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MSPs: Build or buy?

Choosing the right backup infrastructure for your business

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Introduction: Breaking down MSP backup service/solution options

Every MSP asks whether it's even possible to find a single, ideal backup solution. Considerations include client base/server numbers and on-premises versus cloud requirements. There is also the need to balance a solution's rollout, management/monitoring time and costs with uptime, client control preferences and SLAs. A recent survey shows only **58% of companies met the recovery time specified in their SLA when tested.**

Meeting RPO/RTO and ROI/TCO goals are constant challenges for MSPs in a digital world where attacks and data loss increase every minute. Of the 1,200 IT leaders surveyed in 2024, 96% of cyber-attacks targeted backup repositories with a 76% success rate by bad actors within the previous year.

MSPs and all businesses struggle to choose among backup options, ranging from on-premises storage-agnostic solutions to Cloud-based backup solutions and everything in between. Companies may start out with data backup for Microsoft 365, but quickly expand to the broader IT infrastructure. Changing MSP client needs are reflected in the many organizations contemplating a switch in primary backup solutions, with half of those surveyed planning a change, according to Veeam's **Data Protection Trends Report 2024.**

Every MSP wants the ability to monitor and manage all their backup needs from a single, purpose-built platform, but they're stuck using multiple backup vendors. This and other requirements spark the initial debate on whether to buy or build their backup solution.



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Build vs. Buy

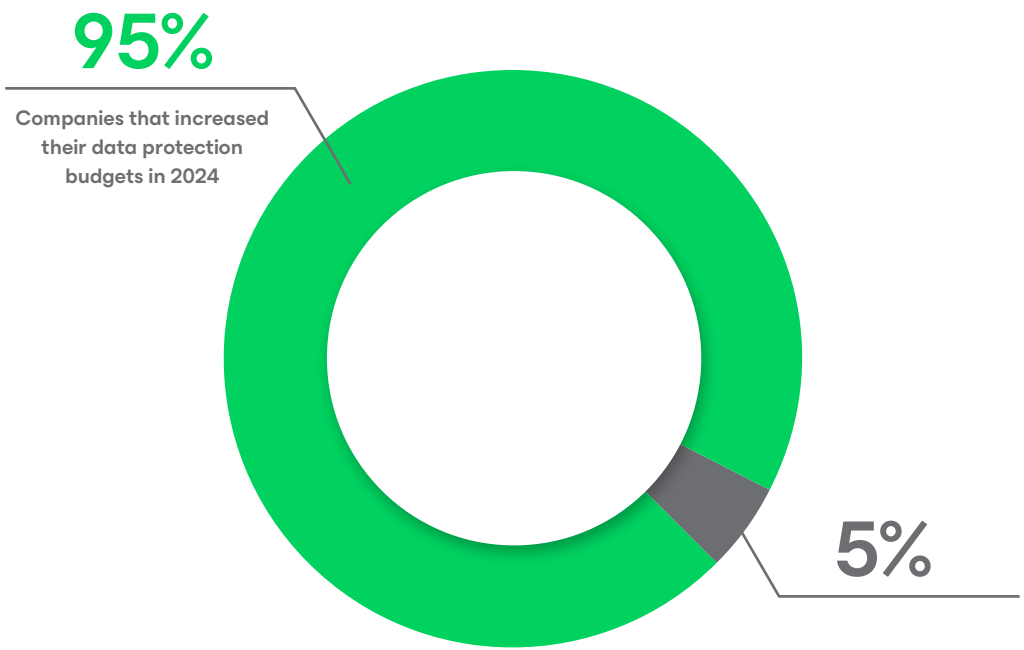
Most surveyed organizations in that same 2024 report, 95% of them to be exact, are increasing their data protection budgets by a small amount. This still leaves MSPs fighting to find a flexible way to deliver optimum backup to everyone while balancing the demands of time, cost and control. Building or buying backup becomes the first decision on the path to that goal.

Building your own solution is viable for some MSPs with small client bases, but this becomes difficult to manage if clients and different needs reach a tipping point. This route has a high TCO and longer potential ROI, but it is not always the best choice for MSP clients with hundreds of servers.

Buying a ready-made backup solution may deliver better income margins but prove to be inflexible for varied client needs. Growing hybrid requirements, defined cycles, upgrades/resource adds and other shifts in requirements can make ROI more elusive. Then there are clients operating in highly regulated industries, such as healthcare and BFSI, which may mandate data retention for decades.

