



MANAGED SERVICE PROVIDERS MARKET STUDY

Final Report

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Contents

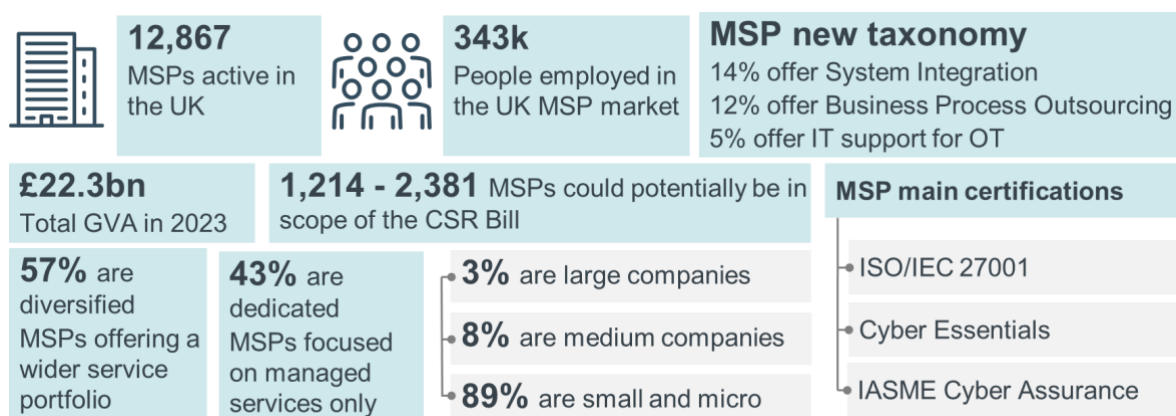
Executive Summary	4
1 Introduction	7
1.1 Background and objectives	7
1.2 Methodology	7
2 Defining the Managed Service Provider (MSP) market	9
2.1 Operational definition of the market	9
2.2 Updated taxonomy	10
3 Size and profile of the UK MSP market	11
3.1 Size of the MSP market in the UK	11
3.2 Product and service offerings of MSPs	14
3.3 Comparison in the MSP market over time	19
3.3.1 Changes in the number of active MSP in the UK	19
3.3.2 Market trends in employment and revenue	20
4 Composition of UK MSP market	22
4.1 MSPs by firm size	22
4.2 MSPs in scope of the CSR Bill	27
4.3 MSPs by incorporation date	28
4.4 Location of UK MSPs	29
5 Analysis of the MSP value chain in the UK	32
5.1 Client sectors served by MSPs	32
5.2 Vendor relationships	33
5.3 Cyber accreditations and certifications	34
5.4 Relationships with local authorities	35
6 Conclusions	36
Annex A - Annex	38

A.1	Taxonomy	38
A.2	Detailed methodology	39
A.3	Additional descriptive statistics	43

EXECUTIVE SUMMARY

This report provides an updated assessment of the Managed Service Provider (MSP) market in the UK, commissioned by the Department for Science, Innovation and Technology (DSIT). The study aims to quantify the size and scope of the sector and assess the impact of including MSPs within the scope of the Cyber Security and Resilience (CSR) Bill.

Our findings indicate that as of March 2025, there are 12,867 active MSPs in the UK, employing 343,762 individuals and generating an estimated £51 billion in revenue and £22.3 billion in Gross Value Added (GVA).¹ More than half of the active MSPs identified (7,074) offer cloud services. All the MSPs identified in this research are companies registered and active on Companies House, with at least one office in the UK, whether headquartered in the UK or overseas.



To fall in the scope of the CSR Bill, an MSP must not be classified as a small or micro enterprise business; meaning it must employ at least 50 people and have an annual turnover exceeding EUR 10 million. As the firm size definition used in the context of the CSR Bill does not clarify whether it refers to UK or global employment, we are accounting for both. From the 12,867 active MSPs in the UK:

- We estimate that **977 MSPs employ at least 50 people in the UK** and have a turnover exceeding EUR 10 million in the UK; and
- We estimate that **1,213 MSPs employ at least 50 people globally** and have a turnover exceeding EUR 10 million in the UK.

All these MSPs above have complete information on employment and turnover, and therefore, it is possible to identify whether they meet both criteria simultaneously.

¹ Revenue and GVA figures are not fully comparable to previous research due to differences in methodology and data coverage.

If we also include MSPs for which turnover data is missing,² and assess the inclusion of these companies solely on employment (i.e., employ at least 50 people), the number of MSPs potentially in scope of the CSR Bill increases from **977 to 1,214 MSPs** when considering UK employment, and from **1,213 to 2,381 MSPs** when considering global employment.

We also examine whether the MSPs identified above already fall within the scope of the CSR Bill as cloud service providers:

- We estimate that **658 out of 1,214 MSPs** are cloud service providers, based on **UK** employment figures; and
- We estimate that **1,362 out of 2,381 MSPs** are cloud services providers, based on **global** employment figures.

These results suggest that between **556 and 1,019 additional MSPs** could fall within the scope of the CSR Bill, beyond those already covered as cloud service providers.

We identified 12,867 active MSPs operating in the UK as of March 2025, compared to 11,492 in the 2024 research.³ However, these figures are not directly comparable due to refinements in our methodology and differences in eligibility criteria. As explained in Section 3.3, this apparent expansion is mostly due to improvements in data collection technology rather than an actual increase in market entry. Indeed, our best estimate of new MSPs entering the market is 239 companies, representing about 2% of the 2024 total. These are companies that were incorporated into the market since 2023, when data from the 2024 study was collected.

We also found that 255 companies (2%) were identified due to the addition of three new services in the MSP taxonomy (i.e., system integration, and business process outsourcing, IT support for operational technology). More broadly, the expansion of the MSP taxonomy with additional keywords has improved the performance of our identification methods, enhancing accuracy by reducing false positives from web-sourced textual evidence. We observed that 7,837 MSPs remained in the market since 2024, ensuring continuity in the analysis.

The market is shaped by a small number of large providers (321), which account for 86% of revenue (£41 billion) and 47% of GVA (£10 billion), despite representing only 4% of all MSPs. The top ten MSPs alone employ over 80,200 individuals and account for 45% of the sector's revenue. 'Cloud Computing', 'IT Consulting', and 'IT Infrastructure Management' remain the most common services mentioned on MSPs' websites. We found that 25% of identified MSPs mentioned at least one accreditation on their websites, with a clear emphasis on cybersecurity, as seen in the widespread references to Cyber Essentials and ISO/IEC 27001, which were mentioned by 19% (2,395) and 14% (1,843) of identified MSPs, respectively.

MSPs cover a wide range of industries, with 'Logistics and Supply Chain', 'General Financial Services', and 'Retail' being the most served sectors on MSPs websites. Text-based evidence

² Companies might not have updated their accounts in Companies House or might be exempt.

³ [DSIT \(2024\) Research on UK managed service providers.](#)

from MSPs websites shows that partnerships with local authorities seem to be limited, with only 8% of MSPs referencing these on their websites, and only two firms identified as partially owned by local councils. The vendor landscape remains largely cloud-driven, with Microsoft Azure (62%) and Amazon Web Services (50%) being the most frequently mentioned vendors on MSPs websites.

1 Introduction

1.1 Background and objectives

The Department for Science, Innovation and Technology (DSIT) commissioned Frontier Economics and Glass.AI to update previous research⁴ on the size and scale of the Managed Service Provider (MSP) market in the UK. This study will support DSIT in assessing the impact of including MSPs within the scope of the Cyber Security and Resilience (CSR) Bill,⁵ as well as enhancing its understanding of the MSP sector and the broader UK digital supply chain.

This document presents the findings of research conducted between February and March 2025, focusing on the following key estimates:

- Estimated number of active MSPs in the UK
- Estimated number of employees in the MSP sector in the UK
- Estimated revenue and GVA generated by the MSP sector in the UK
- Range of services provided by MSPs in the UK

The study employs a data collection methodology that analyses textual information from company websites and other online sources to determine their activities and service offerings. Consequently, the estimates provided in this document should be considered indicative of the MSP market's size and scale at the time of the study.

1.2 Methodology

In this study, we applied a sequential methodology of four stages, summarised in Figure 1 below.⁶

- 1. Review and refinement of market definition:** We draw upon an already established definition and taxonomy of the market and expand it to include additional categories for specific services in line with market developments: (i) service integration, (ii) business process outsourcing and (iii) IT support for operational technology. This involved identifying common keywords that known MSPs used on their websites to describe these new services.
- 2. Development of MSP sector dataset:** The updated taxonomy and keywords were used by Glass.AI to search the web for companies providing relevant managed services. The Glass.AI algorithm identifies textual evidence from web and official sources such as Companies House.

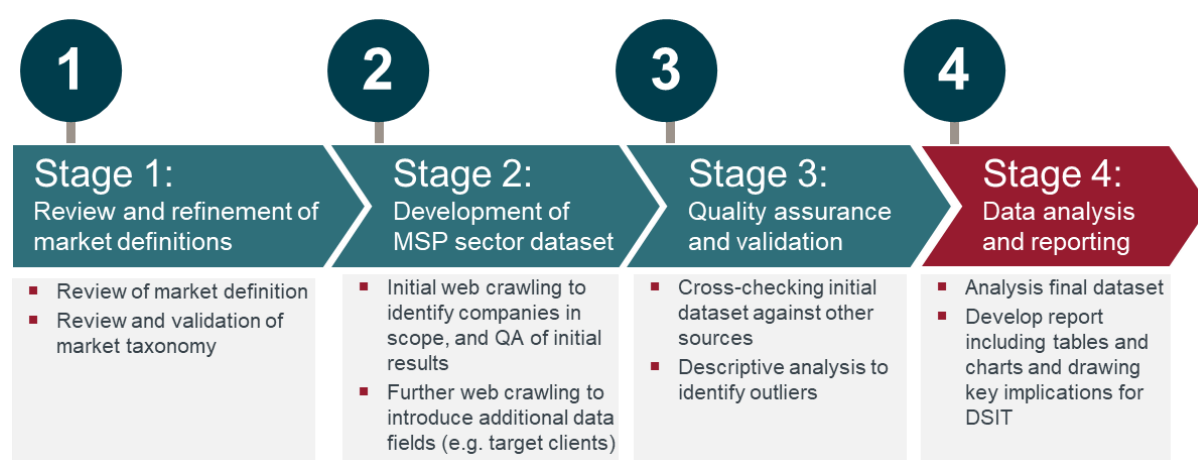
⁴ [DSIT \(2024\) Research on UK managed service providers.](#)

⁵ [DSIT \(2025\) Cyber Security Resilience Bill](#)

⁶ A detailed methodology is presented in Annex A.

3. **Quality assurance and validation:** We applied an iterative quality assurance process. We first reviewed a sample of suppliers and set out eligibility criteria to minimise the likelihood of anomalies and false positives (i.e., providers which might be identified through keywords but are not active in the MSP market). Based on this feedback, Glass.AI generated a new data set where we manually reviewed a different sample of suppliers to identify outliers.
4. **Data analysis and reporting:** We analysed the final dataset that Glass.AI provided to estimate the market size and composition of the MSP market in the UK and how it has evolved since the last research.

Figure 1 Summary of methodology



Source: Frontier Economics and Glass.AI

2 Defining the Managed Service Provider (MSP) market

2.1 Operational definition of the market

There is no single, universal definition of a Managed Service Provider (MSP). Existing databases, such as the Office for National Statistics (ONS) Business Structure Database (BSD), lack the necessary detail to define the boundaries of the MSP market. This limitation arises because most datasets in the UK classify businesses using Standard Industrial Classification (SIC) codes, and there is no specific SIC code dedicated to MSP activity.

The characteristics below reflect the managed services intended to be included in scope of the CSR Bill, as set out in the cyber security and resilience policy statement.⁷

- Provided to another organisation (i.e. not in-house), and
- Relies on the use of network and information systems to deliver the service, and,
- Relates to on-going management support, active administration and/or monitoring of IT systems, IT infrastructure, applications and/or IT networks, including for the purpose of activities relating to cyber-security, and
- Involves a network connection and/or access to the customer's network and information systems

To identify firms operating in the UK that provide managed IT services to another organisation and align with the four characteristics mentioned above, we established a **set of eligibility criteria**. Consistent with previous research, this study focuses on organisations that, at the time of the analysis:

- Have a clear presence in the UK market, meaning they are registered with Companies House⁸ and have a verifiable UK office as indicated on their websites.
- Demonstrate active commercial activity, such as an up-to-date website or social media presence (e.g., LinkedIn).
- Appear to be operational and active at the time of analysis, with no signs of inactivity in Companies House records.

By applying these criteria, we aim to create a robust and accurate representation of the UK MSP market, ensuring alignment with the CSR Bill's proposed characterisation of a managed IT service while maintaining comparability with previous research commissioned by DSIT.

⁷ DSIT (2025) Cyber Security and Resilience Bill: Policy Statement.

⁸ This criterion implies that only private entities that adopt a corporate structure are included in the analysis. This excludes charities, NGO, universities, think tanks, networks, trade associations, blogs and sole traders.

2.2 Updated taxonomy

MSPs offer a diverse range of products and services. As indicated above, we draw upon an already established taxonomy of the market. Rather than serving as a universally agreed or exhaustive classification, this taxonomy provides a structured framework to categorise the most frequently used keywords suppliers use to describe their offerings.

The original taxonomy consisted of over 500 unique keywords that described MSP offering, organised into 40 sub-categories and nine broader categories. To reflect the evolving nature of the MSP sector, we expanded this taxonomy by incorporating the **three services below**:

- 5. System integration:** Design, implementation, and management of integrated hardware, software, networks, and cloud environments to ensure seamless system interoperability. This service is categorised separately under its own broad category and may refer to process, data, application, or infrastructure integration.
- 1. Business process outsourcing:** External delivery, management, and oversight of IT services related to business processes, such as HR, payroll, accounting, digital processes, and customer experience. This service was added under 'IT Service Management' ('Outsourcing').
- 2. IT support for operational technology:** External management and maintenance of IT services related to industrial processes, ensuring smooth operations in sectors that rely on automated systems. This service was also added under 'IT Service Management' ('Outsourcing').

These definitions are based on commercial descriptions of services offered by known and active MSP providers found on their websites, ensuring that the taxonomy aligns with real-world industry trends. Following these updates, the revised taxonomy includes **650 keywords**, grouped into 46 sub-categories and ten broader categories. A diagram illustrating the updated taxonomy is presented in Annex A.

It is important to note that this is a **static taxonomy**, meaning it provides a snapshot of how MSPs describe their services at the time of analysis. Given the dynamic nature of the MSP sector and its alignment with emerging IT demands, this taxonomy is expected to evolve over time to accommodate new technologies and service offerings.

