

# From LAER to DARE: The New Customer Engagement Model for the AI Era

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How outcome-driven engagement is  
redefining value delivery

## Overview

Artificial intelligence is reshaping how technology providers create, deliver, and prove customer value. The long-dominant Land, Adopt, Expand, and Renew (LAER) model helped companies scale during the SaaS transformation, but it's not designed for today's AI-driven outcomes economy. AI requires deep integration, continuous optimization, and shared accountability for results. Customers are increasingly paying for measurable business outcomes rather than features alone.

This ebook introduces [DARE \(Design, Activate, Realize, Evolve\)](#), a services-intensive engagement model engineered for the AI era. You'll learn why adoption alone can't capture AI value, why providers must build new capabilities in readiness, governance, and value optimization, and how service-led growth replaces product-led motions. We'll also examine the DARE Progressive Continuum, a four-level pathway for transforming from a tool vendor to an outcome-oriented partner.

By the end, you'll understand how to operationalize DARE, how to navigate the shifts in revenue and cost structure, and how to measure outcomes customers are willing to pay for. More importantly, you'll see why companies that embrace DARE will thrive in the outcome economy, and why organizations that remain anchored to LAER may struggle.

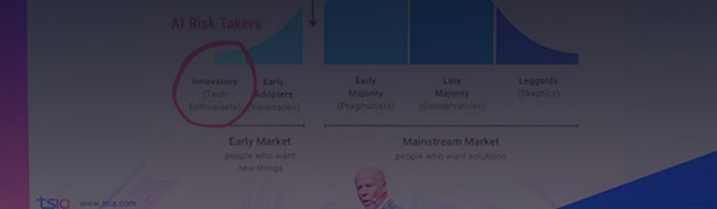


Technology Services World

# The Future of the AI Customer Lifecycle

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AI. For Technology Services.



### What it is

TSIA Intelligence is TSIA's new AI-powered assistant. It delivers instant, actionable insights from TSIA's exclusive, industry-validated research. Built only for Technology Services, it helps you make smarter decisions.