The reality is that what works for some MSPs won't work for all, and what works today may not work tomorrow. But there is an even bigger challenge: the inability of most vendors to meet all MSP needs through their own solutions portfolio.

Ultimately, MSPs are being paid to keep their clients' data secure and uncompromised. To make the right choice between build or buy, they first need to understand the role traditional backup solutions often play in their backup service offerings.



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Exploring Traditional Backup Solutions

Traditional on-premises backup can feature different tools, approaches and storage mediums. MSPs usually opt for storage-agnostic backup solutions to provide greater flexibility.



On-premises storage-agnostic backup solutions

MSPs need flexibility with their on-premises backup solution. Storage-agnostic solutions can deliver this by decoupling backup software from specific hardware. The MSP is then free to integrate backup solutions with multiple storage environments, including traditional on-premises storage, hyper-converged infrastructure and hybrid cloud setups.

Pros and cons

On the one hand, these solutions can be flexible, scalable and interoperable while enabling the MSP to leverage existing infrastructure and integrate modern technologies seamlessly. On the other hand, offsite management/monitoring and help desk support can be time-consuming and costly. Security and compliance can also be challenging across storage platforms for a variety of reasons.

Still, MSPs might consider building traditional backup solutions due to:

- Making significant investments in existing infrastructure where changes could be costly and disruptive
- The benefits of repurposing existing older hardware to reduce costs and maximize life cycles for smaller MSP client requirements and tighter budgets
- Strict data retention, security and regulatory compliance for MSP client sectors such as finance and healthcare
- Data sovereignty laws requiring clients to keep data within specific geographic boundaries



Cloud and hybrid backup solutions for MSPs

Third-party cloud providers use remote servers to store data as their fundamental approach to cloud backups. MSPs transmit their clients' backup data over the internet to these cloud storage locations, where it is managed and protected by the service provider.

This approach provides the following benefits:

- Lower TCO via lower hardware and maintenance costs
- Increased accessibility and flexibility for remote workforces
- Disaster recovery enhancement through offsite data storage

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- Reduced IT administration since cloud providers manage the infrastructure and apply the latest security patches and updates automatically

However, there are drawbacks as well:

- Client concerns regarding connectivity, security and compliance/data sovereignty
- Potential management complexity, integration challenges, and cost escalation
- Lower client retention/satisfaction and even income margins due to higher costs

A hybrid backup approach combines cloud and on-premises backup solutions to deliver the benefits of both while minimizing their downsides. These include immediacy, security, scalability and optimized performance/cost.

Both approaches are still vulnerable to the MSP's bigger challenge of varied and changing client needs, as well as an evolving threat landscape where:

- Yesterday's choice(s) may not be viable for current and future needs.
- Multiple vendor solution management complexities and limited integration and change possibilities conflict with maximizing ROI and minimizing TCO.

Building/hosting a traditional backup solution in the Azure cloud can go a long way toward minimizing those challenges and maximizing the benefits for many MSPs and their clients.



Hosting traditional solutions in public cloud

While most organizations are using some aspect of public cloud for backup, MSPs must provide a versatile solution capable of working with multiple providers to meet varied client needs. The Veeam 2024 Data Protection Trends Report shows that 41% of respondents see mobility across clouds as a defining aspect of data protection solutions. AWS and Azure have 31% and 25% of the cloud market respectively, according to Statista. This makes it imperative that MSPs have the capability to host their backup solutions in both of these provider environments.



Traditional backup, RMM solutions, and APIs

MSPs can benefit from backup solutions that integrate RMM specifically built for backup environments that utilize APIs for broader tool and software integrations. By doing this, MSPs can:

- Streamline backup, restore and replication
- Enable secure access/authentication
- Pull data from traditional backup software and cloud storage, including backup status, job logs and alert information
- Automate backup tasks like scheduling backups, starting restores and managing backup policies

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- Enable centralized, real-time monitoring and quick issue identification via a unified dashboard
- Generate detailed, customizable reports showing backup performance, compliance with SLAs for client transparency and proof-of-service value

It's nearly impossible to meet every requirement with a single vendor, and even more challenging to meet new requirements down the road without changing vendors. However, that's what MSPs really need.

While there are many RMM providers for core MSP operations, they can have limited capabilities for integrating with a backup provider, leading to MSPs having to develop in-house solutions or worse, spend valuable time on manual efforts.

