

July 2025

EBOOK

The Real State of Cloud for MSPs: 2025 Outlook & Strategy Guide

Global insights from senior MSP leaders on the shifting economics, risks, and opportunities in modern cloud service delivery



Getting ahead of the data curve

Data is growing by the exabytes year over year, and you're on the front lines. AI, IoT, compliance, and collaboration generate more data than ever, putting pressure on your infrastructure and challenging how you deliver secure, reliable services.

You're likely already leading the shift from on-prem to the cloud or you might be wondering about the benefits of cloud adoption for data storage. In 2024, over **3.6 zetabytes of data were stored in the cloud worldwide**, and IDC projects that number will nearly triple by 2028. While cloud adoption offers your clients scalability, cost control, and operational resilience, it brings added complexity to your doorstep—managing pricing structures, staying on top of security risks, and facilitating integration across platforms.

So, what does that mean for you as a managed service provider? Wasabi Technologies set out to find the answers by speaking directly to your peers.

In-depth interviews with MSP leaders

Ten senior managers worldwide in the managed service industry discussed their cloud storage challenges with independent research agency Vanson Bourne. They shared insights into how their clients are working with the cloud, essential features they rely upon, and ways they're optimizing cloud services costs.



Countries included



500 TB

Minimum 500 TB cloud storage installed base



5,000 +

Majority from organizations with at least 5,000 employees

Research methodology

Wasabi commissioned Vanson Bourne to conduct primary market research into cloud storage trends and insights for MSPs. All interviews were conducted using a rigorous, multi-level screening process to ensure that only suitable candidates were given the opportunity to participate.

About Vanson Bourne

Vanson Bourne is an independent specialist in market research for the technology sector. Their reputation for robust and credible, research-based analysis is founded upon rigorous research principles and their ability to seek the opinions of senior decision-makers across technical and business functions, in all business sectors and all major markets. For more information, visit www.vansonbourne.com.

This eBook explores these global industry insights to help you navigate evolving storage demands, avoid hidden costs, and build a more resilient, scalable service portfolio.

What's driving the cloud surge?

Cloud adoption is a strategic response to data growth. More users, applications, and remote collaborations fuel an exponential increase in data generation. Data doesn't just grow; it compounds. It feeds analytics, drives AI models, and supports collaboration across regions and devices. With every new dataset comes a greater need for services like backup, compliance, access, recovery, and reporting.

"As the number of applications, customers, and employees grows, so does the need for storage. Storage demands are always increasing; we're seeing growth of around 15-20%."

– MSP in the USA with 5,000 or more employees, storing more than 750 TB of data

Your clients aren't asking for more capacity; they're looking for outcomes. The following trends highlight what's driving their shift to a cloud-first strategy and how you can stay ahead of it.

Compliance without the headache

Navigating the compliance regulations to protect confidential and sensitive information is time-consuming and resource-intensive. Whether it's HIPAA or GDPR, data needs to be retained longer to meet future audit demands.

The problem? General solutions do not solve industry-specific needs. As regulations continue to evolve, storage must be audit-ready, region-aware, and tailored for compliance while remaining simple to manage.

Becoming AI-ready, from the ground up

AI is changing how businesses work and how you deliver value. But building smarter AI starts with smarter storage. Every phase of the AI pipeline, from raw data ingest to model archiving, puts unique demands on your infrastructure. Some stages require high-speed, low-latency storage for rapid processing. Others need scalable, cost-efficient storage for massive datasets that may sit idle for months.

The demand for massive, clean, and easily accessible datasets requires a strong storage foundation to support evolving AI workloads. Cloud object storage scales with your data, handling unstructured formats and offering flexibility to support massive data sets to train AI models.

Cost certainty over complexity

While moving from CapEx to OpEx promises savings, traditional cloud environments often require a deep understanding of tiering, usage patterns, and data access to truly optimize costs. Let's face it, nobody likes surprise charges, and as data volumes grow, the risk of overages, egress fees, and budget overruns becomes very real.

