature, but MSPs and solution providers should understand the 5x to 10x multiplier that companies like Amazon Web Services, Google, Microsoft, and Salesforce create in the ecosystem. These are high-revenue, high-margin, sticky services for which the market demand currently outweighs the market supply. Focus on the skills necessary and dedicated practices required to take advantage of the modern channel.

3. As new threat vectors are being created, what levels of security should be considered?

COVID-19 has created a new remote topology and may alter the future of work altogether. This new topology has an influx of consumer-class endpoint devices and networks getting access to enterprise-grade data and systems. There are new elements of endpoint security, network security, web security, data security, and even physical security layers that need to be addressed by MSPs and solution providers. Companies are reporting an increased appetite for these services over the second half of 2020.

4. What are the top economics and opportunities you see for MSPs and solution providers during this time?

MSPs and solution providers should look to insulate themselves from technology categories that are dropping by 16% or more in the time of COVID-19. This includes computer and telco equipment, system integration, and tech consulting. Managed services is a resilient, predictable revenue stream and is forecast to drop only 1.9% during the pandemic. Customers are telling us that tech spending will be down and most discretionary and infrastructure spending will be postponed or canceled until late 2021. Areas of short-term opportunity include automation of processes and workflows; acceleration of cloud implementations; security, risk, and compliance in the new remote workforce; and business development opportunities around customer experience, employee experience, eCommerce, and marketplaces. Each customer and prospect is different, and having a highly targeted, personalized strategy for uncovering these opportunities is important.

**Get a modern partner experience for the modern channel.
Learn more.**