3 Size and profile of the UK MSP market

3.1 Size of the MSP market in the UK

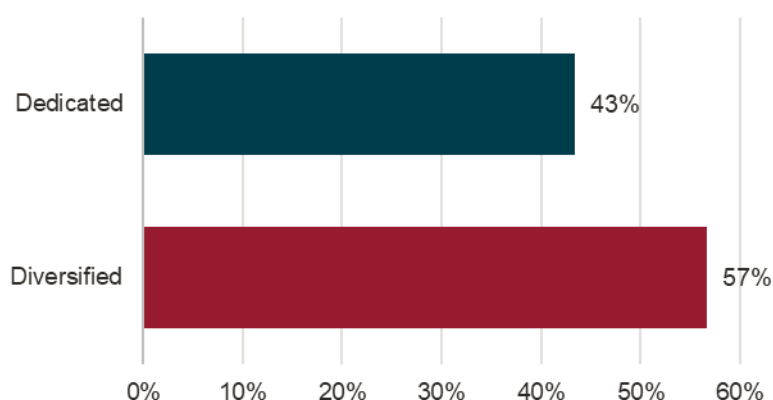
As of March 2025, we estimate that **12,867 MSPs are actively operating in the UK**. Our data collection initially identified 15,457 companies. However, we excluded 2,590 companies from the analysis that were not matched to a valid Companies House registration number (2,079) or showed signs of inactivity (511).⁹

Some of these companies operate exclusively within the MSP market, while others are active in multiple markets. To account for this and maintain consistency with previous research, we classified companies within the MSP sector based on their type of service provision:

- **Dedicated:** Companies where managed services constitute the core offering, with at least 75% of their employment or revenue attributed to managed services.
- **Diversified:** Companies that provide managed services as part of a broader portfolio with less than 75% of their employment or revenue derived from managed services.

We estimate that **57% of identified companies are 'diversified' MSPs** operating in the UK, while the remaining **43% being 'dedicated' MSPs**. We classified MSPs within each group based on the share of UK employees with IT service roles, using web data provided by Glass.AI. However, estimating MSP employment in diversified firms is challenging as they rarely report workforce figures by specific service categories. As such, the breakdown of employment by type of provision should be considered indicative.

Figure 2 Dedicated and diversified provision (N=11,232)



Source: Frontier Economics and Glass.AI

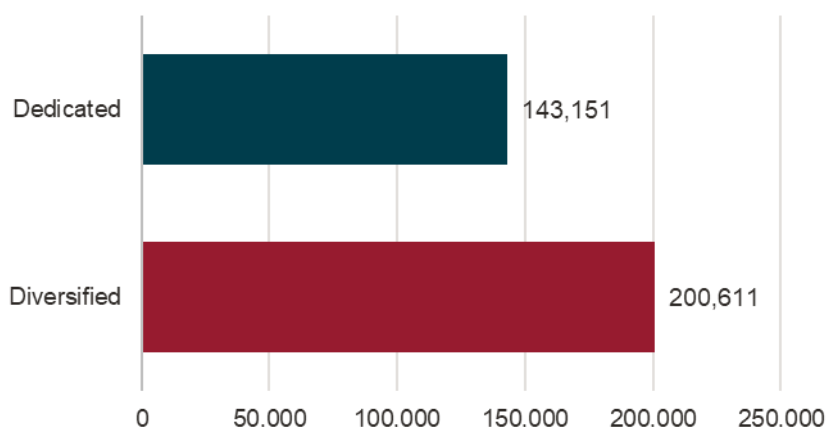
Note: Sample size: 11,232 with UK employment and UK IT employment information. Excludes companies with signs of inactivity and companies without a registration in Companies House.

⁹ Exclusion rules were agreed with DSIT. Main signs of inactivity include proposal to strike off (42%), missing status (36%), liquidation (19%), and others (3%), including in administration or voluntary arrangement.

We estimate that **343,762 employees** work in MSP-related activities within the active companies identified in the UK.¹⁰ This figure reflects only UK-based employment and includes individuals working either within dedicated MSPs or in IT service roles within diversified MSPs. For diversified firms, the employment estimate is refined to reflect the proportion of staff engaged in IT service roles. The data is derived from Glass.AI web sources, primarily informed by company accounts from Companies House and LinkedIn.

Figure 3 presents MSP employment estimates segmented by type of provision. The findings indicate that employment is more concentrated within diversified firms, which account for 200,611 employees (58%), while dedicated MSPs employ 143,151 individuals (42%). As mentioned later in Section 4, this is in line with the distribution of MSPs by firm size, as larger and medium, firms are more likely to offer managed services as part of a broader portfolio.

Figure 3 MSP employment by type of provision (N=11,232)



Source: Frontier Economics and Glass.AI

Note: Sample size: 11,232 with UK employment and UK IT employment information. Excludes companies with signs of inactivity and companies without a registration in Companies House.

In the most recent financial year (2023/2024), the annual revenue of the MSP sector is estimated at **£51 billion**.¹¹ This figure includes revenue generated by dedicated MSPs as well as the share of revenue from diversified firms attributable to MSP-related activities. Similar to employment estimates, the revenue estimate for diversified MSP is adjusted in line with the distribution of IT service roles across their workforce. Furthermore, consistent with previous research, revenue figures were adjusted to account for the fact that for MSPs, the median proportion of income derived from managed services in EMEA markets is between 30% and

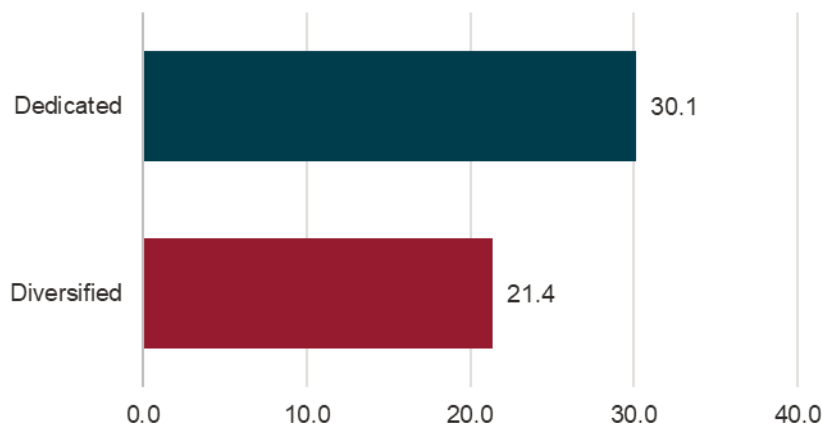
¹⁰ Information on employment is based on data from the companies accounts (Companies House) and on the number of UK employees listed on LinkedIn or other web sources. Information is available for 87% of companies in the dataset.

¹¹ Information on revenues is based on actual data from companies accounts (Companies House). Information is available for 12% of companies in the dataset. This figure is not directly comparable to that presented in the 2024 study as this was collected from a different source (FAME) and used estimation techniques to fill in gaps in the data.

50%.¹² This figure is likely underestimated as information on revenues was only available for 12% of companies in our dataset.¹³

Figure 4 presents MSP revenue estimates segmented by type of provision. We estimate that of the £51 billion in MSP-related revenue, £30.1 billion (59%) is generated by dedicated firms, while the remaining £21.4 billion (41%) comes from diversified MSPs. We observe that dedicated firms account for a slightly higher share of revenue (59%) compared to their share of employment (42%), while diversified firms generate a smaller proportion of total revenue (41%) relative to their employment share (58%). This suggests that, on average, dedicated MSPs may have higher revenue per employee than diversified MSPs, potentially indicating a greater level of specialisation or higher-value service offerings within dedicated firms.

Figure 4 MSP revenue in the last financial year by type of provision, £ billion
(N=1,578)



Source: Frontier Economics and Glass.AI

Note: Sample size: 1,578 with revenue data. Excludes companies with signs of inactivity and companies without a registration in Companies House

We estimate that MSPs active in the UK generate **£22.3 billion of gross value added (GVA)**¹⁴ in the last financial year (2023/2024). This figure is calculated by multiplying our MSP employment estimate (343,762) by an estimate of the GVA per worker typically generated by companies in IT related sectors (£64,970).¹⁵ This finding suggest a GVA-to-turnover ratio of 0.44:1 (i.e., for every £1 of revenue generated by the sector, 44p contributes directly to GVA).

¹² Datto (2020) Global State of the MSP Report: Trends and Forecasts. Based on a survey of 1,800 MSP surveyed worldwide. Revenue from 'dedicated' and 'diversified' firms further adjusted by 50% and 30%, respectively.

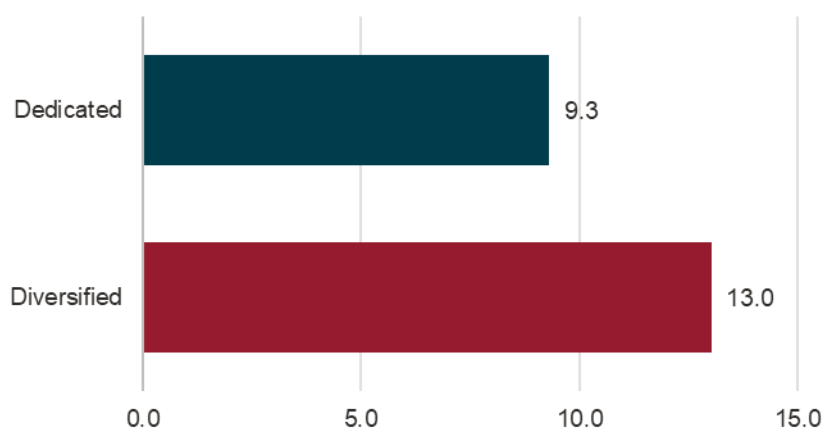
¹³ Revenue and GVA figures are not fully comparable to previous research due to differences in methodology and data coverage.

¹⁴ GVA measures the contribution to the economy of the amount of goods and services that have been produced minus the cost of all inputs and raw materials used for their production. It is used in the estimation of the gross domestic product (GDP) – $GDP = GVA + \text{taxes} + \text{subsidies on products}$.

¹⁵ [ONS \(2025\) Output per job](#)

Figure 5 presents the GVA generated by diversified and dedicated MSPs. We found that, in line with employment results, GVA is more concentrated within diversified firms (£13 billion) compared to dedicated firms (£9.3 billion).

Figure 5 MSP GVA in the last financial year by type of provision, £ billion
(N=11,232)



Source: Frontier Economics and Glass.AI

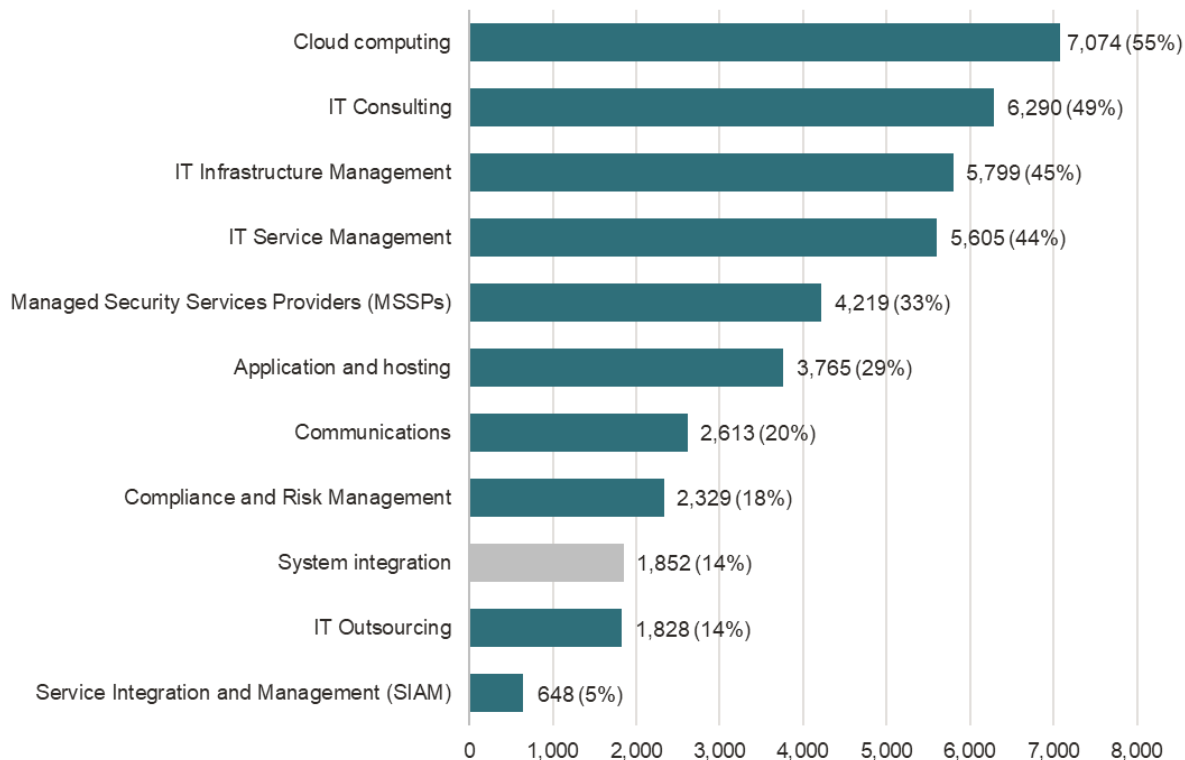
Note: Sample size: 11,232 with UK employment and UK IT employment information. Excludes companies with signs of inactivity and companies without a registration in Companies House

3.2 Product and service offerings of MSPs

We found that 98% (12,612) of the 12,867 active MSPs identified offer services covered by the original taxonomy, while the remaining 2% (255 MSPs) were included due to the addition of the three new services (i.e., system integration, business process outsourcing and IT support for operational technology). These providers were included because they exclusively offer one or more of these new services and do not fall under any of the original categories. However, as covered in more detail below, there is considerable overlap between service categories within the MSP sector. Specifically, 14% (1,852) of MSPs referenced keywords related to 'System Integration', 12% (1,486) to 'Business Process Outsourcing', and 5% (641) to 'IT Support for Operational Technology'.

Figure 6 illustrates the distribution of MSPs by service category. Over half (55%, 7,054) of MSPs in the UK mentioned keywords related to 'Cloud Computing' services, making it the most common category. This includes the provision or enabling access to IT resources and solutions via the cloud, including access to storage and compute. This category is followed by IT Consulting (49%, 6,290 MSPs), 'IT Infrastructure Management' (45%, 5,799 MSPs), and 'IT Service Management' (44%, 5,605 MSPs), all of which are focused on ensuring the efficient operation of IT resources.