Clear, easy-to-understand cloud storage pricing can give you an edge as a trusted partner in helping clients control costs in this confusing landscape.

Cloud that fits their business

Every organization is different. Some are beginning their cloud adoption, tiering critical assets to the cloud, while others are looking to drive innovation through advanced storage capabilities. One-size-fits-all infrastructure can't keep up with the varied demands of disaster recovery, long-term archiving, and remote collaboration.

The cloud must adapt to diverse workflows, not the other way around. That means delivering tailored solutions that are flexible, scalable, and purpose-built for real-world use cases.

Unpacking the modern MSP stack

Staying ahead of rising data consumption requires the right mix of technologies. MSPs are building sophisticated service stacks powered by cloud platforms and automation tools that offer clients flexibility, scale, and control.

The modern MSP stack is built around choice, not lock-in. Many providers operate with a vendor-agnostic approach to address a wide range of client needs across industry, infrastructure, and levels of digital maturity.

"We are vendor independent. We work with any number of different vendors to satisfy the customer's needs."

– MSP in the USA with more than 100 employees, storing more than 750 TB of data

This vendor-neutral strategy allows MSPs to meet clients where they are and grow with them as their needs evolve. It's about choosing the best tool for the job, weaving together cloud infrastructure, automation, and security tailored to each use case.

But does today's stack prepare MSPs for tomorrow's storage challenges?

Let's take a closer look at what's currently under the hood.

The cloud provider mix is dominated by hyperscalers and driven by use case

Business needs vary by use case, and so does the ideal platform. Most MSPs operate across various platforms, with choices shaped mainly by the workloads they support.

AWS is leading the pack for general-purpose infrastructure. For many, 70-75% of their storage workloads run on AWS.

“If someone chooses AWS to support their business but still runs a key MS SQL database, they often turn to Azure for that workload while keeping other services on AWS. In general, though, most prefer to keep their databases and services within the same provider ecosystem for better integration.”

– MSP in India with more than 5,000 employees, storing more than 750 TB of data

While working within a single cloud ecosystem is often preferred for simplicity, the reality of business needs dictates a multicloud approach. You might run core workloads in AWS, but still need to back up Microsoft 365 data in Azure or elsewhere, or store AI-ready datasets in Google Cloud for advanced analytics.

The perceived solution is best-of-breed strategies that prioritize performance, compatibility, and cost over vendor lock-in. However, hidden costs like egress fees create an ‘exit tax’, making it difficult to truly adopt a multicloud approach to support different operational needs.

Your choice comes down to use case, cost, ease of integration, and ecosystem compatibility that meets business expectations.

Automating service delivery with vendor independence in mind

As the businesses you support grow more complex and interconnected, automation is essential for success. Today’s MSPs are building tech stacks to streamline delivery, boost consistency, and stay ahead of client needs.

Most MSPs rely on a blend of platforms to handle everything from ticketing and reporting to patching, provisioning, and monitoring. Automation is getting smarter for specific operational challenges.

“It’s all about the objective, removing the redundancy from operations to make them more efficient and faster. The industry has evolved from basic automation to intelligent automation.”

– MSP in the USA with more than 5,000 employees, storing more than 750 TB of data

Organizations today are increasingly running hybrid infrastructures. You need tools that support cloud and on-prem architectures and can be custom-built for client-specific needs.

The right automation stack transforms how you operate. Automating repetitive tasks frees your team to be more strategic, delivering consistent, proactive service that scales with every account you manage.

The growing dilemma with today’s cloud

Cloud storage isn’t a magic wand to wave away challenges. As the organizations you support generate more data, the pressure builds on infrastructure, margins, resources, and your ability to deliver outcomes that matter.

Your clients expect fast, secure access to their data that keeps up with data growth and meets their specific compliance requirements. They are relying on you to implement solutions that help them drive productivity, protect their operations, and support their strategic goals.

Even as cloud becomes the standard, today’s approach to building the right stack for the right use case is starting to strain under the weight of accelerating data growth and nonstop access demands.