### Why it matters

**Trusted Answers, Not Generic AI:** Based on TSIA's proprietary data—not the open web.

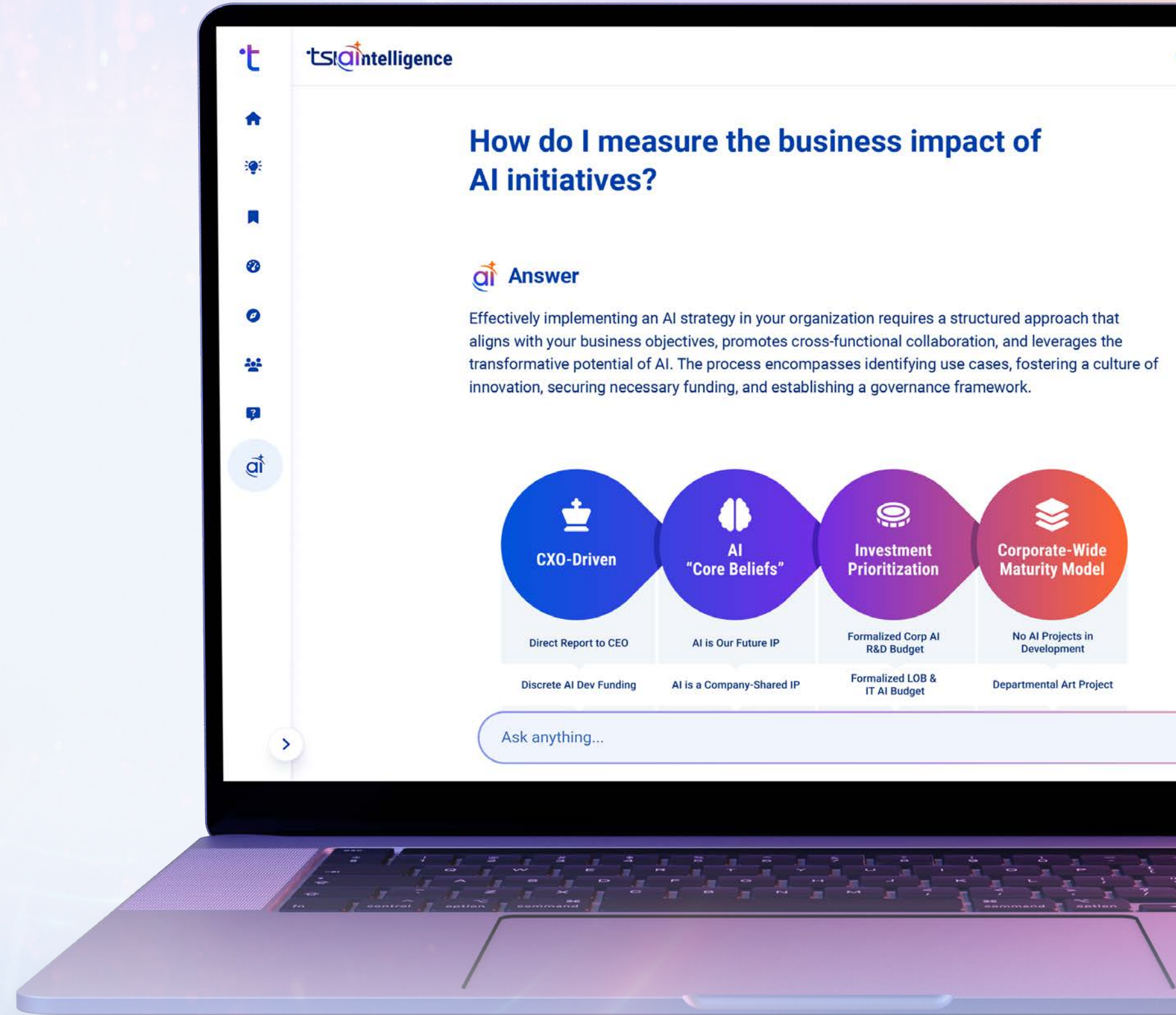
**Instant Value:** Summarizes reports, answers questions, and visualizes data in seconds.

**Built for Tech Services:** Specialized insights tailored to your industry challenges.

## Experience TSIA Intelligence today— for free—in the TSIA Portal.

Generic AI gives general answers. TSIA's AI gives the right ones.

Ask a question ➔

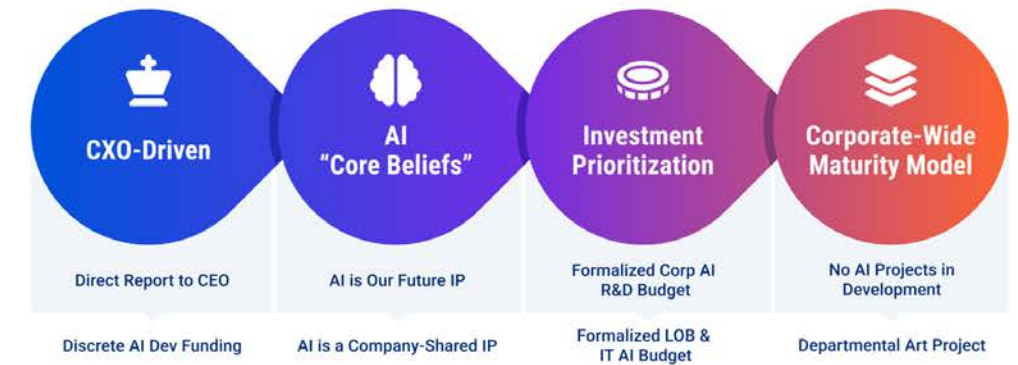


tsiaintelligence

### How do I measure the business impact of AI initiatives?

AI Answer

Effectively implementing an AI strategy in your organization requires a structured approach that aligns with your business objectives, promotes cross-functional collaboration, and leverages the transformative potential of AI. The process encompasses identifying use cases, fostering a culture of innovation, securing necessary funding, and establishing a governance framework.