Figure 6 Taxonomy breakdown - % of MSPs within each service category (N=12,867)



Source: Frontier Economics and Glass.AI

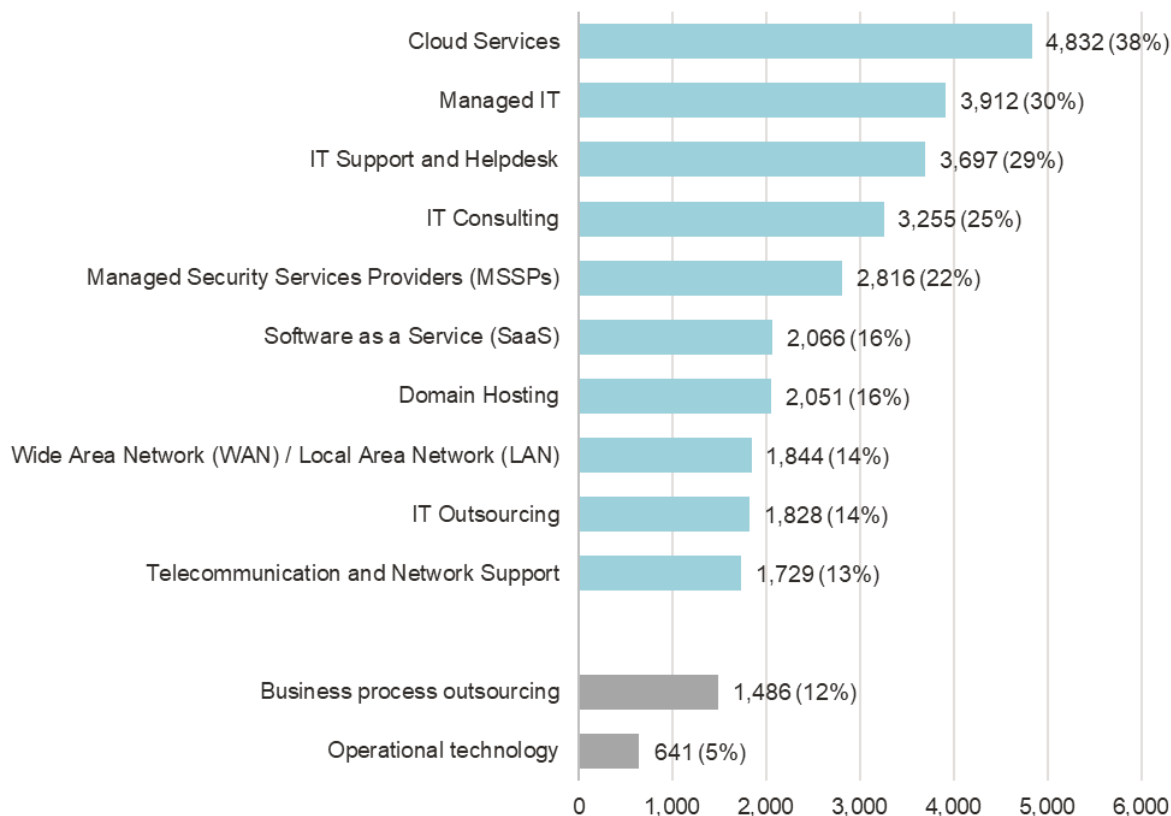
Note: Sample size: 12,867 with UK employment and UK IT employment information. Excludes companies with signs of inactivity and companies without a registration in Companies House. Percentages do not add up to 100% because providers can offer multiple service categories. Bar highlighted in grey represent new services added.

Within the MSP sub-categories, Figure 7 highlights the key services most frequently mentioned by MSPs on their websites.¹⁶ Consistent with broader category trends, we found that 'Cloud Services' is the most frequently cited offering, with 38% (4,832) of MSPs referencing this service in their web descriptions. Additionally, 'Managed IT' (30%, 3,912 MSPs) and 'IT Support and Helpdesk' (29%, 3,697 MSPs) are also widely mentioned by MSPs.

Within the 'Telecommunications and Network Support' sub-category (13%, 1,729 MSPs), the majority of providers focus on private network support, whereas only 4% (70 MSPs) offer services related to public networks. This suggests that most MSPs operating in this space primarily cater to enterprise-level and internal network solutions, rather than broader public infrastructure services.

¹⁶ Annex A includes a full list of service subcategories

Figure 7 Taxonomy breakdown - % of MSPs within each of the top 10 service sub-categories and new services (N=12,867)



Source: Frontier Economics and Glass.AI

Note: Sample size: 12,867 with UK employment and UK IT employment information. Excludes companies with signs of inactivity and companies without a registration in Companies House. Percentages do not add up to 100% because providers can offer multiple service categories. Bars highlighted in grey represent new services added.

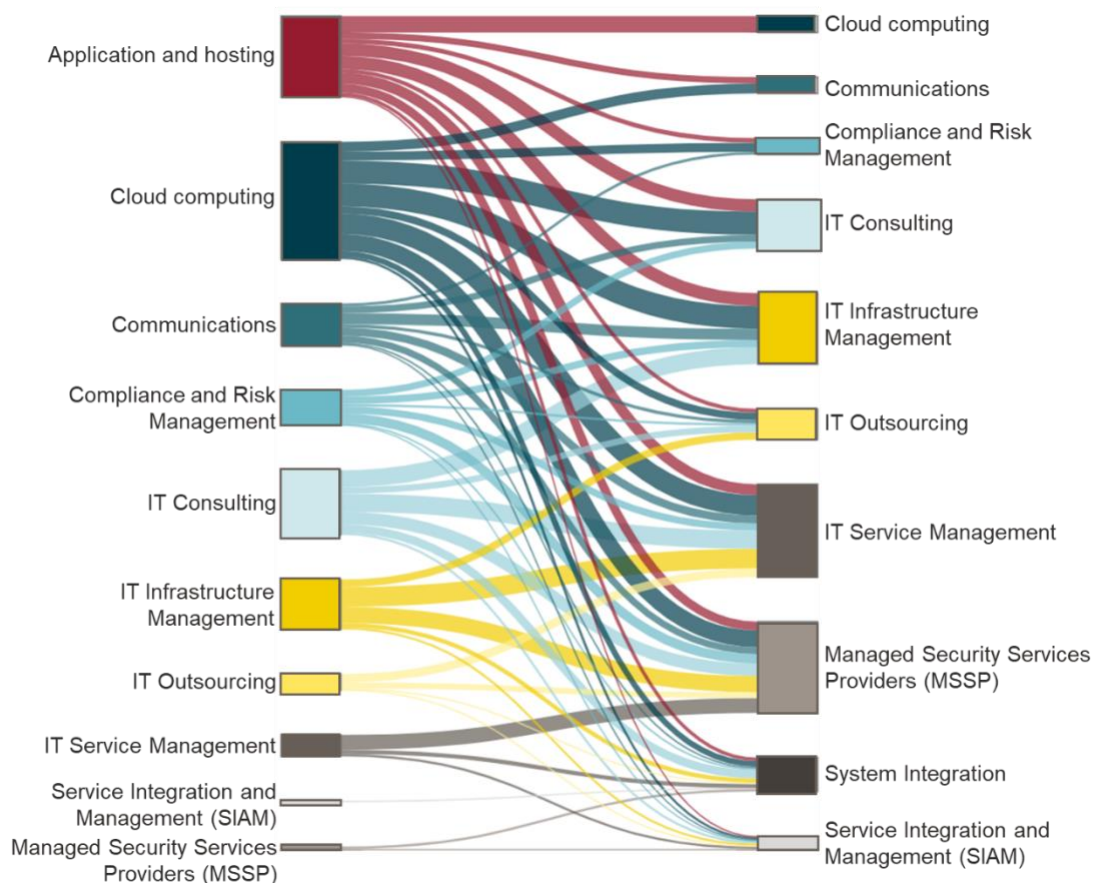
Given the study's focus on identifying managed services that involve continuous and remote support, it is not surprising that only 5% of all MSPs offer on-site support to their clients, with nearly half (49%) explicitly mentioning the on-going and remote nature of their services.

As discussed in Section 2, our data collection approach relies on textual evidence extracted from web sources to map the range of services offered by MSPs. While not intended to be comprehensive, this approach provides a broad overview of service offerings across the sector. However, these results should be interpreted with caution as the primary objective of our approach was to understand the size and scale of the MSPs market rather than investigating in depth which services they offer. As our approach depends on online trading descriptions, companies may use these terms to contextualise the services they offer or to advertise themselves.

There is considerable overlap among service categories within the MSP sector. 83% of MSPs cited services in at least two categories, while 62% referenced services in at least three. 16% of MSPs operate across more than five service categories. Figure 8 highlights the most

common service overlaps.¹⁷ The most frequent overlap occurs between cloud computing services and three other categories: IT consulting (29%), IT infrastructure management (28%), and IT service management (25%). Furthermore, a significant overlap is also observed between IT infrastructure management and IT service management (25%).¹⁸

Figure 8 Service categories overlaps (N = 12,867)



Source: Frontier Economics and Glass.AI

Note: Sample size: 12,867. Excludes companies with signs of inactivity and companies without a registration in Companies House. Link thickness represents the relative volume of overlaps between service categories (e.g., number of companies offering each pair of categories)

The Word cloud in Figure 9 visually represents the range of services offered by MSPs, showcasing both the breadth and key areas of focus within the sector. The most prominent key terms highlight a strong emphasis on IT support, IT infrastructure, cloud services, cybersecurity, and connectivity, reflecting the core offerings of MSPs. The presence of terms related to cloud-based solutions, managed security services, and compliance management

¹⁷ Full overlap counts are presented in Annex A.

¹⁸ Additionally, we found that 55% and 22% of active MSPs in the UK performed activities related to cloud and cyber security, respectively.

Figure 9 Main keywords



3.3 Comparison in the MSP market over time

3.3.1 Changes in the number of active MSP in the UK

In this section, we analyse the evolution of the UK MSP market since the previous research, which collected data as of August 2023 and was published in 2024.¹⁹ The previous research estimated that there were 11,492 MSPs operating in the UK, while our updated estimate is 12,867 MSPs. These two figures are not directly comparable due to improvements in the data collection strategy, and it is not possible to conclude from comparing this study and the previous research whether the number of MSPs operating in the UK has increased, decreased or remained stable since August 2023.

The difference of 1,375 companies between the two studies results from:

- The exclusion from our dataset of 3,655 companies that were previously included; and
- The addition to our dataset 5,030 companies that were not previously included.

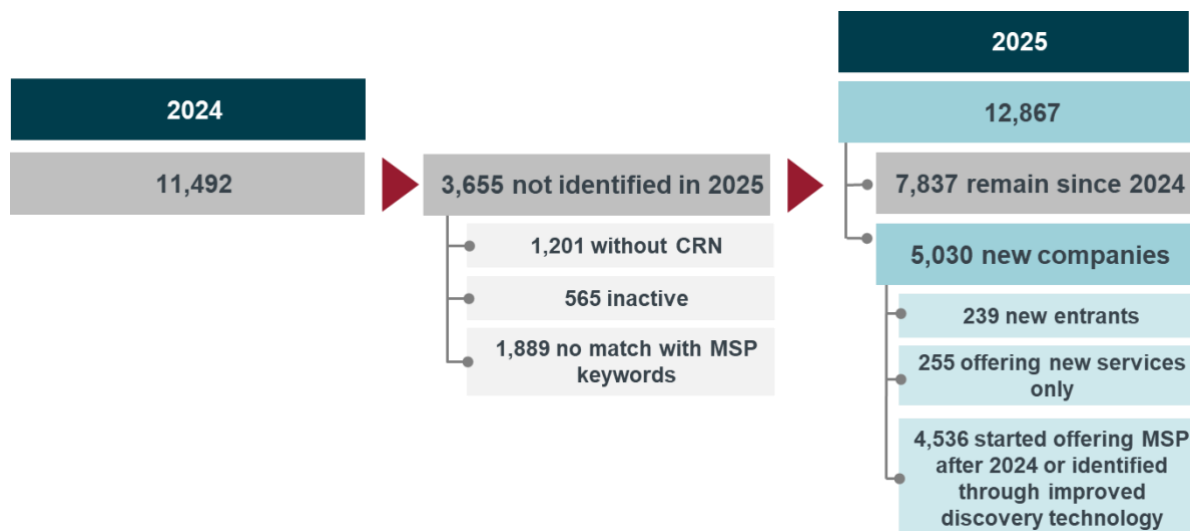
The first group of 3,655 companies have dropped out of the dataset because there are signals that they are not active in the UK (inactive or not registered in Companies House), or that they are not active in the MSP market.

The second group of 5,030 companies added to the dataset can be broken down as follows:

- 239 companies in this research did not exist at the time of the previous research. These are newly incorporated MSPs which represent 2% of the total identified in the 2024 study.
- 4,536 companies already existed before August 2023 (when data from the 2024 was collected) but had not been identified as MSPs in the previous research. These companies were identified due to advancements in the technology used to retrieve textual evidence from web sources, and/or started offering managed services after August 2023.
- 255 companies were added due to the expansion of the MSP taxonomy to incorporate new services, as these providers do not offer any other managed service.

¹⁹ [DSIT \(2024\) Research on UK managed service providers.](#)

Figure 10 Differences in the number of active MSP identified across datasets



Source: Frontier Economics and Glass.AI

Note: CRN = Companies House Registration Number

Despite the differences between the previous research and this study, there are 7,837 companies that were identified in both studies. We can analyse the evolution of employment and revenues in these companies to gain insight into the meet our eligibility criteria and remain consistent across both datasets, ensuring continuity in the analysis of long-standing MSPs.

3.3.2 Market trends in employment and revenue

To gain deeper insights into the evolution of the MSP sector, we analyse employment and revenue trends across the two research phases, considering only those companies that remain consistent across both datasets.. As shown in Table 1, MSP and IT employment among these companies grew by 3.7% and 1.9%, respectively, between 2024 and 2025, while revenue increased by 5.9%.

