PSA vs ITSM vs ESM: Part 2—Which is the right fit for your MSP?

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PSA

In the second part of this blog series, I'm going to look at the differences between PSA, ITSM, and ESM platforms in more detail so you can get a better understanding of how they can work for your business. If you haven't already checked out the first part of the series, you can read it here.

Way back when managed services was a fledgling business, professional services automation (PSA) platforms were only for industry heavyweights. Smaller businesses and startups didn't have many tools to manage all their ad hoc business processes. This meant they typically had to use a bunch of different solutions to get the results they wanted

Today's PSAs are designed to help professional service operators become more efficient. Generally, it's an affordable option for IT consultants and MSPs just starting out. However, as your managed service business evolves, you'll likely grow into some of the more specialized tools in IT Service Management (ITSM), such as finance, or sales and marketing, for example.

ITSM tools are designed specifically for IT operations. A select few integrate with finance tools or have their own built-in invoicing for time and material, fixed fee, and recurring billings. However, often these ITSM tools are still built for large IT departments so they can lack the flexibility PSAs have with an all-in-one solution—

but they also have additional features and are much more built out. For example, they may include extensive change management capabilities or be able to differentiate between a request and an incident—something that's super important when you have a service desk and an NOC.

Self-service is an important development that MSPs are starting to utilize. It comes from the ITSM stack and can be used to help with customer and employee onboarding or offboarding, password management, and to increase speed to resolution.

Enterprise service management (ESM) offers an additional layer of tools that PSA and ITSM do not, including developer tools, project portfolio management, security incident and response, app builders and business apps, automation and orchestration, AI-driven insights, and a robust integration hub for all your tools. On top of this, ESM leaves the others in the dust when it comes to performing or orchestrating data-driven actions for your cloud infrastructure. While there's probably more commonality between a PSA and an ESM, ESM is in a class by itself.

How to choose which is the right platform for your business?

When it comes to choosing which technology is best for your MSP—whether PSA, ITSM, or ESM—you must fully understand the needs and plans of your business, as well as your customers' businesses, to make the right choice.

If you're looking for a competitive differentiator or to modernize, weighing the pros and cons of each option is essential. I have spoken with numerous partners over the years and have noticed that choosing the right technology is often a collaborative process. Below are some tips to help the decision process:

1. *Analyze your business needs.* Where are the gaps and how do your options address each one?

2. *Choose technology that grows with your business.* You don't want to invest in a PSA only to outgrow it soon after.

3. *Think with the future in mind.* Modernize and future proof your business.

4. *Train your team.* Technology is useless if your team members don't know how to use it effectively.

Ultimately, if you feel your current technology needs modernization, I do recommend checking out some vendors and doing your own competitive analysis, you might be

surprised at what you find. The worst that can happen is that you've done your due diligence, right? Reach out to me if you need a helping hand.

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