Uncertainty around pricing continues to stall adoption. The compounding of data growth creates a cost and resourcing dilemma, pushing many MSPs to rethink their service strategies. Justifying the cost of capacity and usage is now discussed in the boardroom, demanding ongoing oversight.

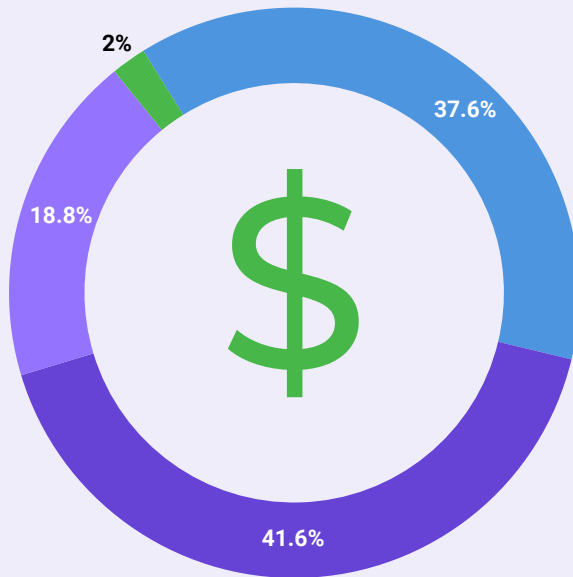
“As your data grows, so does your need for storage, and that comes at a cost. It becomes a topic of discussion at the stakeholder and board level: Why is this platform so expensive to maintain? Is there a better way to optimize costs? First, we have to justify the return on investment. Second, we’re constantly working to optimize OpEx. There isn’t a single platform where those two challenges don’t exist.”

– MSP in Australia with more than 5,000 employees, storing more than 750 TB of data

Cloud is essential, but today's landscape includes rising costs, complex deployments, and platform ecosystems that don't always align with what your accounts truly need. Understanding these pressures is the first step to designing smarter, more scalable cloud storage strategies that truly deliver.

Rising access and usage is outpacing budgets

The cloud promises cost control, but if you're struggling to see real results, you're not alone. Many managed service providers struggle to get a clear handle on cost predictions. According to the [2025 Cloud Storage Index](#), 80% of managed service providers exceeded budgeted spending on cloud storage in 2024. The global average across industries was 62%.



MSPs far exceed global average in budget overruns

- massively exceeded budget
- slightly exceeded budget
- budget aligned with expectations
- slightly below budget

Source: 2025 Cloud Storage Index

It's clear that rising data access and usage are breaking the bank. The organizations you support are no longer treating archived data as inactive "cold" data. Businesses are doing more with their data, both archive-tier data as well as backups.

These once-infrequent operations are now routine.

Yet, according to the 2025 Cloud Storage Index findings, nearly half of cloud storage spending goes to fees, not capacity. API request fees are the biggest culprit, but egress charges, retrieval fees, and tiering complexity make it difficult to deliver the accessibility expected without blowing past your budget. Unsurprisingly, cost is the top cause of user dissatisfaction with cloud storage services. Storage costs are becoming harder to predict, manage, and explain to leadership.

83% access archive-tier data at least monthly.

85% recover backup data at least once a month for testing, security, or compliance reasons.

Complex architectures are slowing you down

Budget strains impact not only capacity and access, but also performance and delivery. To contain costs or meet specific industry requirements, many MSPs are stitching together hybrid environments that combine on-prem systems, multiple clouds, and tiered storage strategies.

"I think the main challenge has to do with the fact that some of our clients still have very old legacy systems where the format of data in that system is not directly compatible with the format in needs to be in for the cloud."

– MSP in India with more than 5,000 employees, storing more than 750 TB of data

Complexity comes at a cost. Maintaining performance across these systems requires specialized expertise, and many MSPs are already stretched thin. The more fragmented the architecture, the harder it becomes to implement and manage. **Cold storage performance and access delays have negatively impacted one in three MSPs (37%),** creating service gaps when operations expect speed and availability. When time and talent are already stretched, cloud costs sprawl, and the skill and labor gap widens.