Table 1 Differences in MSP and IT employment between 2024 and 2025 (N= 7,837)

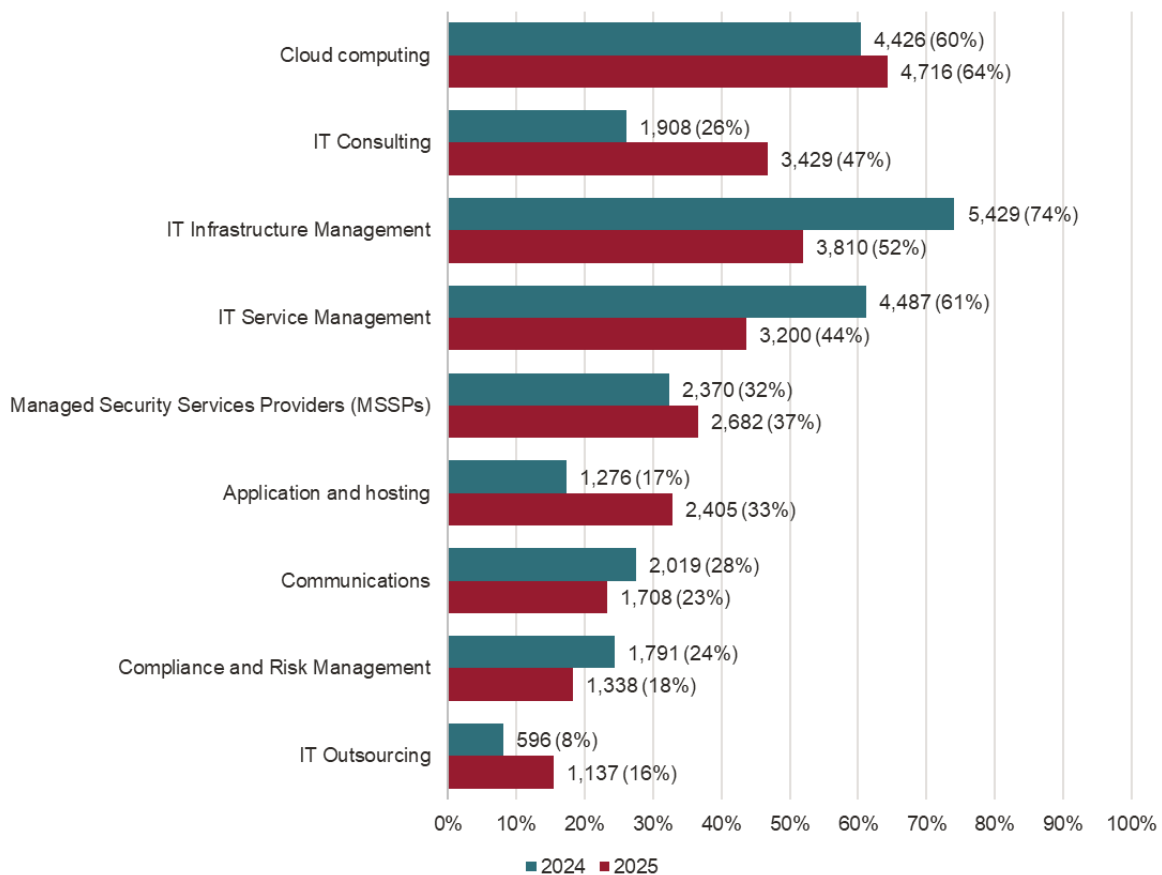
Indicator	2024	2025	% change
Employment in MSP	245,168	254,274	3.7%
Employment in IT	228,668	233,175	1.9%
Revenue in MSP	£38.2 bn	£40.5 bn	5.9%

Source: Frontier Economics and Glass.AI.

Note: Sample size: 7,837. Only includes companies identified in both studies to ensure a like-for-like comparison. Revenue data is not directly comparable as they are collected from different data sources.

We also examined the changes in service provision between 2024 and 2025, by analysing trends in service categories that were included in both years. Figure 11 compares the share of MSPs within each service category between 2024 and 2025. In 2024, 'IT Infrastructure Management' was the most commonly offered service, followed by 'Cloud Computing' and 'IT Service Management'. However, by 2025, this ranking shifted, with 'Cloud Computing' emerging as the most dominant service, surpassing 'IT Consulting', which also saw notable growth. While 'IT Infrastructure Management' remains a key offering, its overall share declined from 74% to 52% between the two phases. Additionally, 'Application and Hosting' saw significant growth, increasing from 17% in 2024 to 33% in 2025. This shift suggests that MSPs are diversifying their service portfolios, with a growing emphasis on cloud-based and application-driven solutions.

Figure 11 Taxonomy breakdown between 2024 and 2025 - % of MSPs within each service category (N=7,837)



Source: Frontier Economics and Glass.AI.

Note: Sample size: 7,837. Only includes companies identified in both studies to ensure a like-for-like comparison.

4 Composition of UK MSP market

4.1 MSPs by firm size

In line with previous research and the firm size definition used for the purpose of the NIS Regulation 2018, we classified MSPs by size based on their total UK headcount of employment and annual turnover.²⁰ Therefore, we categorised companies as micro (fewer than 10 persons and annual turnover not exceeding EUR 2 million), small (fewer than 50 persons and annual turnover not exceeding EUR 10 million), medium (fewer than 250 persons and annual turnover not exceeding EUR 50 million), and large (more than 250 and annual turnover exceeding EUR 50 million).²¹ In cases where data on turnover was missing,²² we have used only UK employment data to allocate firm size. Firm size allocation is available for 84% of MSPs in the dataset (10,843).²³

As presented in Figure 12, 24% of MSPs are classified as small businesses (2,631 companies), while 65% are micro businesses (6,998 companies). This distribution highlights that, similar to the broader UK economy, the majority of MSPs fall within the small and micro category. For context, more than 99% of all UK businesses,²⁴ including those in the digital sector,²⁵ are small and micro. This size distribution is broadly consistent with findings from the DSIT UK Cyber Security Sectoral Analysis (2024), which reported that 79% of cybersecurity firms are small and micro.²⁶

²⁰ [Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises \(Text with EEA relevance\) \(notified under document number C\(2003\) 1422\)](#) (Annex, Article 2)

²¹ Turnover thresholds have been converted to GBP with an exchange rate of 0.84 (Bank of England, accessed 20/03/25)

²² Companies may not have updated their accounts in Companies House or they might be exempt from filling detailed financial information.

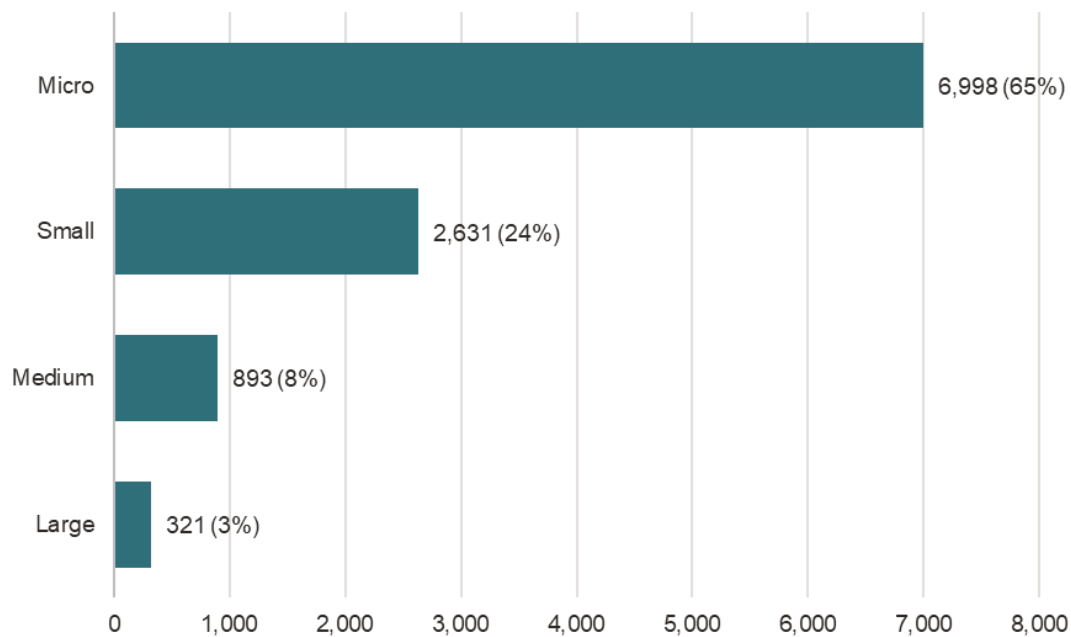
²³ For 2,024 MSPs (16%), there is insufficient data on revenue or employment to allocate a firm size.

²⁴ ONS (2024) [Business population estimates for the UK and regions 2023](#).

²⁵ [DCMS and Digital Economic Estimates: Business Demographics. 2023](#)

²⁶ [DSIT \(2024\) Cyber security sectoral analysis 2024](#)

Figure 12 Distribution of MSPs by firm size (N = 10, 843)

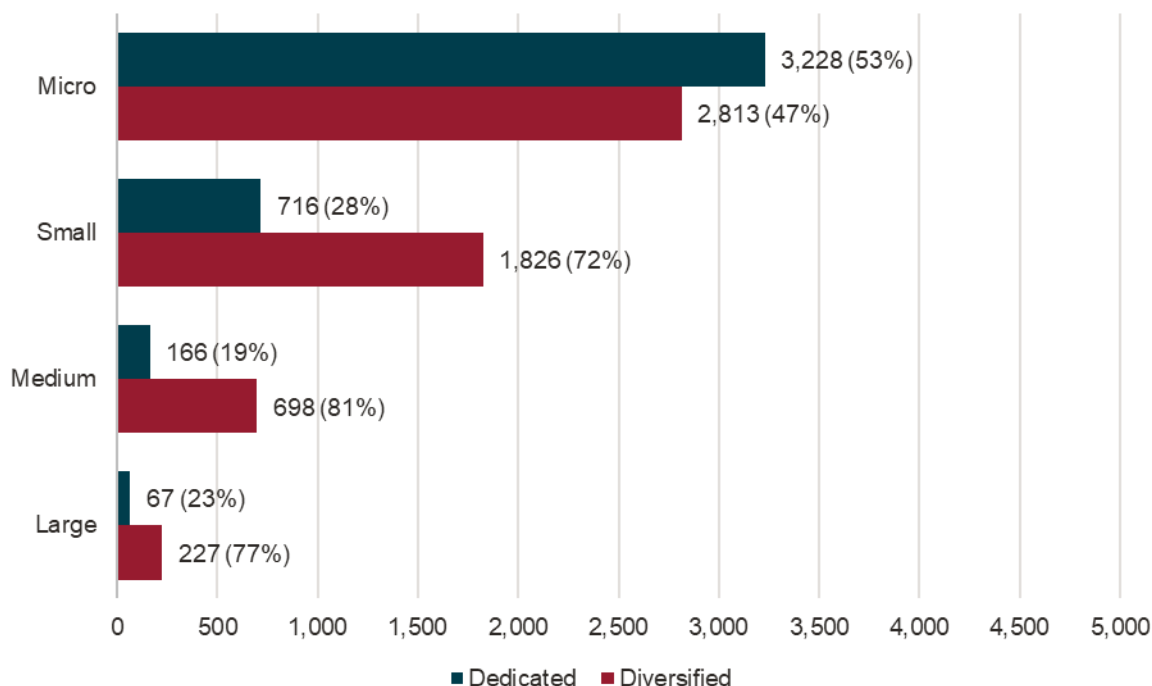


Source: Frontier Economics and Glass.AI

Note: Sample size: 10,843 companies with allocated firm size. Excludes companies with signs of inactivity and companies without a registration in Companies House.

Figure 14 presents the distribution of firm sizes by type of provision. Our analysis shows that larger, medium, and small firms are more likely to offer managed services as part of a broader portfolio, operating as 'diversified' providers. In contrast, micro firms are more inclined to specialise exclusively in managed services, indicating a stronger focus on core managed service offerings rather than a diversified business model.

Figure 13 Distribution of MSPs by firm size and type of provision (N=9,741)



Source: Frontier Economics and Glass.AI

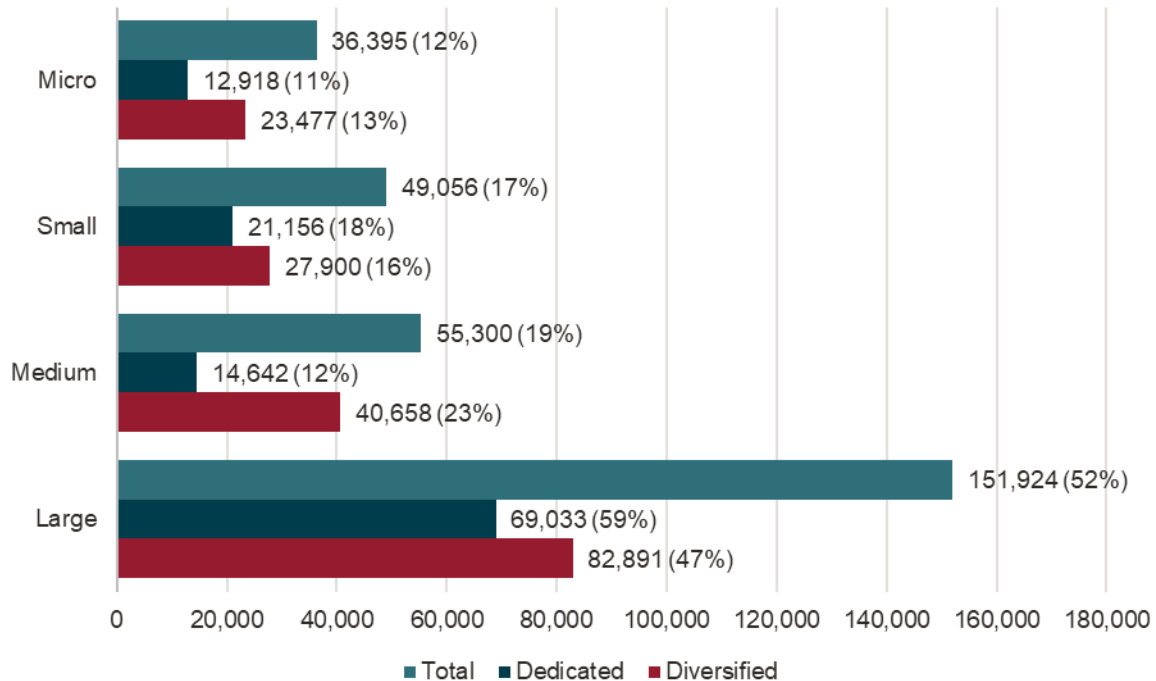
Note: Sample size: 9,741 companies with allocated firm size and type of provision. Excludes companies with signs of inactivity and companies without a registration in Companies House

Large companies in the MSP market also have a prominent role when it comes to employment. As Figure 14 shows, these companies employ more than 52% workers in the market (151,924), compared to 30% across the UK economy.²⁷ The largest ten firms by headcount collectively employ more than half of these roles (80,200). This group includes multinationals such as Tata Consultancy, BT, IBM, Capgemini, Cognizant, Capita, Computacenter, Vodafone and DXC.