Ask anything...

# The End of Services or the *ERA* of Services?

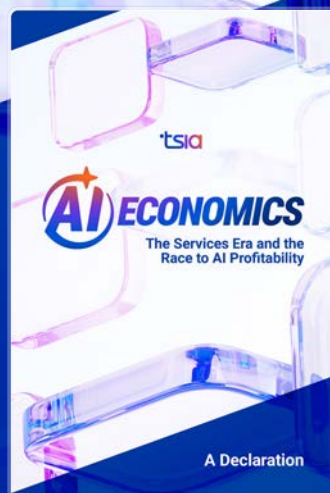
**AI isn't eliminating services—it's launching the most service-intensive era tech has ever seen.**

**Why? The last mile of AI adoption**—vertical requirements, messy data, legacy systems, security—demands a powerful services layer.

## The three truths

- 1 Serviceless AI is a myth**  
not software, or tech alone, define profitability
- 2 Pricing must shift**  
to value and outcomes
- 3 Incumbents have an advantage**  
over startups if they retool existing services

[Download the AI Economics Declaration](#)



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## Opening Observation

Most technology providers believe they sell AI, but customers don't actually buy AI. They buy results. They want fewer fraud losses, less downtime, higher throughput, smarter decisions, and faster cycle times. Yet many providers still rely on engagement models built for SaaS tools rather than AI outcomes. That gap is widening and creating structural barriers that many companies are unprepared to address.

AI isn't plug-and-play. It's data-hungry, infrastructure-dependent, and operationally fragile. It drifts. It decays. It needs constant care. The companies that win aren't the ones with the most advanced models; they're the ones with the strongest service capabilities. In this environment, your ability to deliver measurable results, not features, becomes your ultimate differentiator. That's why [the shift from LAER to DARE](#) is not optional. It's the new foundation for competitive advantage.