Choosing a backup solution that provides purpose-built RMM capabilities for the backup environment eliminates these MSP challenges while maximizing flexibility, visibility, usability and simplicity in multitenant backup infrastructure.

Cost, time, control and personnel challenges

Regardless of if they are cloud, on-premises or hybrid, traditional backup solutions all bring issues related to cost, time, control and complexity. Complexity requires skilled personnel to set up, manage and monitor these environments. MSPs often turn to backup-as-a-service (BaaS) and disaster recovery-as-a-service (DRaaS) solutions. Whether a client wants control or simplicity, the MSP is still on the hook for setup and management, which can require highly skilled employees. Many find that simplicity doesn't always serve small client needs, and complexity isn't a given when serving enterprise clients.

The ideal scenario would be a single vendor with a variety of solutions that meet both SMB and enterprise client needs with:

- Intuitive and automated setup, management and monitoring for clients and MSPs
- Comprehensive support systems that can augment the skills of in-house personnel (both client and MSP)

Weighing these factors and the many providers and approaches in the backup solution space can be overwhelming for MSPs. Software as a service (SaaS)-based backup solutions may provide an ideal answer for some, but each MSP must first evaluate the approach.

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Evaluating Cloud-Based Backup Solutions

Cloud-based backup solutions are the latest approach to leveraging cloud infrastructure to provide scalable, flexible and efficient backup and recovery services. Backup software vendors host and manage SaaS -based backup as a service (BaaS) to free organizations from complex hardware maintenance, software updates and storage management.

MSPs are gravitating to these solutions to satisfy hybrid backup needs for a variety of reasons, including:

- Eliminate capital expense on hardware provisioning, maintenance, and replacements
- Automated backups for consistent backup protection without manual intervention
- Granular recovery to restore individual files, emails or entire systems, providing flexibility in recovery options
- Disaster recovery capabilities, allowing businesses to resume operations quickly after a significant data loss event
- Increased reliability, scalability and resiliency
- A subscription-based pay-as-you-go model for better budget management and maximized MSP margins
- High ROI, low TCO and expert personnel thresholds



Benefits specific to Microsoft 365 and Azure environments

Cloud-based backup serves the many MSP clients using Microsoft 365 with granular and seamless integration, as well as easy setup across a Microsoft environment. This provides data protection across Exchange Online, SharePoint Online, OneDrive for Business and Teams, while delivering the following benefits:

- Ensures regular backup and fast restoration of emails, files and collaboration data in the event of data loss
- Simplifies data retention compliance and supports legal hold requirements for e-discovery

Using Azure cloud to host a SaaS backup solution enables:

- Global reach and reliability
- Robust security features (e.g., encryption, identity and access management (IAM) and advanced threat protection)
- Scalable storage options

Like every backup solution, MSPs must carefully weigh the pros and cons, along with the differences in various vendor offerings, based on current and future client needs.

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MSP Cloud-based backup considerations

MSPs must evaluate each Cloud-based backup solution's scalability, elasticity, security and integration capabilities since every solution varies. Many MSPs with Microsoft-based clients might be inclined to rely on Microsoft's native solutions to support data security and backup; however, SaaS backup offers much more.



Advantages over Microsoft's native solutions

While Microsoft offers built-in backup capabilities within its services, Cloud-based backup solutions provide enhanced data protection and recovery strategies for MSPs through:

- A sole focus on data protection and recovery, with features tailored to every backup need
- Continuous innovation and frequent updates focused on maximizing and expanding data protection, backup capabilities and data protection tools
- Advanced security features like zero-trust architecture, multi-factor authentication (MFA), and sophisticated anomaly detection beyond native solution basics
- Faster response to emerging threats and vulnerabilities
- Increased compatibility and integration with multiple cloud platforms and on-premises systems due to being vendor-neutral, enabling MSPs to create hybrid environments

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Turnkey BaaS Solutions for MSPs via Hosting Providers

There have been extensive discussions about BaaS as a turnkey solution in dedicated e-books. Many MSPs choose these turnkey BaaS solutions based on hosting providers that have built an MSP solution using a trusted vendor. Their popularity with MSPs stems from these key attributes:

1. **Pre-configured, fully managed backup services provided by third-party vendors**
2. **Designed to offer comprehensive data protection with no extensive setup or ongoing end-user management.**
3. **Automated backups, centralized management, scalability and robust security features**
4. **Remote management for continuous support while reducing the need for on-site visits**
5. **Lower TCO and higher ROI for MSPs and their clients**



The overriding challenge of BaaS for MSPs is the same as with every solution: Finding a vendor that can provide the widest set of options in a single solution stack to meet changing client needs.