When findings are disaggregated by type of provision, we found similar results, with 'diversified' and 'dedicated' large companies concentrating between 47% and 59% of MSP employment.

²⁷ ONS (2024) [Business population estimates for the UK and regions 2023](#).

Figure 14 MSP-related employment by firm size and type of provision
(N=10,843)



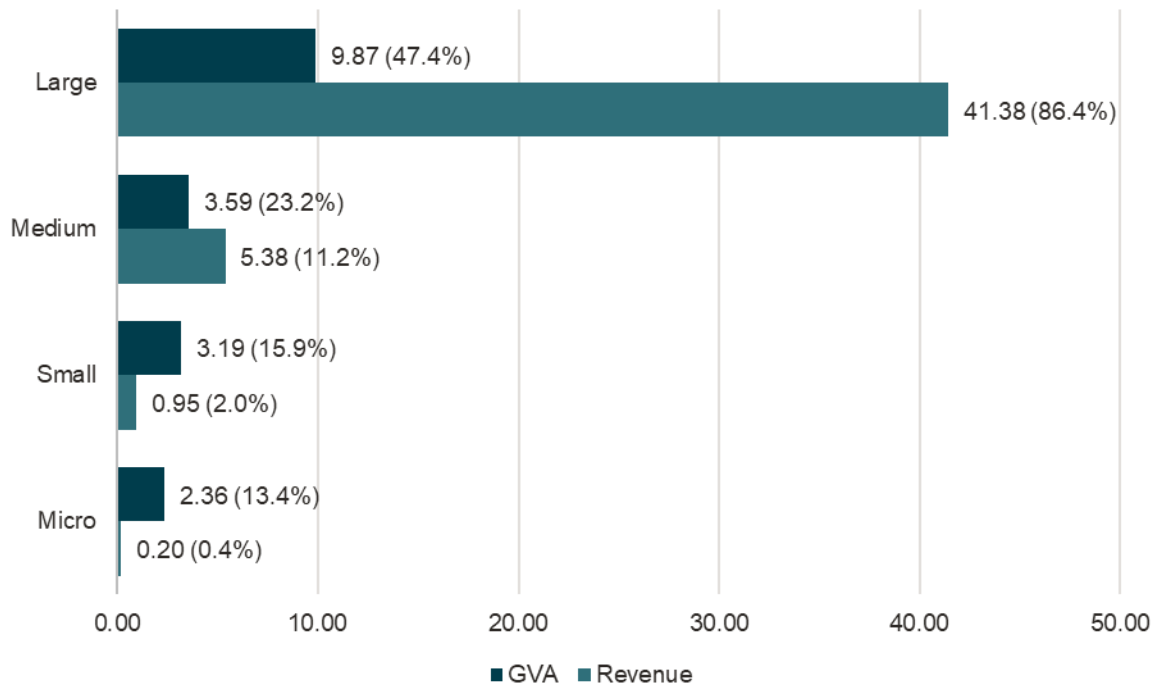
Source: Frontier Economics and Glass.AI.

Note: Sample size: 10,843 companies with allocated firm size. Excludes companies with signs of inactivity and companies without a registration in Companies House

As shown in Figure 15, we estimate that large firms accounted for 86% of total UK MSP revenue (£41 billion) and 47% of the sector's GVA (£10 billion). It is important to note that this difference may reflect both the coverage limitations of available revenue data and the method used to estimate GVA, which is based on average GVA per worker.

Similar to the employment distribution, the ten largest firms collectively generated 45% of total revenue and 27% of GVA, with key players including Cognizant, Amazon Web Services, Bureau Veritas, Cisco, BAE Systems, IBM, BT, Vodafone, Computacenter, and Capita. Despite representing just 4% of all MSPs, these large firms hold a disproportionate share of market value.

Figure 15 MSP revenue (£bn) and GVA (£bn) in the last financial year by firm size (N=10,843)

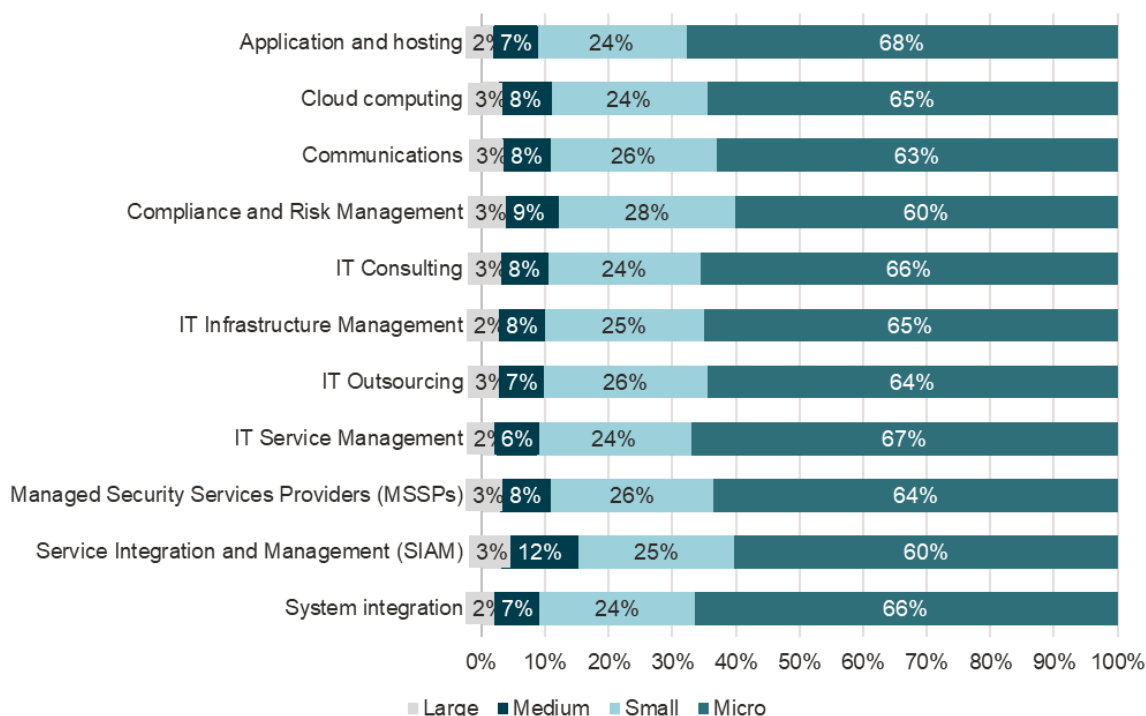


Source: Frontier Economics and Glass.AI.

Note: Sample size: 10,843 companies with allocated firm size. Excludes companies with signs of inactivity and companies without a registration in Companies House

Figure 16 illustrates the distribution of MSP service categories by firm size, showing the presence of large, medium, small, and micro firms across different service offerings. Micro firms dominate most categories, particularly in 'Application and Hosting', 'IT Infrastructure Management', and 'Cloud Computing', where they represent the majority of providers. Services such as 'Compliance and Risk Management' and 'Service Integration and Management (SIAM)' have a slightly higher concentration of medium and small firms compared to other categories. In contrast, large firms make up only a small fraction of the market in every category, though they maintain a presence across all service areas.

Figure 16 Service categories, by firm size (N=10,843)



Source: Frontier Economics and Glass.AI.

Note: Sample size: 10,843 companies with information on employment and revenue. Excludes companies with signs of inactivity and companies without a registration in Companies House.

4.2 MSPs in scope of the CSR Bill

To fall in the scope of the CSR Bill, an MSP must not be classified as a small or micro enterprise business; meaning it must employ at least 50 people and have an annual turnover exceeding EUR 10 million. As the firm size definition used in the context of the CSR Bill²⁸ does not clarify whether it refers to UK or global employment, we are accounting for both.

Based on data from the 12,867 identified MSPs (i.e., companies registered and active in Companies House, whether they are headquartered in the UK or are headquartered overseas but have at least one office in the UK):

- We estimate that **977 MSPs employ at least 50 people in the UK** and have a turnover exceeding EUR 10 million in the UK; and
- We estimate that **1,213 MSPs employ at least 50 people globally** and have a turnover exceeding EUR 10 million in the UK.

²⁸ [Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises \(Text with EEA relevance\) \(notified under document number C\(2003\) 1422\)](#) (Annex, Article 2)

All these MSPs above have complete information on employment and turnover, and therefore, it is possible to identify whether they meet both criteria simultaneously.

If we also include MSPs for which turnover data is missing,²⁹ and assess the inclusion of these companies solely on employment (i.e., employ at least 50 people), the number of MSPs potentially in scope of the CSR Bill increases from **977 to 1,214 MSPs** when considering UK employment, and from **1,213 to 2,381 MSPs** when considering global employment.

We also examine whether the MSPs identified above already fall within the scope of the CSR Bill as cloud service providers:

- We estimate that **658 out of 1,214 MSPs** are cloud service providers, based on **UK** employment figures; and
- We estimate that **1,362 out of 2,381 MSPs** are cloud services providers, based on **global** employment figures.

These results suggest that between **556 and 1,019 additional MSPs** could fall within the scope of the CSR Bill, beyond those already covered as cloud service providers.

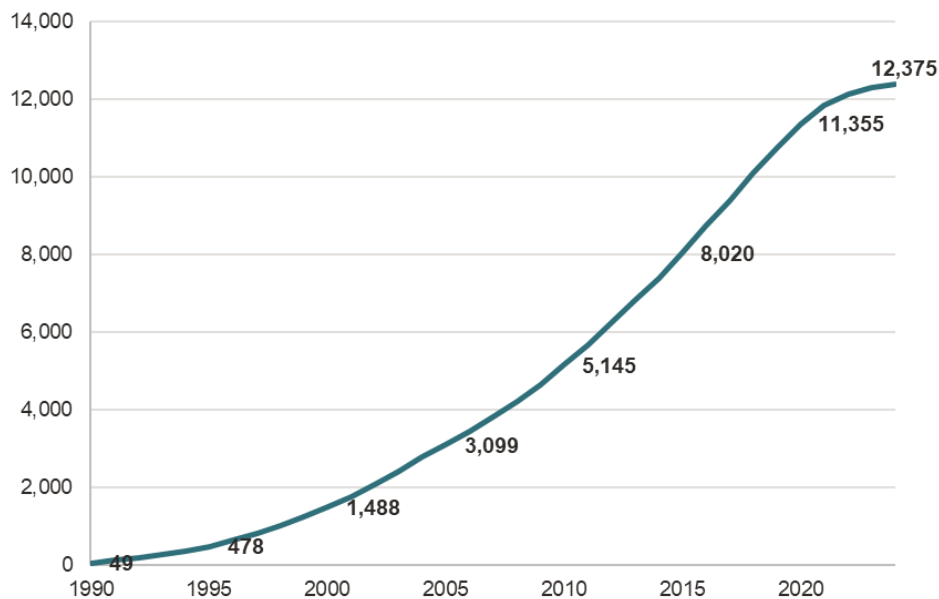
4.3 MSPs by incorporation date

Information on the incorporation dates of active MSPs is available for 99% of the companies in our dataset. Using this data, we analysed market entry trends, which, as shown in Figure 17, reveal a steady increase in new MSP registrations over the past three decades.³⁰ While the number of MSPs remained relatively low before 2000, growth began to accelerate in the early 2000s and saw a notable surge after 2010. By 2015, the number of registered MSPs surpassed 8,000, nearly tripling compared to 2005 levels. This upward trajectory has continued, with the total number of MSPs reaching more than 12,000 in the most recent period. During the most recent full decade (2010–2020), an average of 500 new MSPs were registered each year. However, this growth trend has slowed in recent years, with fewer than 200 companies entering the market annually since 2022. This result is in line with the market entry rate we found in Section 3.3.

²⁹ Companies might not have updated their accounts in Companies House or might be exempt.

³⁰ We have excluded companies incorporated before 1990 as these represent a low count.

Figure 17 Incorporation date of existing MSP (running count) (N=12,375)



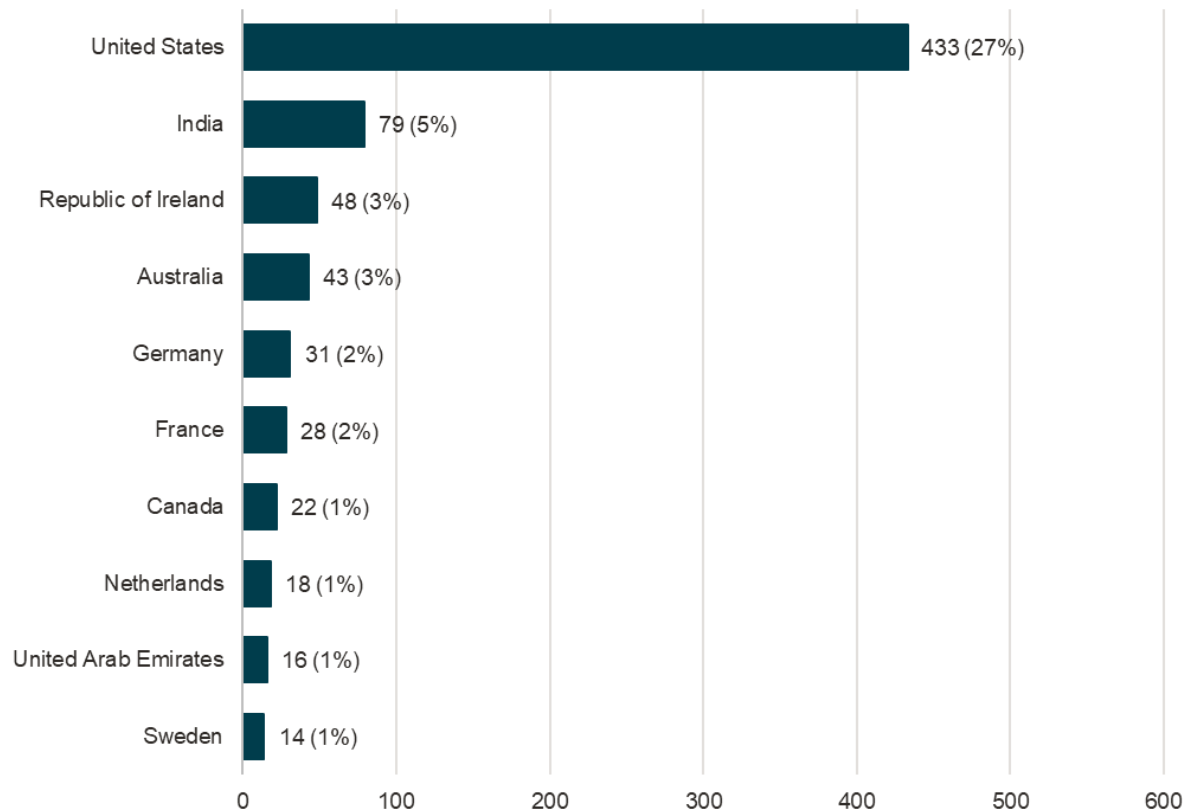
Source: Frontier Economics and Glass.AI.