Cost prioritization creates open vulnerabilities in data protection

Security best practices sometimes slip through the cracks as costs rise. While everyone agrees security is a top priority, actual implementation data tells a different story. Less than half of organizations currently use object lock for immutability, a foundational safeguard against ransomware and accidental deletion.

Less than half of MSPs use immutability today

We asked if MSP organizations were using immutability (object lock) in standard operations.



Source: 2025 Cloud Storage Index

Immutability is underutilized, likely due to cost-related friction. Many MSPs hesitate to enable features that could raise monthly bills, even though immutability consistently ranks as one of the most critical protections for cloud storage. The good news is that many of your peers intend to utilize immutability protections in the near term.

“How do we know if cloud solutions are truly secure from a cybersecurity standpoint? Governance and compliance are one thing, but actual resilience against cyber attacks is another.”

– MSP in the UK with more than 5,000 employees, storing more than 750 TB of data

Skipping core protection measures exposes data and puts your business at risk. Without a resilient storage strategy, you open the door to regulatory penalties, client mistrust, and missed opportunities. In sectors like finance, healthcare, and public services, immutability is a requirement. Failing to meet these expectations can cost you future revenue.

Meeting your clients' needs

By now, most businesses have a digital footprint in the cloud. But cloud maturity varies wildly. Across industries, some companies rely on the cloud for everyday operations while others are standing up their first workloads.

“Some clients have a lot of data, but they don't know what to do with it. We help them understand what's possible and what value they can unlock from that data.”

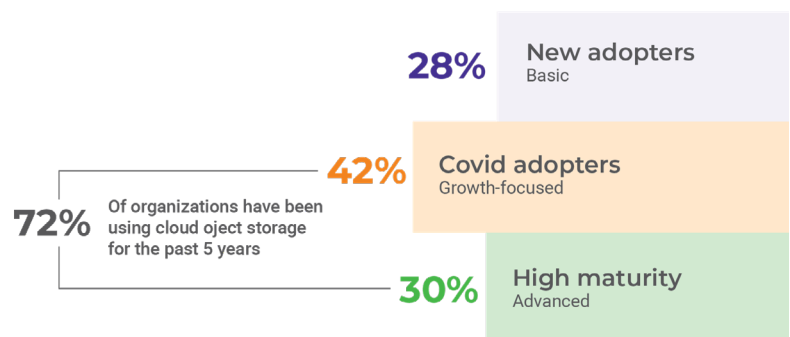
– MSP in Canada with more than 5,000 employees, storing more than 1 PB of data

The consultative role of an MSP means you're shaping the journey of data utilization, helping clients unlock the full value of the cloud, using the data they store.

Where your clients are on their cloud journey

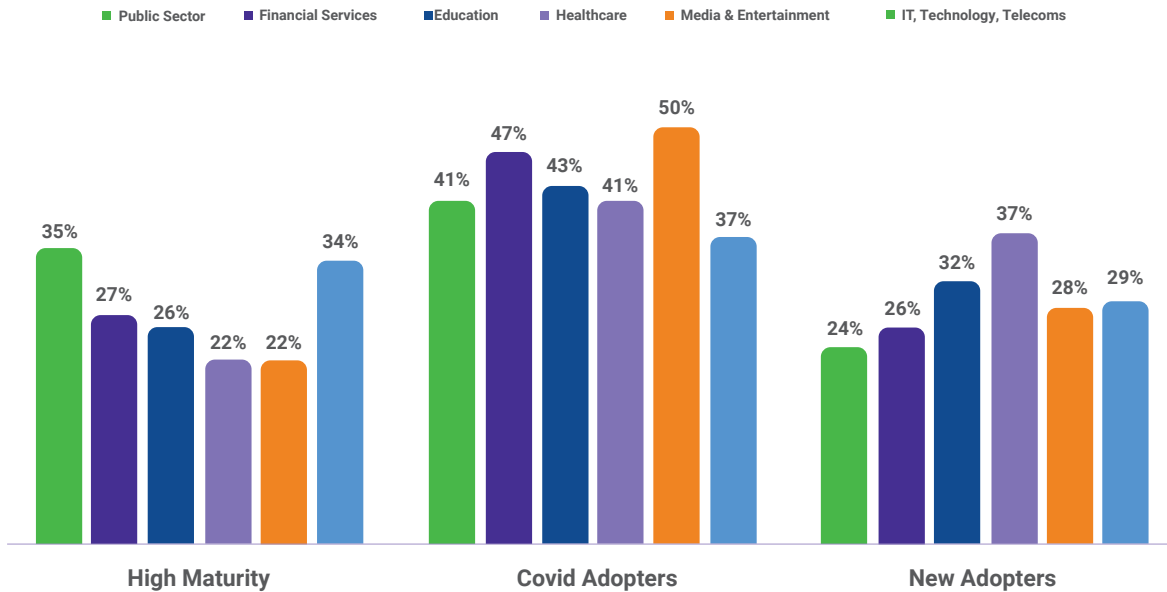
Cloud adoption is widespread and has reached a mature phase. The majority of businesses have been operating in cloud environments for at least five years.

