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## MANAGED SERVICE PROVIDER GROWTH DUE TO US EXPANSION

COLIN COTTELL | 10 January 2019

US-based companies pushing to expand their MSP (managed service provider) roll-outs globally were the main drivers behind double-digit growth in the MSP global market in 2018.

This was one of the reasons for MSP growth, along with a focus on cost savings and efficiencies, according to a senior executive at Volt Consulting Group following a new report.

"2018 saw many companies putting out global bids as opposed to country or regional tenders, while the next main driver was the global economic situation with businesses having to really look at cost savings and efficiencies, which MSPs can achieve by optimising a company's contingent workforce, which is often poorly maintained," said Julie Smith, operations director/VP Volt Consulting Group, EMEA, in a statement issued to [recruiter.co.uk](#).

Smith's comments came in response to a report by consulting and research firm Everest Group, which estimated 11% growth in the global MSP in 2018, with total contingent spend managed by MSPs rising to US\$140bn-150bn (£109bn-118bn). Volt was one of the MSPs from across the globe analysed by Everest Group in producing its report.

In a statement sent to [recruiter.co.uk](#), Vishal Gupta, practice director at Everest Group, concurred with Smith's explanation for the growth in the market, before going on to outline some additional drivers. These included MSPs' ability to source hard-to-find talent, and minimise non-compliance, "a significant surge in adoption of MSP by SME enterprises", as well as an extension in categories of spend managed by MSPs or in services provided by them. Among the expanded services being offered by MSPs are services procurement and management of independent contractors, as the growth of the gig economy continues apace.

According to Smith, 2018 was also an important year for the use of digital technologies in the MSP sector. "We really saw the vendor management system (VMS) market grow, and with that the systems that the providers are offering are far more advanced and fit for purpose than ever before, with the result that we can focus more on what we do best, which is supporting the client."

According to Everest Group next-generation digital technologies, such as advanced analytics, machine learning, natural language processing and robotic process automation "are increasingly being used in MSP engagements, and prompting service providers to make dedicated investments to stay relevant in the increasingly competitive market".