Note: Sample size: 12,375 with registered incorporate date before 1990. Excludes companies with signs of inactivity and companies without a registration in Companies House

4.4 Location of UK MSPs

We examined where MSPs are based in the UK using location indicators gathered by Glass.AI from online textual information from web sources. Overall, we found that 89% of the identified MSPs are headquartered in the UK (11,279) while the remaining 11% (1,588) are headquartered overseas but have at least one office in the UK. From the latter group, the majority of MSPs are headquartered in the United States (27%), followed by India (5%), the Republic of Ireland (3%), Australia (3%) and Germany (2%).

Figure 18 Top 10 countries where overseas MSPs with at least one office in the UK are headquartered (N=1,588)

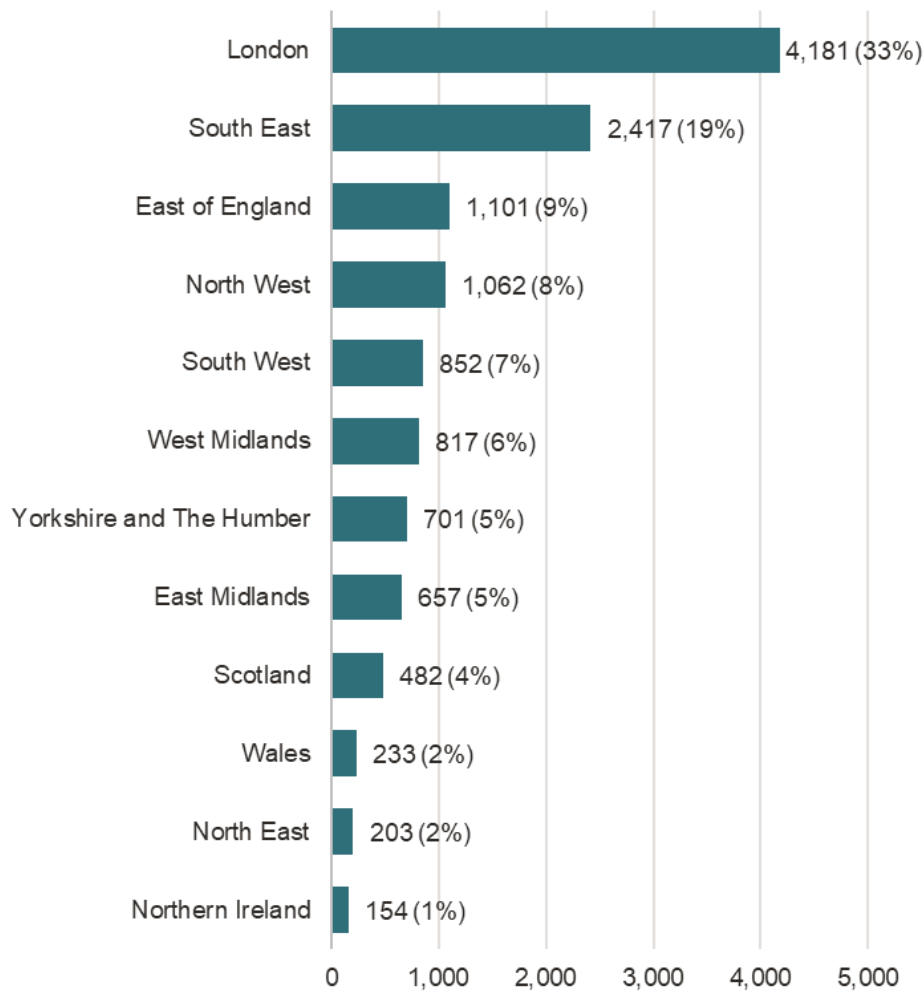


Source: Frontier Economics and Glass.AI.

Note: Sample size: 1,588 with location information of headquarter country. Excludes companies with signs of inactivity and companies without a registration in Companies House

Overall, postcodes are available for 73% (8,212) of companies based in the UK (both headquartered in the UK and with at least one office in the UK if they are headquartered elsewhere). Figure 19 shows their regional distribution, revealing distinct clusters in London and the South East, which account for 33% and 19% of companies, respectively.

Figure 19 **Distribution of MSP by region (N=8,212)**



Source: Frontier Economics and Glass.AI.

Note: Sample size: 8,212 companies with postcode information. Excludes companies with signs of inactivity and companies without a registration in Companies House

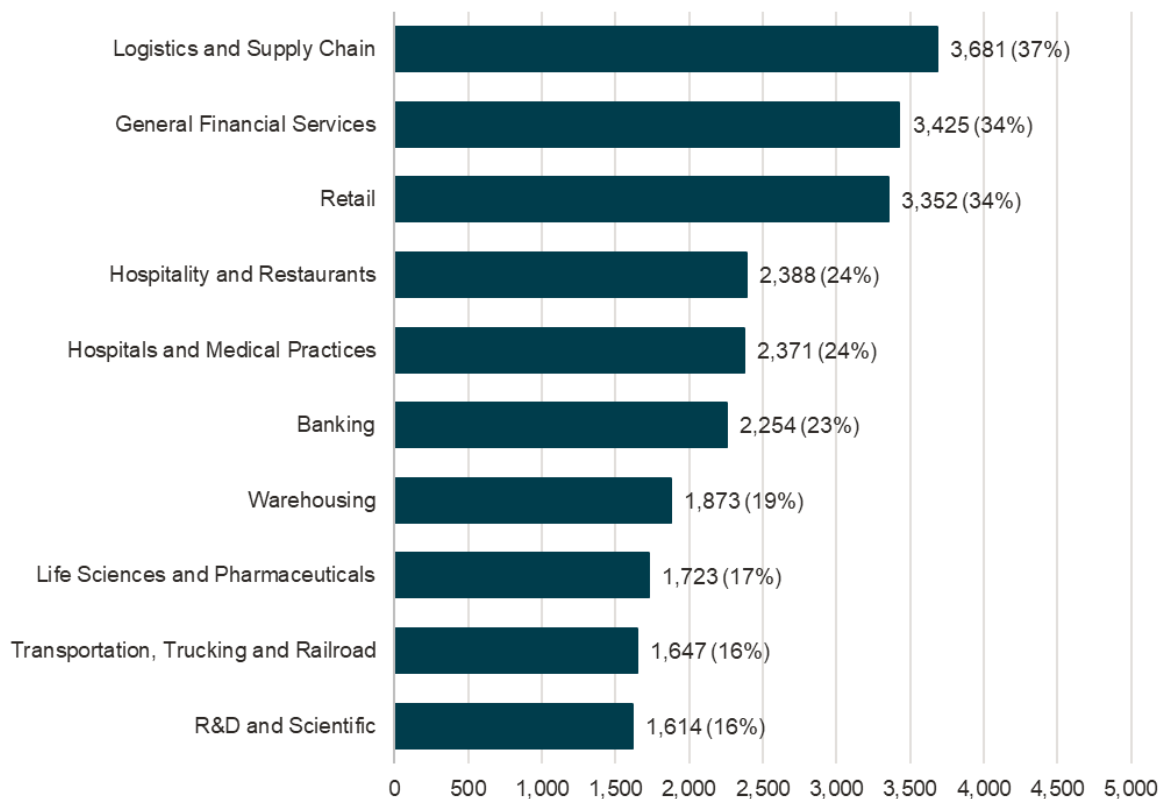
While London remains a major hub for MSPs, the majority of MSPs (67%) are located outside the capital, with notable concentrations in cities such as Leeds, Manchester, and Birmingham, as well as in areas like Buckinghamshire and Milton Keynes.

5 Analysis of the MSP value chain in the UK

5.1 Client sectors served by MSPs

Figure 20 depicts the top ten sectors mentioned by the MSP's on their websites, showcasing their broad reach across the UK economy. The findings reveal that 37% of MSPs serve the 'Logistics and Supply Chain' sector, making it the most frequently mentioned industry. This is followed by 'General Financial Services' (34%) and 'Retail' (34%), both of which represent key client bases for MSPs. Given the critical reliance of these sectors on real-time data tracking, cloud-based systems, and integrated IT networks, their high demand for managed services is expected. Other industries with significant MSP engagement include 'Hospitality and Restaurants' (24%), 'Hospitals and Medical Practices' (24%), and 'Banking' (23%).

Figure 20 Top 10 sectors served by MSPs in the UK - % of MSPs serving each client sector (N = 9,984)



Source: Frontier Economics and Glass.AI.

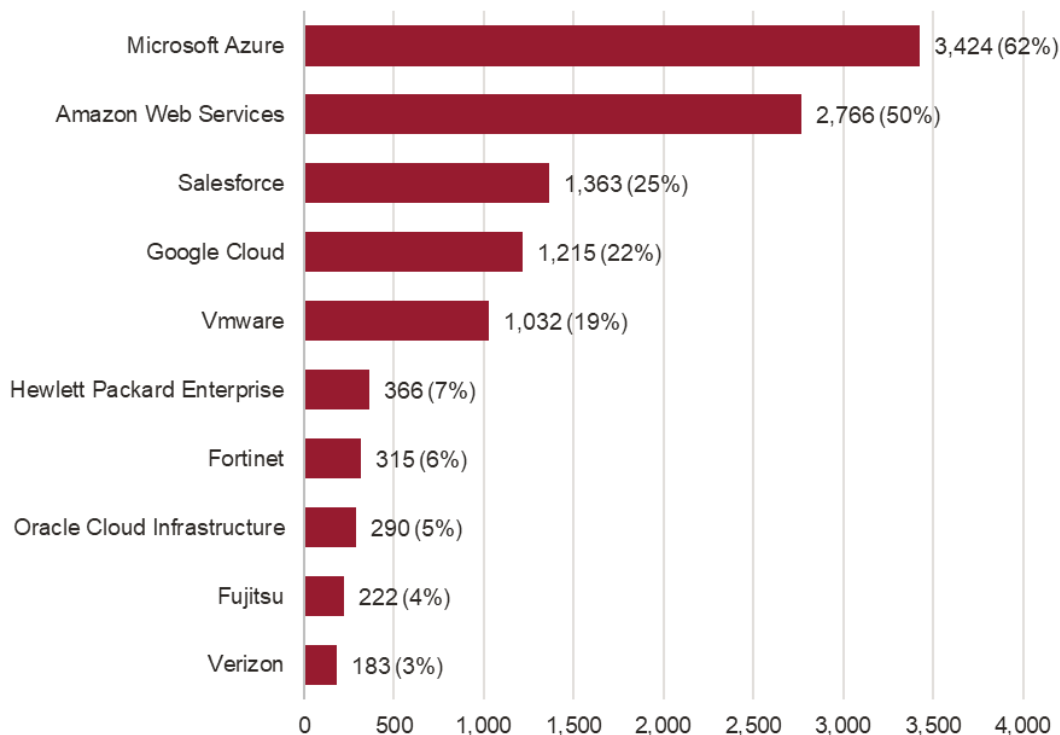
Note: Samples size: 9,984 with information on client sectors. Excludes companies with signs of inactive, companies without a registration in Companies House and companies that did not match any MSP-related keywords.

5.2 Vendor relationships

Partnerships are fundamental to the MSP ecosystem, enabling providers to enhance their capabilities and serve a diverse range of clients across multiple technical domains. To gain insights into these affiliations, we analysed the most commonly mentioned vendor partnerships among MSPs, as indicated on their websites.

Figure 21 presents the top ten vendors that MSPs reference. The most frequently mentioned vendors are Microsoft Azure (62%) and Amazon Web Services (AWS) (50%), followed by Salesforce (25%) and Google Cloud (22%). While these mentions may suggest potential partnerships or technology affiliations, it is important to note that MSPs may also reference these vendors for other reasons, such as ensuring interoperability with their services or highlighting areas of technical expertise. In any case, these findings highlight the relevance of major cloud platforms and software providers in the MSP landscape.

Figure 21 Top 10 most frequently mentioned vendors - % of MSPs mentioning each vendor on their websites (N = 5,525)



Source: Frontier Economics and Glass.AI

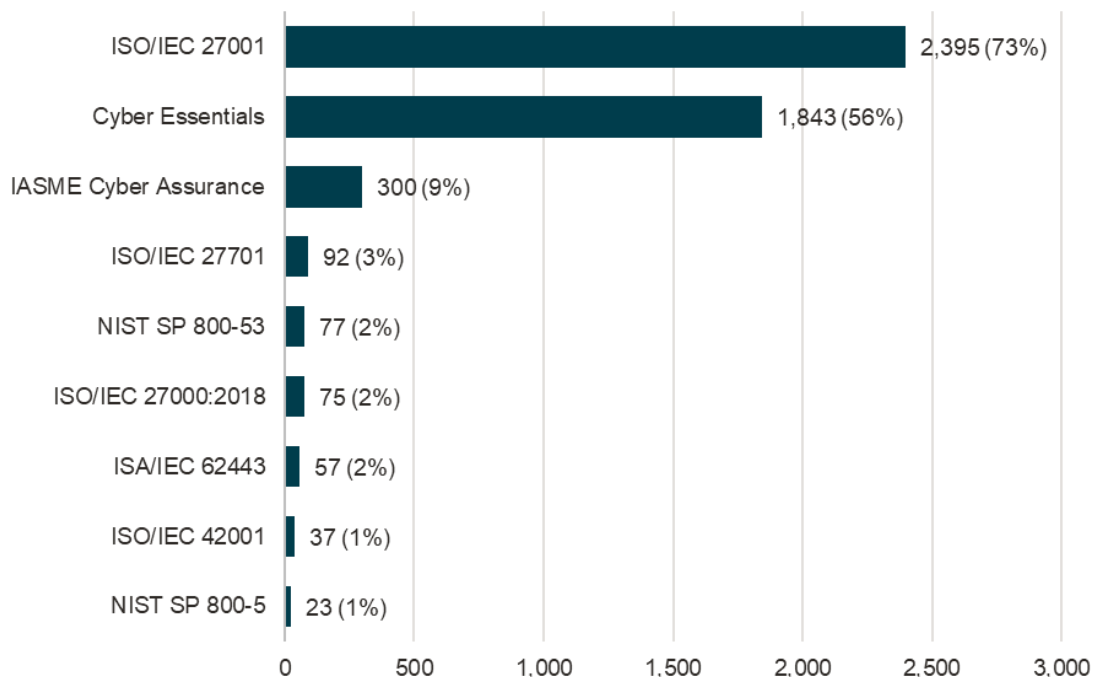
Note: Samples size: 5,525 with information on vendor partnerships. Excludes companies with signs of inactivity and companies without a registration in Companies House.