Adoption patterns vary by industry. Technology companies have been cloud-native for nearly a decade, while sectors like education and healthcare accelerated adoption post-COVID.



Source: 2025 Cloud Storage Index

Industry Adoption Matrix



Source: 2025 Cloud Storage Index

Newcomer industries invested in cloud technologies to support shifts like remote learning, telehealth, and digital operations. At the same time, growing compliance pressures around data privacy made secure cloud storage more attractive than aging on-prem systems.

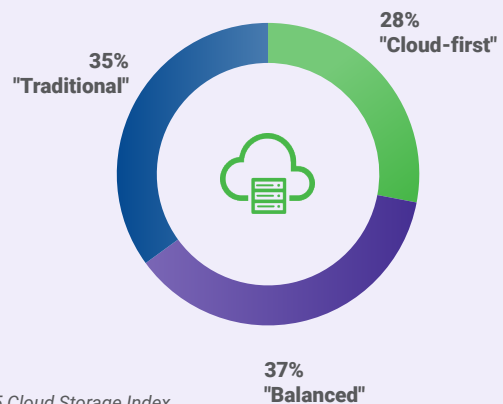
This shift leads MSPs to take a more balanced approach to cloud adoption to help clients through various stages of cloud maturity. Solutions vary by industry, so offering hybrid and cloud-first solutions supports unique industry use cases, too.

Balancing fit, complexity, and value

Rather than moving everything into the public cloud, MSPs work closely with clients to assess which workloads belong where to balance cost, performance, compliance, and security needs. Hybrid cloud models are increasingly common, focusing on optimizing desired outcomes.

MSPs employ hybrid cloud models to leverage what is best for the application and the organization, considering common concepts of fit, complexity, and value.

The majority of workloads MSPs manage are now hybrid or cloud-first



Source: 2025 Cloud Storage Index

“First thing I would ask during discovery is how your application needs align with three core tenets: fit, complexity, and value.”

– MSP in the USA with more than 5,000 employees, storing more than 750 TB of data

Fit asks whether an application or workload can reliably run in a cloud environment without risking downtime. **Complexity** measures how difficult it is to migrate and manage that workload. **Value** assesses the number of people using the application and return on investment.

The ‘simplicity’ of cloud adoption has built-in complexity

The hard part of utilizing the cloud starts after migration. Dropping workloads into the cloud doesn’t solve problems inherently. Successful cloud adoption is about controlling costs, meeting compliance standards, and ensuring seamless integration across complex environments to use stored data.

As businesses spend more time in the cloud, clients are asking tougher questions.

“How confident are we that if we move to the cloud, are those providers compliant with the regulations that we need to work with in different geographies?”

– MSP in the UK with more than 5,000 employees, storing more than 750 TB of data

Compliance and regulatory pressures are growing, and tighter laws around data residency and protection are forcing organizations to rethink where and how they store information. Meanwhile, businesses struggle with outdated, legacy systems that don’t easily integrate into cloud-native services. Migrations become slower and more expensive than expected.