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Selecting the Right Backup Vendor

One backup solution will never fit the needs of every MSP, as they collectively serve a diverse range of clients with unique requirements. The ideal scenario is thus to partner with one third-party vendor offering a comprehensive suite of backup options.

This will ensure they meet the varying demands of their client base, from SMB to enterprise, including:

- Managing different backup types across diverse and changing client bases, including:
  - On-premises, cloud and hybrid
  - Microsoft 365 environments
  - Endpoint backup

Essential criteria for partner programs

Partner programs are critical to helping MSPs tailor and manage their backup solutions across the lifecycle. This means that they must go beyond SLAs to include:

- Proactive monitoring and support for fast issue resolution before client impact
- 24/7 technical support
- Co-branding of opportunities to enhance MSP market presence and credibility
- Sales training and access to resources
- Flexible pricing models with volume-based discounts
- Comprehensive training and certification programs covering product features, best practices and troubleshooting techniques
- Certifications tailored to different roles, such as sysadmins, engineers, and sales professionals to boost an MSP's capabilities and client trust



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Why choose a third-party backup vendor?

The right third-party backup vendor can become a long-term partner to an MSP. They will ideally bring a wide variety of solutions to enable a high level of customization and support. This future-proof approach allows the MSP to meet every client's needs.

The right partner will help fulfill a backup services business model focused on maximizing security, manageability, customization, vendor support and MSP margins. Thus, companies must look for a single backup vendor that can:

- Offer a comprehensive range of backup solution options
- Partner with a broad base of hosting providers
- Simplify management and support for a consistent client experience
- Tailor their offerings to align with a given MSP's service model and be compatible with existing workflows and business processes
- Deliver a holistic approach to meeting different MSP/client requirements with:
  - Turnkey solutions for fast service offering development and deployment
  - Build-level customization to give MSPs and each client the desired level of control

MSPs can no longer afford to choose multiple vendors, an approach that results in gaps in flexibility and integration across a changing digital and threat landscape. The right choice should be a single solution for today and tomorrow.



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How MSPs can Choose the Right Backup Service Solution

Data security in a hybrid and remote world where threats and business demands are continuously changing will always be complex for MSPs. Traditional, cloud, hybrid, BaaS or Cloud-based backup vendor solutions all claim to offer:

- Multi-tenant centralized management
- Automation
- API integrations
- Scalability
- Enhanced visibility and control
- Flexibility
- Reporting and regulatory compliance
- Proactive management and monitoring
- Vendor training and support
- Quick deployment



The problem isn't so much that vendors differ as to what extent they provide these features but that an MSP will have to partner with multiple vendor solutions to meet every client's needs.

MSPs must seek out a single-vendor approach to meet changing data protection needs, as well as to align backup solutions with their own—and their clients'—business goals.

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Keeping Your Options Open with Veeam

We've developed our offerings to meet the widest array of requirements across the entire lifecycle of any MSP to deliver:

- Freedom of choice today and tomorrow
- Simplicity and customization options from turnkey to full control
- Single pane of glass multi-tenant visibility
- Support across client lifecycles

Veeam's current family of BC/DR solutions continues to deliver increasingly intuitive integration, and innovative solutions like cloud-based backup will soon join that family.

Veeam also partners with a global network of Veeam-verified competency partners that offer turn-key BaaS and DRaaS solutions specifically designed for MSP success, including:

- Centralized remote monitoring and management
- Monitoring, analytics and DR orchestration
- Self-service for quick onboarding and tenant licensing
- Infrastructure resources, technical support, and more

Veeam has always sought to offer every client, and particularly every MSP, a single-partner relationship. This ensures they can keep every option open under one roof—today and in the years to come.

→ Learn more: veeam.com

About Veeam Software

Veeam, the #1 global market leader in data resilience, believes every business should control all their data whenever and wherever they need it. We're obsessed with creating innovative ways to help our customers achieve data resilience. We do that by offering purpose-built solutions that provide data backup, data recovery, data freedom, data security, and data intelligence.

Headquartered in Seattle, with offices in more than 30 countries, Veeam protects over 550,000 customers worldwide, who trust Veeam to keeptheir businesses running.

Learn more at www.veeam.com or follow Veeam on Linkedin @veeam-software and X @veeam.

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