5.3 Cyber accreditations and certifications

Certifications play a key role in demonstrating the expertise and credibility of MSP providers, particularly in cybersecurity and information management. To assess the prevalence of certifications, we matched relevant accreditations with the textual evidence found on MSPs' websites. We found that 25% (3,282) of identified MSPs mentioned at least one of these accreditations on their websites. Figure 22 presents the share of MSPs for each of these certifications. In particular, among the 3,282 companies that mentioned certifications:

- 73% of MSPs who mentioned at least one accreditation (2,395 in total and 18.6% of all active UK MSPs) mentioned the ISO/IEC 27001 certification, an international standard for information security management, which emphasizes a systematic approach to assessing security risks and implementing controls.
- 56% of MSPs who mentioned at least one accreditation (1,843 in total and 14.3% of all active UK MSPs) mentioned the Cyber Essentials certification, a UK government-backed accreditation designed to help businesses protect themselves against common cyber threats.

Figure 22 % of MSPs with each certification/accreditation (N = 3,282)



Source: Frontier Economics and Glass.AI

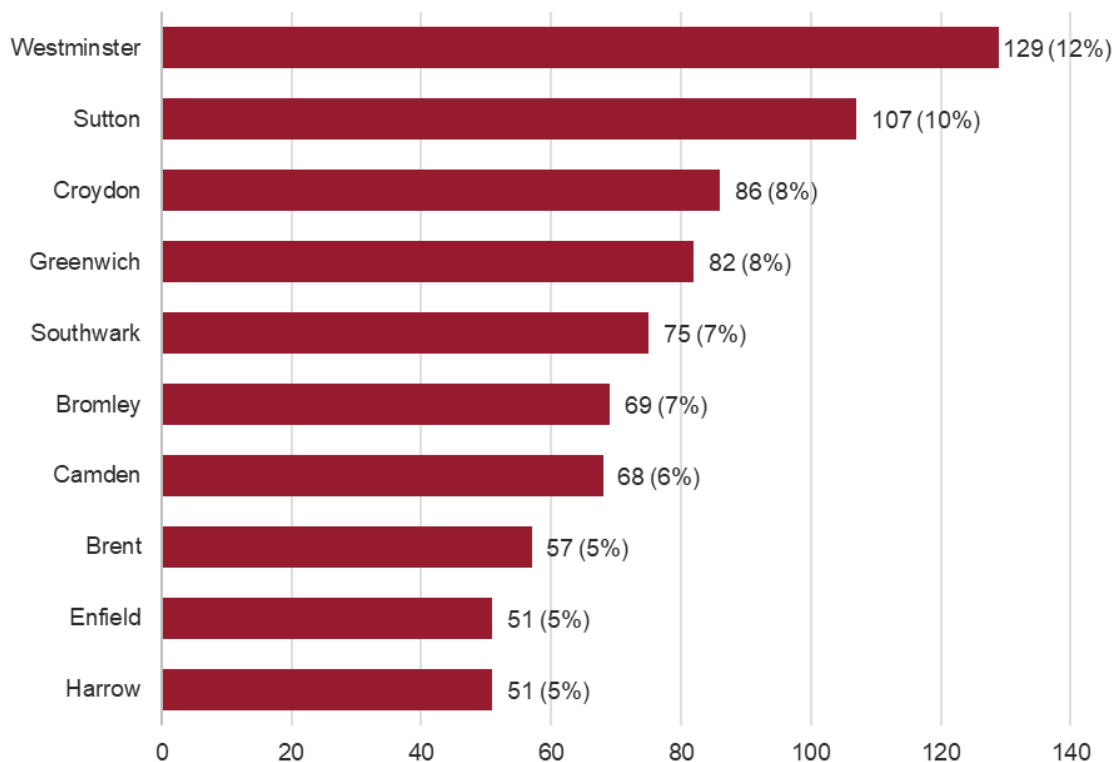
Note: Samples size: 3,282 that mention a certification/accreditation on their website. Excludes companies with signs of inactivity and companies without a registration in Companies House.

5.4 Relationships with local authorities

Finally, we also analysed the relationships between MSP providers and local authorities to assess their level of engagement with the public sector. Our findings indicate that 8% (1,057) of active MSPs in the UK referenced at least one local authority on their websites. In total, 314 distinct local authorities were mentioned. Figure 23 highlights the top ten most frequently mentioned local authorities. Westminster was the most cited (mentioned by 12% of the 1,057 MSPs that referenced at least one local authority), followed by Sutton (10%) and Croydon (8%).

However, the nature of these references is unclear, as local authorities may be clients, service partners, owners or listed for regulatory purposes. In addition, the research attempted to identify whether MSP are total or partially owned by local authorities, we cross-referenced the textually extracted data with the Local Authority Trading Company (COR_E) dataset. This additional check revealed that only two companies were partially owned by local authorities.

Figure 23 Top 10 most frequently mentioned local authorities - % of MSPs mentioning each local council on their websites (N = 1,057)



Source: Frontier Economics and Glass.AI

Note: Samples size: 1,057 with information on local authorities. Excludes companies with signs of inactivity and companies without a registration in Companies House.

6 Conclusions

This report presents an updated and detailed view of the UK Managed Service Provider (MSP) market as of 2025, with the primary aim of supporting the Department for Science, Innovation and Technology's understanding of the sector as it considers policy developments under the Cyber Security and Resilience (CSR) Bill.

Given the absence of a specific SIC code for MSPs and the lack of detailed classification in official datasets, this research relies on an alternative, web-based methodology using Glass.AI's automated data collection tools. The methodology draws on company websites and trading descriptions, matched against an updated taxonomy of over 650 keywords, to identify relevant providers and estimate their economic footprint. While the taxonomy and dataset created represent a static view of the market at the time of research, they provide a valuable foundation for future monitoring and policy engagement as the MSP landscape continues to evolve in response to technological, regulatory, and client-driven changes.

As of March 2025, we identified 12,867 active MSPs operating in the UK, compared to 11,492 in 2024.³¹ However, these figures are not directly comparable due to refinements in the methodology. Our dataset does not include 3,655 companies previously identified in 2024 due to diverse reasons, including signs of inactivity, lack of UK registration number, or revised inclusion criteria. A total of 7,837 remain consistent across both datasets, ensuring continuity in the analysis of long-standing MSPs.

We also identified 5,030 new and active companies in the MSP market. This figure includes 239 newly incorporated companies, 255 additional providers identified through new service categories, and 4,536 firms discovered as a result of improved data collection techniques. Based on this updated information, employment was estimated at 343,762, with annual revenue reaching £51 billion, and Gross Value Added (GVA) estimated at £22.3 billion.

The market continues to be shaped by a small number of large providers (321), which account for 86% of revenue (£41 billion) and 47% of GVA (£10 billion), despite representing only 4% of all MSPs. The ten largest firms alone employ over 80,000 people and generate more than half of total sector revenue and GVA. At the same time, the majority of MSPs are micro (65%, 6,998) or small firms (24%, 2,631), which collectively reflect the broader small and micro composition of the UK economy.

To fall in the scope of the CSR Bill, an MSP must not be classified as a small or micro enterprise business; meaning it must employ at least 50 people and have an annual turnover exceeding EUR 10 million. As the firm size definition used in the context of the CSR Bill does not clarify whether it refers to UK or global employment, we are accounting for both.

³¹ [DSIT \(2024\) Research on UK managed service providers.](#)

Based on data from the 12,867 identified MSPs (i.e., companies registered and active in Companies House, whether they are headquartered in the UK or are headquartered overseas but have at least one office in the UK):

- We estimate that **977 MSPs employ at least 50 people in the UK** and have a turnover exceeding EUR 10 million in the UK; and
- We estimate that **1,213 MSPs employ at least 50 people globally** and have a turnover exceeding EUR 10 million in the UK.

All these MSPs above have complete information on employment and turnover, and therefore, it is possible to identify whether they meet both criteria simultaneously.

If we also include MSPs for which turnover data is missing,³² and assess the inclusion of these companies solely on employment (i.e., employ at least 50 people), the number of MSPs potentially in scope of the CSR Bill increases from **977 to 1,214 MSPs** when considering UK employment, and from **1,213 to 2,381 MSPs** when considering global employment.

We also examine whether the MSPs identified above already fall within the scope of the CSR Bill as cloud service providers:

- We estimate that **658 out of 1,214 MSPs** are cloud service providers, based on **UK** employment figures; and
- We estimate that **1,362 out of 2,381 MSPs** are cloud services providers, based on **global** employment figures.

These results suggest that between **556 and 1,019 additional MSPs** could fall within the scope of the CSR Bill, beyond those already covered as cloud service providers.

The findings also reveal that the most frequently mentioned service categories were 'Cloud computing' (60%), 'IT Consulting' (49%), and 'IT Infrastructure Management' (46%). We found that 25% (3,282) of identified MSPs mentioned at least one accreditation on their websites, with a clear emphasis on cybersecurity, as seen in the references to Cyber Essentials and ISO/IEC 27001, which were mentioned by 19% (2,395) and 14% (1,843) of identified MSPs, respectively. Additionally, 8% of MSPs (1,057 companies) reference partnerships with local authorities, but only two are partially owned by them. Across the ecosystem, vendors like Microsoft Azure and AWS are commonly referenced on MSPs websites highlighting the relevance of major cloud platforms in the MSP landscape.

³² Companies might not have updated their accounts in Companies House or might be exempt.

Annex A - Annex

A.1 Taxonomy

Managed Service Providers								
Outsourcing		Service Integration and Management		System Integration	IT Infrastructure Management	Cloud Computing	Application and Hosting	Managed Security Service Providers (MSSPs)
IT Service Management	IT Consulting	Communications	Compliance and Risk Management	Infrastructure Integration (e.g., ERP, integration)	Managed IT	Infrastructure as a Service (IaaS)	Domain Hosting	Managed Security Operations Centre (SOC)
Tech Support & Implementation	SIAM / Vendor Management	Voice over IP (VoIP)	Regulatory Compliance	Data Integration (e.g., ETL, CDC, USP)	Managed Networks	Platform as a Service (PaaS)	Application Development (cloud)	Security Monitoring (SIEM)
Remote Access	Digital Transportation	Unified Communications	Risk Assessment and Management	Application integration (e.g., API, SOA, EAI)	Wide Area Network / Local Area Network (WAN/LAN)	Software as a Service (SaaS)	Application Modernisation/ Application Management	Incident Response
Procurement and Set-up Support		Telecommunications and Network Support	Data Privacy and Protection (Advisory)	Process integration (e.g., ESB)		Virtual Private Cloud	CRM, ERP, Dynamics Implementation	Business Continuity and Disaster Recovery
Hardware/Software Installation and Maintenance/ Licence Management/ Printer		Collaborative Solutions (e.g., SharePoint, 365)	IT Audits and Assessments			Cloud Provision (e.g., access to AWS, Azure, GCP)/ Managed Cloud Services		Threat and Vulnerability Management/ Risk Analysis
Business Process Outsourcing			IT Strategy and Roadmaps			Virtualisation		Identification and Access Control
IT support for Operational Technology						Cloud Migration		Email Security
								Endpoint and Cloud Security
								Data Protection and Backup

A.2 Detailed methodology

This section outlines the scope, data sources and the methodology used in the study. We adopt a four-stage approach: (1) review and refinement of market definitions, (2) development of MSP sector dataset, (3) quality assurance and validation, and (4) data analysis and reporting.

Stage 1: Review and refinement of market definition

Most datasets in the UK classify businesses using the Standard Industrial Classification (SIC), and there is no specific SIC code dedicated to MSP activity. To overcome this limitation, Glass.AI provides a proprietary AI algorithm that ‘crawls’ (reads) web data and interprets text at scale using natural language processing (NLP), machine learning (ML) and computational linguistics techniques.

This technology analyses written text and tracks hundreds of topics, growth signals and other indicators across billions of web pages, including more than 40m organisations' websites, news outlets, social media platforms, employment platforms, event notices, press releases and academic and sector-specific websites. Where possible, web data is matched with information from official business registers (e.g., Companies House in the UK).

It is important to mention that Glass.AI approach and the underlying technology/crawling methods have evolved since the 2024 study, driving improved data coverage and MSP classification. Glass.AI applies open web sources and focuses on the contextual nature of readable content.

A critical input for the implementation of this technology is the operational definition of the market: a taxonomy that summarises the key terms used by MSP providers to describe their services in the UK. A first step was to review and refine the market definition and taxonomy used in previous research, discuss new services to be included in the market, and any eligibility criteria for companies to be included in the market.

Consistent with previous research, we established a set of **eligibility criteria**:

- Have a clear presence in the UK market, meaning they are registered with Companies House³³ and have a verifiable³⁴ UK office.
- Demonstrate active commercial activity, such as an up-to-date website³⁵ or social media presence (e.g., LinkedIn).
- Appear to be operational and active at the time of analysis, with no signs of inactivity in Companies House records.

³³ This criterion implies that only private entities that adopt a corporate are included in the analysis. This excludes charities, NGO, universities, think tanks, networks, trade associations, blogs and sole traders.

³⁴ This criterion implies that companies have at least one UK site/address listed on their websites.

³⁵ This criterion implies that companies need to have an active domain which shows signs of being updated recently.

The original taxonomy consisted of over 500 unique keywords that described MSP offering, organised into 40 sub-categories and nine broader categories. To reflect the evolving nature of the MSP sector, we expanded this taxonomy by incorporating **three additional services**:

1. **System integration:** Design, implementation, and management of integrated hardware, software, networks, and cloud environments to ensure seamless system interoperability. This service is categorised separately under its own broad category and may refer to process, data, application, or infrastructure integration.
2. **Business process outsourcing:** External delivery, management, and oversight of IT services related to business processes, such as HR, payroll, accounting, digital processes, and customer experience. This service was added under 'IT Service Management' ('Outsourcing').
3. **IT support for operational technology:** External management and maintenance of IT services related to industrial processes, ensuring smooth operations in sectors that rely on automated systems. This service was also added under 'IT Service Management' ('Outsourcing').

We identify example companies that fall within newly introduced layers of the taxonomy to enable development of training data. As such, this classification is based on commercial descriptions of services offered by known and active MSP providers, ensuring that the taxonomy aligns with real-world industry trends. Following these updates, the revised taxonomy includes **650 keywords**, grouped into 46 sub-categories and ten broader categories.