“It’s critical that we take into account both the immediate and long-term effects of pricing. TCO and pricing tools assist us in assessing how prices will change over time, taking into account any unforeseen costs or potential price hikes.”

– MSP in the US with \$1-\$5 billion in global revenue

Hidden cloud costs are fueling doubts about ROI. We've seen how retrieval fees, API call charges, and unpredictable storage operations can quickly undermine budgets that are under scrutiny at the board level. With nearly half of the cloud budgets going directly to fees, even the most carefully planned cloud deployments can leave businesses blindsided by billing complexity.

As an MSP, you have the opportunity to help businesses move beyond cloud migration, overcoming the steep learning curve of managing complex cloud environments.

The features that turn cloud skeptics into believers

Storing data is beyond a lift-and-shift cloud migration. That's where you come in. The right cloud platform features can buffer and prevent expensive missteps.

Businesses are looking to do more with the data they store. They want real-time visibility into storage costs and easy tools to manage data access while keeping it safe and compliant. Automated lifecycle management, predictive billing dashboards, and encryption tied to customer-managed keys are critical. Without these in place, every cloud deployment feels like a billable risk.

How Wasabi builds smarter cloud solutions for what's next

You're already on the front lines of the data explosion, managing businesses throughout the entire cloud maturity stack. Year after year, more data is generated driven by AI, IoT, compliance mandates, and everyday collaboration.

Moving to the cloud was supposed to remove headaches, not transfer the complexity problem from your clients to your own operations.

"Storage is one of those areas where we don't typically use a middle-tier provider for optimization, it's a niche component for us. Wasabi has been a great partner because they offer the capacity we need and the scalability we want, all at a price point we can easily adopt."

– MSP in the USA with more than 100 employees, storing more than 750 TB of data

Wasabi is cloud storage built for MSPs, helping you streamline end-to-end data storage management with transparent pricing that's easy to forecast. Wasabi helps you stay ahead of the data curve by delivering predictable, resilient services.

Automate multi-tenant cloud environments

Today's cloud stack isn't built to scale across diverse businesses and hybrid cloud environments. For many MSPs, growth means juggling disconnected tools and manually managing account usage and billing one client at a time.

[Wasabi Account Control Manager](#) offers a single console to deploy, manage, and monitor all of your client storage accounts at scale. Provision storage buckets in minutes, apply storage policies, automate reporting, and manage access all from a single pane of glass. Whether you're onboarding a new customer or adjusting data growth from an existing one, Wasabi Account Control Manager helps you reduce time-to-service while keeping operations tight and repeatable.

Optimize cloud storage costs

Sustainable cloud strategies are dependent upon cost visibility, usage automation, and pricing predictability.

Wasabi's flat-rate pricing model—without fees for egress or API calls—eliminates common obstacles to full cloud adoption, like unpredictable egress fees, hidden API charges, and tiered storage traps. By removing those unknowns, you can adopt cloud storage faster and with greater confidence, no matter what cloud maturity stage your client fits.

One way to optimize cloud complexity is to optimize data placement to reduce unnecessary transfers. Wasabi Hot Cloud Storage offers a reprieve from complex tiers—and the fees for moving data between them—with a single tier of service that enables your clients to do more with their data, without penalty.

Shifting to a more predictably priced option like Wasabi helps you better align storage strategies with compliance and performance needs, without being locked into opaque billing structures.

Grow revenue and reduce complexity

In a recent study, [IDC calculated that Wasabi customers achieved annual benefits of \\$647,000](#) (\$20,500 per 100TB) and a **174% three-year return on investment**.

By eliminating complexity and streamlining management, Wasabi allows teams to shift time and resources from "keeping the lights on" to creating and monetizing new offerings.



**174% three-year
return on investment**



**85% improvement in
storage efficiency**



**45% reduction in
annual storage costs**

Cloud storage becomes a growth engine that delivers value when you remove traditional hyperscaler cloud tiering structures and egress charges.

