

Microsoft + Sophos for MSP Profitability

Increase margin per customer, reduce cost to serve, and strengthen security across every Microsoft environment you manage.

Overview

Microsoft licensing defines the environments you manage, but on its own it does not deliver the margins, consistency, or security standardization required to grow efficiently as an MSP.

Sophos turns those Microsoft environments into a unified managed security platform. By integrating protection, monitoring, and response across every tenant, MSPs replace fragmented tooling and reactive operations with a consistent, scalable security model.

This standardization drives real outcomes: Faster investigations, reduced tool sprawl, lower cost-to-serve, higher margins, and repeatable security delivery across every Microsoft environment.

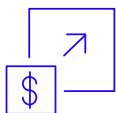
The result is not just stronger protection — it's a predictable, scalable operating model that converts Microsoft adoption into operational efficiency and recurring profit.

Benefits

- **Increase margin per customer** with an expanded security footprint (Endpoint, MDR, ITDR, Email, Firewall)
- **Reduce operational overhead** with a tightly integrated Microsoft and Sophos stack that delivers less alert noise, faster response, and improved overall efficiency.
- **Stronger protection without expanding your team** through Sophos MDR, which leverages Microsoft telemetry to stop advanced threats and provides flexible response options tailored to your needs.

Why MSPs win with a unified Microsoft + Sophos stack

Increased margin per customer



Microsoft licensing typically yields only 12–18% margins*, while Sophos security solutions add ~30% margin on top, creating a stronger, defensible blended profit engine per customer.

Sophos expands your security footprint (Endpoint, MDR, ITDR, Email, Firewall) unlocking higher recurring revenue per seat.

Reduced operational overhead



A single security vendor tightly integrated with Microsoft means fewer consoles, less alert noise, and correlated Microsoft + Sophos telemetry for faster investigations and consistent response.

Sophos MDR delivers true 24/7 human SOC expertise and gives MSPs a direct line to security analysts, reducing investigation time, eliminating multi vendor escalation loops, and improving overall efficiency.

Stronger protection without expanding your team



Sophos secures hundreds of thousands of Microsoft environments and uses Microsoft data to detect and stop advanced attacks, including human led threats like BEC and ransomware.

Sophos MDR offers flexible threat-response modes so MSPs can choose the level of assistance that best fits their business model and customer needs. Our analysts can take direct action inside Microsoft 365 to quickly neutralize threats, collaborate with your team in real time, or simply notify you—whatever level of involvement you prefer.

What MSPs can standardize across every Microsoft customer

- Strengthen endpoint protection for Microsoft plans
- 24/7 MDR that uses Microsoft telemetry to stop multi-stage, multi-vector threats that technology alone can miss.
- Identity Threat Detection and Response (ITDR) built for Entra ID.
- Email security that integrates with Microsoft 365 and blocks BEC and impersonation.
- Firewall + Entra ID integration for identity-aware access and frictionless VPN.

A single, standardized Microsoft + Sophos security model reduces onboarding time, eliminates multi-vendor overhead, and lowers cost-to-serve so margins scale with every seat.

Scenario: Turning Microsoft adoption into secure, profitable MSP growth

The reality

- Microsoft 365 is the productivity standard, but licensing margins may be thin — typically only 12–18%.*
- Microsoft 365 provides a strong productivity foundation. Sophos enhances it with the security depth and profitability MSPs need — especially in the 25-user segment.

Where value is created

- Adding Sophos security solutions (Endpoint, MDR, ITDR, Email, Firewall) closes critical security gaps while adding ~30% margin on top of Microsoft licensing.
- MSPs deliver stronger protection against ransomware, BEC, identity abuse, and human-led attacks, while increasing recurring revenue per user.
- Customers become more secure, and MSPs are properly compensated for delivering that outcome.

Why this scales

- Sophos integrates directly with Microsoft 365, Defender, Entra ID, using Microsoft telemetry to detect and respond faster.
- A unified security operating model with 24/7 human-led MDR reduces alert noise, shortens investigation time, and lowers cost-to-serve.
- MSPs standardize security across all Microsoft customers, improving outcomes without adding complexity.

25-user example

- At 25 users on an annual commitment, Microsoft provides the core productivity foundation.
- Sophos layers in managed security that meaningfully strengthens the customer's risk posture while generating predictable, high margin MRR.
- As more customers of this size are added, security improves and profitability scales in parallel.

Bottom line

Sophos delivers stronger security and higher margins —standardizing protection into predictable, repeatable profit.

Sample pricing (MRR per user)

STOPPING IDENTITY ATTACKS		STOPPING RANSOMWARE ATTACKS		STOPPING BEC ATTACKS	
Option 1		Option 1		Option 1	
• Microsoft Business Standard	\$12.50	• Microsoft Business Basic	\$6.00	• Microsoft Business Standard (inc. MS 365 Email)	\$6.00
• Microsoft Entra ID P1	\$6.00	• Sophos MDR Essentials (inc. Sophos Endpoint)	\$6.27	• Sophos Email	\$1.93
• Sophos MDR Essentials (inc. Sophos Endpoint)	\$6.27			• Microsoft Entra ID P1	\$6.00
• Sophos ITDR	\$3.62			• Sophos MDR Essentials	\$6.27
TOTAL	\$28.39	TOTAL	\$12.27	TOTAL	\$20.20
Option 2		Option 2		Option 2	
• Microsoft Business Premium (inc. MS Defender for O365 and Entra ID P1)	\$22.00	• Microsoft Business Premium (inc. MS Defender for Endpoints)	\$22.00	• Microsoft Business Premium (inc. MS Defender for O365 and Entra ID P1)	\$22.00
• Sophos MDR Essentials	\$6.27	• Sophos MDR Essentials	\$6.27	• Sophos MDR Essentials	\$6.27
• Sophos ITDR	\$3.62				
TOTAL	\$31.89	TOTAL	\$28.27	TOTAL	\$31.89

Sample pricing for illustrative purposes only. Based on Microsoft pricing provided by a Sophos distributor and Sophos MSP pricing based on 100-499 users in the U.S. in January 2026. Actual Sophos and Microsoft pricing must be sourced from your distributor.

Conclusion

Many vendors position value in terms of theoretical ROI or projected cost savings that vary from one environment to the next. But your business runs on measurable, repeatable margins, not assumptions.

Microsoft licensing defines the environments you manage but delivers limited margin expansion on its own. Integrated Sophos solutions add a consistent, scalable revenue layer supported by standardized operations and continuous protection.

This model is predictable, repeatable, and operationally sustainable. By aligning the Microsoft environments you already manage with Sophos’s integrated security delivery, you create a clear path to higher recurring revenue, stronger customer retention, and long-term business growth.

Learn more: sophos.com/MSPMicrosoft

* <https://cloudmore.com/content-hub/microsoft-csp-margin-benchmarks-how-do-you-compare>

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