It is important to note that Glass.AI uses a combination of language modelling methods to determine sector relevance, which applies existing known company characteristics, keywords and other readable assets to substantiate inclusion and classification as per the taxonomy. As such, these keywords are not used in isolation.

Stage 2: Development of MSP Sector Dataset

A first dataset was created based on Glass.AI's UK's dataset (crawled monthly). Building on the taxonomy developed in the previous stage, Glass.AI execute a deep reading of content from company website, LinkedIn profiles and other web sources to identify text that suggests involvement in MSP activities. This includes textual descriptions, product and service offerings and references to technologies. Results were cross-referenced with external sources, directories (e.g., Companies House) and data partner submissions to support the rationale for inclusion and ensure validation.

This first dataset was reviewed and the feedback was fed into the web crawling algorithm for further refinement. A final web crawl was undertaken after feeding this input. This step also included addition of other data fields that required additional evidence such as identifying client markets, technology vendors, certifications, etc.

This led to the development of a bespoke dataset of over 15,000 MSP companies, complete with associated descriptions and characteristics, including the types of services provided. We obtain three group of companies: (1) those identified in previous research, (2) new market entrants, and (3) companies that perform activities related to the augmented sector definition and are now in scope. Table 2 presents the list of main data fields included in the dataset.

Table 2 Data fields

Data fields	Description
Name	Name of organisation sourced from the web sources
Website	Name of organisation sourced from the web sources
Description	Description of organisation's main activity based on web content
Previous delivery	A tag to flag records that were a part of the previous MSP delivery
HQ	The location of the organisation's headquarters
UK Postcode	The predicted primary UK postcode of the organisation
Registered number	Company Registration Number based on Companies House record
Status	Latest returned company accounts date based on Companies House record
Incorporation date	The organisation's Companies House Incorporation Date
SIC (Sector)	Registered name of the company based on Companies House record
Employee number	Number of employees read from web sources (LinkedIn)
UK employee number	The estimated number of people in the organisation working in the UK
UK Companies House employees	The organisation's official employee count data where available
UK IT employee number	The estimated number of people in the organisation working in the UK in an IT/MSP role
Revenue in GBP (thousands)	The organisation's current revenue data where available
Dedicated/diversified marker	A marker to indicate whether the organisation is likely to be dedicated/diversified in it's business activities
MSP service categories	Categories matched from the updated Phase 2 taxonomy

Data fields	Description
MSP service sub-categories	Sub-Categories matched from the updated Phase 2 taxonomy
MSP interest areas	Interest areas matched (cloud, cyber security, data centres, digital transformation)
MSP vendors	Matched vendors and an example site of where vendors were matched for each organisation
MSP target markets	Matched target markets and an example site of where target markets were matched for each organisation
Network type	Matched network types (telecoms and network support only)
Contract type	Matches contract types (system integration only)
Customer connectivity marker	Matched customer connectivity terms
Council match	Matched councils and an example site of where councils were matched for each organisation

Source: *Frontier Economics and Glass.AI*

Note: Coverage across certain fields is subject to availability of open data and legal requirements for data disclosure.

Stage 3: Quality Assurance & Data Validation

We manually review a dataset of 100 randomly selected companies for quality assurance (QA). This sample was constructed with a focus on new entrants, especially those matched with the new taxonomy. Particularly, we verify the inclusion of the companies based on our eligibility criteria and service classification, and cross reference with other sources such as Crunchbase. Overall, we found a false negative rate of around 7% in line with other similar exercises.

Stage 4: Data analysis and Reporting

For the analysis, we exclude all companies that are inactive and unregistered in the UK. This leads to a final dataset of 12,687 companies. We focus the analysis on latest MSP firmographics, provision type (dedicated/diversified), firm size, service categories and geographical distribution. We also include comparison with the previous research (when applicable) to establish market trends and evolution of the MSP sector.

A.3 Additional descriptive statistics

Table 3 Number of companies with service overlaps

Service 1	Service 2	Count	%
Cloud computing	IT Consulting	3,710	29%
Cloud computing	IT Infrastructure Management	3,637	28%
Cloud computing	IT Service Management	3,233	25%
IT Infrastructure Management	IT Service Management	3,159	25%
IT Consulting	IT Service Management	2,906	23%
IT Consulting	IT Infrastructure Management	2,713	21%
Cloud computing	Managed Security Services Providers (MSSPs)	2,702	21%
Application and hosting	Cloud computing	2,632	20%
IT Infrastructure Management	Managed Security Services Providers (MSSPs)	2,594	20%
IT Service Management	Managed Security Services Providers (MSSPs)	2,375	18%
Application and hosting	IT Infrastructure Management	2,063	16%
Application and hosting	IT Consulting	1,999	16%
IT Consulting	Managed Security Services Providers (MSSPs)	1,993	15%
Communications	IT Infrastructure Management	1,781	14%
Application and hosting	IT Service Management	1,749	14%
Cloud computing	Communications	1,585	12%
Compliance and Risk Management	Managed Security Services Providers (MSSPs)	1,537	12%
Cloud computing	Compliance and Risk Management	1,422	11%
Application and hosting	Managed Security Services Providers (MSSPs)	1,407	11%
IT Outsourcing	IT Service Management	1,354	11%
IT Consulting	System integration	1,341	10%

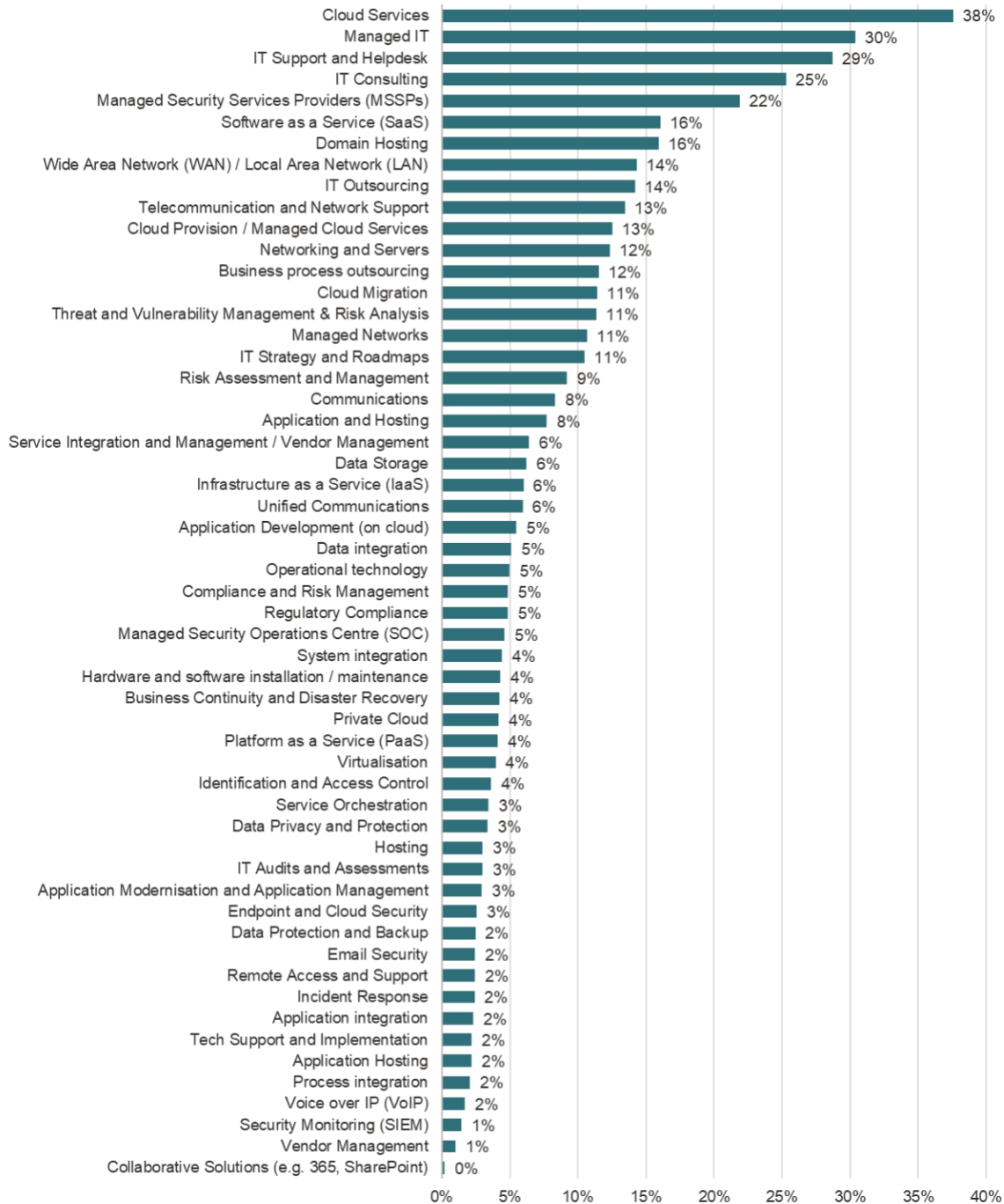
Service 1	Service 2	Count	%
Communications	IT Service Management	1,313	10%
IT Infrastructure Management	IT Outsourcing	1,201	9%
Compliance and Risk Management	IT Infrastructure Management	1,179	9%
Cloud computing	IT Outsourcing	1,170	9%
Compliance and Risk Management	IT Service Management	1,126	9%
Compliance and Risk Management	IT Consulting	1,104	9%
Communications	IT Consulting	1,086	8%
Communications	Managed Security Services Providers (MSSPs)	1,086	8%
IT Consulting	IT Outsourcing	1,039	8%
Application and hosting	Communications	1,030	8%
IT Outsourcing	Managed Security Services Providers (MSSPs)	931	7%
Cloud computing	System integration	930	7%
Application and hosting	Compliance and Risk Management	751	6%
IT Infrastructure Management	System integration	678	5%
IT Service Management	System integration	675	5%
Service Integration and Management (SIAM)	Service Integration and Management (SIAM)	648	5%
Application and hosting	IT Outsourcing	625	5%
Application and hosting	System integration	543	4%
Communications	IT Outsourcing	508	4%
Communications	Compliance and Risk Management	450	3%
Managed Security Services Providers (MSSPs)	System integration	391	3%
Cloud computing	Service Integration and Management (SIAM)	383	3%

Service 1	Service 2	Count	%
Compliance and Risk Management	IT Outsourcing	378	3%
IT Service Management	Service Integration and Management (SIAM)	374	3%
IT Consulting	Service Integration and Management (SIAM)	363	3%
IT Infrastructure Management	Service Integration and Management (SIAM)	337	3%
Compliance and Risk Management	System integration	280	2%
Communications	System integration	267	2%
Managed Security Services Providers (MSSPs)	Service Integration and Management (SIAM)	209	2%
IT Outsourcing	System integration	196	2%
Application and hosting	Service Integration and Management (SIAM)	188	1%
Communications	Service Integration and Management (SIAM)	160	1%
Service Integration Management (SIAM)	System integration	127	1%
IT Outsourcing	Service Integration and Management (SIAM)	126	1%
Compliance and Risk Management	Service Integration and Management (SIAM)	121	1%

Source: Frontier Economics and Glass.AI.

Note: Samples size: 12,867 with information on local authorities. Excludes companies with signs of inactive, companies without a registration in Companies House and companies that did not match any MSP-related keywords

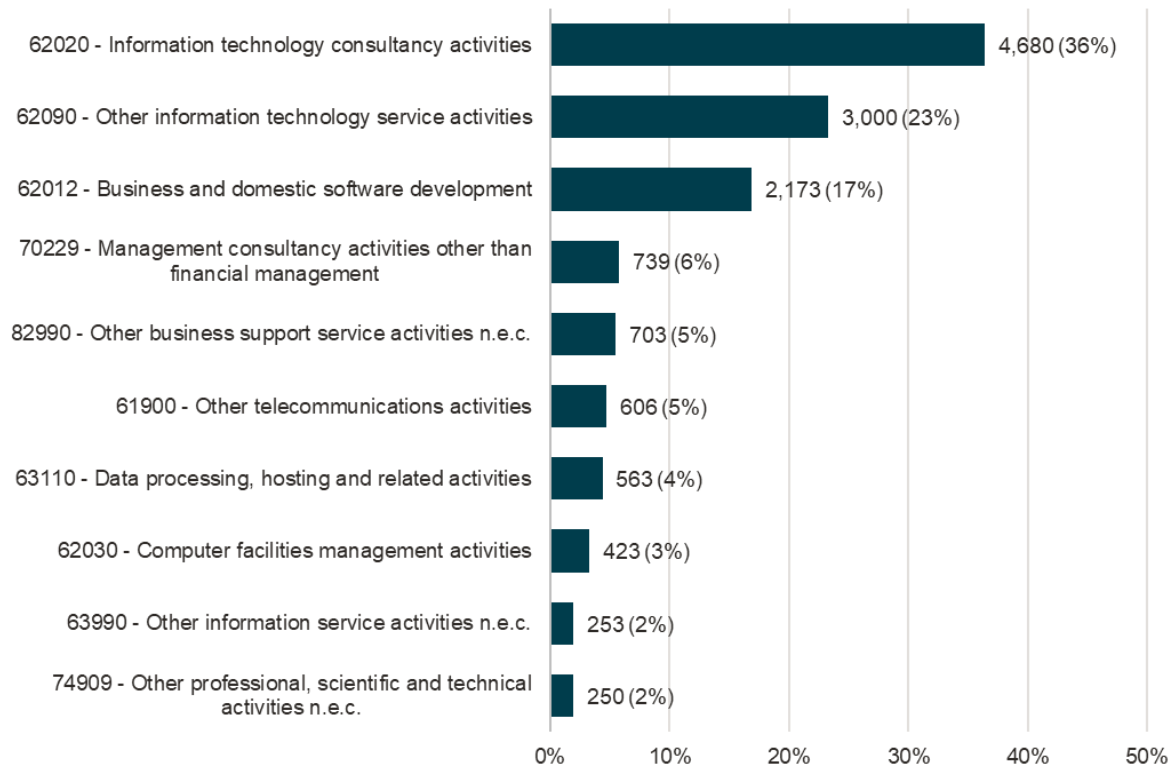
Figure 24 Taxonomy breakdown - % of MSPs within each service sub-category (N=12,867)



Source: Frontier Economics and Glass.AI

Note: Samples size: 12,867. Excludes companies with signs of inactive, companies without a registration in Companies House.

Figure 25 Top 10 SIC codes - % of MSPs in each SIC code (N=12,867)



Source: Frontier Economics and Glass.AI

Note: Sample size: 12,867. Excludes companies with signs of inactive, companies without a registration in Companies House.

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