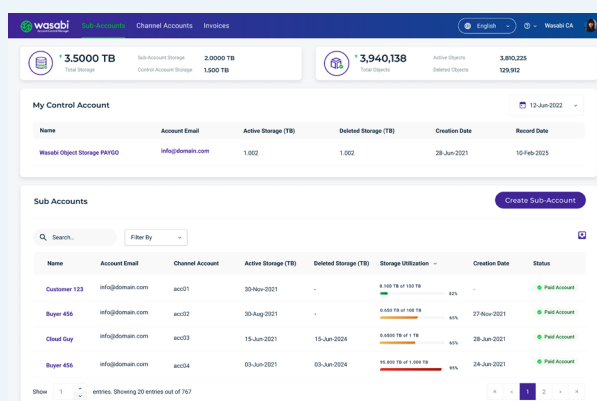
Success spotlight: Streamlining cloud storage management with Wasabi

Whalley Computer Associates, serving over 20,000 customers across New England, New York, and eastern Canada, faced the same pressures we see from other MSPs across the globe: complexity, cost unpredictability, and limited visibility across client accounts.

“Using Wasabi Account Control Manager, we can quickly provision accounts for users to trial the service, and then transition that to production seamlessly and quickly with all the necessary support behind the scenes. It’s the only tool like it in the industry.”

– Bill Suarez, Technical Account Manager at Whalley Computer Associates

By adopting Wasabi Account Control Manager, Whalley transformed its cloud storage operations. With a centralized, cloud-based management console, Whalley efficiently provisioned and managed its globally diverse customer base. This streamlined approach allowed for quick account setup, seamless transitions from trial to production, and enhanced customer support.



The screenshot displays the Wasabi Account Control Manager interface. At the top, there are navigation tabs for 'Channel Accounts' and 'Invoices'. Below this, a summary section shows 'Total Storage' at 3,500,000 TB, 'Sub-Account Storage' at 2,000,000 TB, and 'Control Account Storage' at 1,500,000 TB. It also displays 'Total Objects' at 3,940,138 and 'Active Objects' at 3,810,235. The 'My Control Account' section shows a table with columns for Name, Account Email, Active Storage (TB), Deleted Storage (TB), Creation Date, and Record Date. Below this, the 'Sub Accounts' section features a search bar, a filter dropdown, and a table with columns for Name, Account Email, Channel Account, Active Storage (TB), Deleted Storage (TB), Storage Utilization, Creation Date, and Status. The table lists several accounts, including 'Customer 123', 'Bayer 456', 'Cloud Guy', and 'Bayer 456', each with their respective storage details and status.

Name	Account Email	Channel Account	Active Storage (TB)	Deleted Storage (TB)	Storage Utilization	Creation Date	Status
Customer 123	info@domain.com	acc01	30-Nov-2021	-	6,100 TB of 100 TB	30-Nov-2021	✔ Paid Account
Bayer 456	info@domain.com	acc02	30-Aug-2021	-	6,651 TB of 100 TB	27-Nov-2021	✔ Paid Account
Cloud Guy	info@domain.com	acc03	15-Jun-2021	15-Jun-2024	3,655 TB of 1 TB	28-Jun-2021	✔ Paid Account
Bayer 456	info@domain.com	acc04	05-Jun-2021	05-Jun-2024	14,498 TB of 1,000 TB	28-Jun-2021	✔ Paid Account

Benefits realized:



Rapid account provisioning enabled Whalley to set up trial accounts in minutes and transition them to production, reducing time to market.



Enhanced visibility gave Whalley insight into critical customer data, including storage consumption, egress data, and API requests, facilitating proactive support and accurate billing.



Improved customer support enhanced Whalley’s overall customer experience by identifying and assisting with customer errors, such as misconfigured bucket names.

What’s impacting your bottom line?

Ready to take the next step and see the impact of cloud fees in real terms? Download our [cloud storage TCO ebook](#) and see where nearly half of your clients’ cloud budget may be going. Be the hero who cuts the fees and the complexity from their cloud bill.