

The State of the Industry 2025: How Project Management Is Reshaping MSP Success

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In today's Managed Service Provider (MSP) landscape, project management is no longer just a support function — it's a strategic driver of profitability, client satisfaction, and operational excellence. The *State of the Industry 2025: MSP Project Management Trends and Impacts* study, conducted by Moovila in partnership with The Channel Company, surveyed 263 MSP leaders across roles from CEOs to project directors to uncover how project management influences growth and where the greatest opportunities for improvement lie.

The findings paint a clear picture: while MSPs overwhelmingly recognize the importance of effective project management, many still struggle with fragmented tools, inefficient processes, and a lack of visibility across complex, interdependent projects. For project managers, these insights offer both a reality check and a roadmap to more strategic, automated, and profitable operations.

"This year's research makes one finding undeniable—that scope creep is a major issue among MSPs of all sizes, and at its core, this problem is often driven by the project timeline," said Mike Psenka, CEO of Moovila. "Accurate timelines are the foundation of profitability for projects. Nearly every issue cited in the research either stems from or contributes to broken timelines. When MSPs gain visibility into real-time dependencies, risks, and project workloads, they not only deliver projects more predictably but also protect their margins and strengthen client trust. That's exactly what Moovila's AI and automation is designed to deliver."

Project Management as a Profit Engine

A remarkable **62% of MSPs** surveyed said project management is *very important* or *critically important* to profitability and growth. Yet, effective project management remains “more elusive than expected.” With growing service complexity, staffing shortages, and frequent mergers and acquisitions, MSPs are juggling more variables than ever. Without real-time visibility into project risks, deadlines, and dependencies, even well-planned projects can quickly veer off track — eroding margins and client trust.

This misalignment is not just operational; it’s financial. Nearly **half of respondents (42.6%)** admitted that their current project management practices *impair profitability*. It’s a striking reminder that poor project execution isn’t just an internal pain point — it’s a business risk.

The Top Challenges Facing MSPs in 2025

The report identifies several interlinked obstacles that continue to hinder project performance:

- **Inaccurate project timelines and scope creep** lead to missed deadlines, reduced client confidence, and strained margins.
- **Inefficient resource scheduling** and limited visibility into utilization create reactive firefighting rather than proactive planning.
- **Fragmented tools** force teams to juggle spreadsheets, PSA systems, and manual tracking, increasing duplication and errors.
- **Lack of client accountability** on deliverables and dependencies undermines project flow.
- **Limited project risk visibility** leaves teams blind to early warning signs.

As one project manager put it, “You can’t do this off Excel or Smartsheet anymore. There’s no way.”

These insights highlight a growing tension: while MSPs depend heavily on automation and Professional Services Automation (PSA) tools, many of these systems lack robust project management functionality. In fact, only **30% of respondents** use the project management module within their PSA as their primary tool. The rest rely on patchwork solutions like Microsoft Project, spreadsheets, or lightweight platforms such as Asana and Monday.com — none of which fully integrate with the PSA systems MSPs depend on.

Integration and Automation: The Next Frontier

Integration is the key theme of the report’s recommendations. Project managers overwhelmingly identified **PSA integration** as the number-one requirement for modern project management solutions. Without it, data silos form, reporting accuracy suffers, and teams waste time reconciling discrepancies between systems.

Automation is another crucial component. Autonomous monitoring and automated project timelines give

MSPs the ability to *see* and *respond* to risk across their entire portfolio — before problems escalate. These features enable a shift from reactive firefighting to proactive control, improving delivery consistency and client satisfaction.

According to the report, MSPs that have prioritized these advanced project management tools are already reaping the rewards:

- **Improved revenue and margins** through better throughput and visibility
- **Increased client trust** via on-time delivery and transparency
- **Enhanced resource utilization** with data-driven scheduling
- **Operational scalability** through automation and risk detection

As Heather Wagner, Director of Professional Services at IronEdge Group, explained: “Once we started syncing all the projects, we had more visibility and ways to aggregate data across the portfolio. We got ROI almost at the gate.”

How Project Managers Can Use These Insights

For MSP project managers, this report offers several actionable takeaways to transform data into results:

1. **Audit Your Toolset for Integration Gaps**

Take stock of how many tools your team uses to manage projects, scheduling, and reporting. Every manual data entry or disconnected dashboard represents lost time and potential error. Prioritize platforms that integrate directly with your PSA to create a single source of truth.

2. **Embrace Automation for Risk Management**

Manual oversight is no longer sustainable in multi-project MSP environments. Tools with automated monitoring can identify scope drift, scheduling conflicts, and resource overload before they impact delivery. Build automation into your daily workflow to maintain control and consistency.

3. **Measure Profitability at the Project Level**

Move beyond simple time tracking. Establish clear KPIs that connect project performance to margin outcomes — such as estimated vs. actual hours, resource utilization rates, and project health metrics. Regular financial reporting creates accountability and clarity for both clients and leadership.

4. **Invest in Continuous Visibility**

Adopt dashboards that give stakeholders real-time insight into project status and dependencies. When teams and clients can see where things stand, communication improves, issues surface earlier, and trust deepens.

5. **Prioritize Scalability and Simplicity**

As projects multiply, small inefficiencies compound. Look for project management platforms that require “the least amount of touching possible,” as one MSP manager described — minimizing manual effort and allowing teams to focus on high-value work.

The Bottom Line: Project Management as a Competitive Differentiator

As the report concludes, effective project management is now a core differentiator for MSPs competing in a crowded market. Clients expect reliability, transparency, and results. Achieving that requires more than hard work — it demands *smart systems* that integrate seamlessly, automate intelligently, and provide real-time insights across the business.

For project managers, that means shifting from tactical scheduling to strategic enablement. The goal isn’t just to deliver projects, but to drive growth — improving margins, scalability, and client satisfaction through data-driven execution.

In 2025, MSPs that master integrated, automated project management will not only deliver projects better — they’ll deliver better businesses.