

North America Managed Services - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The North America Managed Services Market size is estimated at USD 66.80 billion in 2024, and is expected to reach USD 108.24 billion by 2029, growing at a CAGR of 10.13% during the forecast period (2024-2029).

Key Highlights

- The North American market is growing due to the changing landscape of IT infrastructure, especially in small and medium enterprises (SMEs), which continually focus on outsourcing cybersecurity solutions. For instance, KPaul Properties LLC, one of the emerging manufacturers and distributors of IT supplies in the United States, onboarded Fujitsu to replace a physical server with a virtualized environment. This reduced the company's cost by around 15% and delivered 95% uptime.
- According to Solarwinds, in North America, server and storage hardware, endpoint devices, and networking gear solution offerings dominate among MSPs, especially in the United States. Though managed security offerings may be lacking, most solution providers offer security point products in network and endpoint hardware and software.
- In the region, companies are integrating IT solutions tailored to business needs by providing a full assessment of the IT environment and delivering the solutions needed to solve complex business challenges at every stage of the business lifecycle. For instance, Managed Solution, a US company, integrated technical skillsets and the required resources to discover challenges, diagnose problem areas, and custom design, deliver, and execute a comprehensive technology roadmap based on needs, making customers more secure, compliant, and efficient.
- Although managed services offer various benefits, specific challenges, like reliability concerns, may obstruct the market's growth over the forecast period. The process of hiring an MSP to host critical business infrastructure involves a belief in the providers' business relationship. In case of any failure by providers to sustain in the competitive market, enterprises relying upon them may have to entirely replace web hosting, emails, calendars, and other critical pieces of infrastructure, without which it is not possible to conduct business.

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-The COVID-19 pandemic increased the number of organizations working remotely in the United States. According to ALM Media Properties LLC, an estimated 58% of American knowledge workers work remotely. This number is increasing by more than 30% from pre-COVID-19 averages and dwarfs previous figures that reported roughly 7% of the US' 140 million civilian employees worked from home. This mass exodus from the conventional workplace has been a welcome shift in many organizations' employer expectations and telework policies.

North America Managed Services Market Trends

IT and Telecom Sector Expected to Hold a Significant Market Share

- The IT and telecom sector is a significant market for managed services due to the high rate of various technological adoptions, increased rate of adoption of the BYOD policy (in order to make business operations much more comfortable and controllable), and increased need for high-end security due to rapidly increasing data volumes in organizations.
- The telecom industry has observed increased growth during the past few years as telecommunication companies are encountering constant pressure to deliver innovative services at lower costs to retain their customers in the competitive market. In order to address a complex and competitive environment, managed services have become a widespread demand for operators.
- Moreover, because of their compelling economic case, most telecom carriers are expected to replace their network hardware with software (SDN & NFV). Major factors driving the demand for SDN and NFV include improved time-to-market, reduction in CAPEX and OPEX, and opening up new revenue streams from a business standpoint. All these are expected to drive the growth of the market studied. Such initiatives are driving demand for managed network services.
- Many SD-WAN managed service providers in North America differentiate themselves with a broad range of security offerings. For instance, Cato Networks offers a cloud-native platform that includes NGFW, Secure Web Gateway, Advanced Threat Prevention, Cloud and Mobile Access Protection, and a Managed Threat Detection and Response service. Colt offers Layer 7 firewall or a Layer 3/4 stateful firewall with DDoS protection, and CenturyLink provides a suite of security services referred to as Adaptive Network Security.

Canada Expected to be the Fastest-growing Market

- The market for managed services in Canada is growing mainly due to new product roll-outs, acquisitions, mergers, and partnerships, shaping the overall North American market. The accelerated growth of technology in Canada continues to reshape how businesses improve operational efficiencies, leverage massive amounts of data, collaborate internally, and interaction between businesses and customers.
- Starport is a Canada-based managed IT services provider that delivers top-class IT design, implementation, and continuous network monitoring to mid-sized organizations, throughout Canada. Most of its clients are concentrated in the Greater Toronto Area. It offers its services to clients from various industries, including investment banking, manufacturing, and commercial real estate.
- Besides, Canada is witnessing high growth in the application of multi-cloud environments and increased adoption of automation. In the region, cloud, mobile, and social technologies demand that businesses take a proactive approach toward IT security, thus, boosting the demand for the deployment of robust managed services that would deliver in all security management layers.
- Unified Communications as a Service (UCaaS) and related Contact Center as a Service (CCaaS) markets represent a business opportunity for managed service providers. This is because emerging players are offering innovative cloud-based solutions that require a minimum investment and are easy to deploy. Customers are also leaning toward consumption-based, pay-as-you-go

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models.

- Rising cloud services in the country are expected to augment the demand for the managed MPLS market. For instance, the Government of Canada has a 'cloud-first' strategy, whereby cloud services are identified and evaluated as the principal delivery option while initiating information technology investments, initiatives, strategies, and projects. The cloud is also expected to allow the Government of Canada to harness the innovation of private sector providers to make its information technology more agile.

North America Managed Services Industry Overview

The managed services market is consolidated and dominated by the major players. Some major players in the market are Cisco Systems Inc., IBM Corporation, Microsoft Corporation, Fujitsu Ltd, and Wipro Ltd.

- May 2021 - Fujitsu Ltd and Rakuten Mobile Inc. announced a Memorandum of Understanding (MoU) to deepen their collaboration on joint efforts to develop Open RAN solutions for the global market. Both companies will jointly collaborate to develop 4G and 5G Open RAN solutions.
- November 2021 - AT&T added a new offering to its Secure Access Service Edge (SASE) portfolio. AT&T SASE with Cisco is a converged network and security management system that uses software-defined wide-area networking (SD-WAN) technology and security capabilities to connect and protect businesses.
- October 2021 - Citrix launched Citrix Secure Private Access, a new cloud-based Zero-Trust Network Access (ZTNA) solution that safeguards app and data access from managed, unmanaged, and Bring-Your-Own (BYO) devices.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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