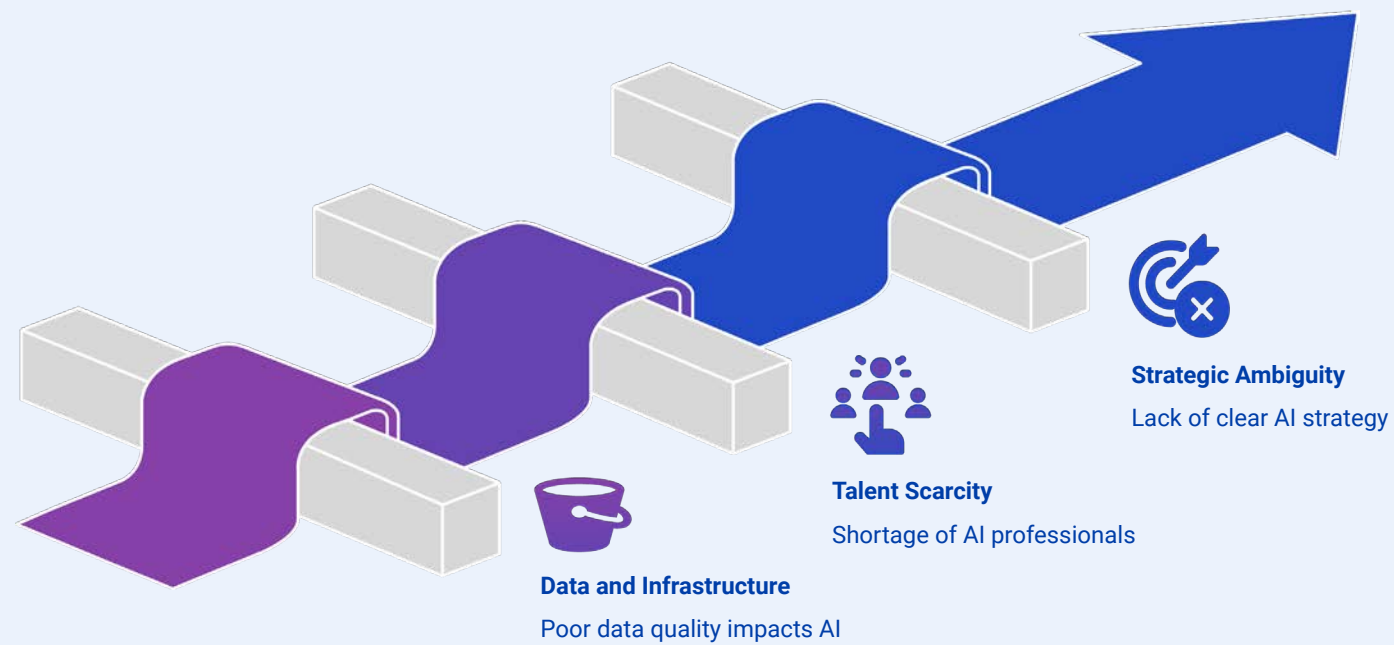
## Why LAER Can't Survive the AI Era

**LAER (Land, Adopt, Expand, Renew)** helped SaaS providers scale because the value equation was simple: more adoption led to better outcomes and higher renewal rates. But AI breaks that logic. Adoption doesn't guarantee value, and usage often increases costs rather than ROI. Customers struggle with poor data quality, legacy platforms, unclear use cases, and a severe talent shortage. These aren't adoption challenges. They're transformation challenges.

AI introduces the AI Adoption Chasm, a gap caused by systemic obstacles that LAER wasn't designed to address. Customers need help with data modernization, strategy alignment, integration work, and operational governance. Without those services, even the most advanced AI model can't deliver value.

**The reality is simple: [LAER measures usage](#); [DARE measures outcomes](#).  
In an outcomes economy, only one of those metrics matters.**

## AI Implementation Challenges



## From Selling Tools to Delivering Outcomes

AI shifts risk from customer to provider. In SaaS, customers pay whether the software is delivered or not. In AI, providers increasingly guarantee performance, reduced fraud, improved uptime, or operational efficiency.

Delivering outcomes requires ongoing ownership of the operational stack. You must manage cost volatility, monitor model drift, secure pipelines, and maintain data hygiene. TSIA refers to this hidden burden as AI Operational Debt, the silent drag on profitability when unmanaged.

You can't eliminate operational debt through product features. You need a service-led model that embeds ongoing expertise and governance into the customer lifecycle. That's the foundation of DARE.

# The Customer Engagement Model for AI

DARE replaces LAER's linear sequence with a cyclical, outcome-driven motion designed for AI's constant change. Each phase maps directly to the customer's outcome journey.



## Design

### Engineering for Outcomes

Design replaces "Land" with a readiness-first approach. Providers must assess data quality, define success metrics, and establish governance models before implementation begins. This is where AI Readiness and Governance Services (ARGS) play a critical role.



## Activate

### Hands-On Deployment

Activate replaces "Adopt" with early outcome creation. Forward deployed engineers (FDEs) embed with customers to configure, integrate, test, and operationalize the first measurable results.



## Realize

### Proving Continuous Value

Realize replaces "Expand" and "Renew." Here, managed services stabilize operations, ensure value delivery, and enable outcome-based commercial models. Renewal becomes the natural result of value proof.



## Evolve

### Continuous Optimization

Evolve is the new phase. It delivers Value Optimization Services (VOS) to prevent degradation, fight model drift, and sustain ROI.

**DARE represents a structural evolution beyond LAER for AI-driven business models.**

# A Path to Outcome Sovereignty

To operationalize DARE, providers evolve across four levels: Explorer, Adopter, Operator, and Outcome-Oriented Partner. Each level represents a fundamentally different economic and operational model.

## Level 1

### The Explorer

#### Feasibility & Trust

At this level, companies run free proofs of concept to win trust. FDEs perform hero-driven work, often creating shadow technical debt. Costs fall under sales, not delivery, which limits scalability.

## Level 3

### The Operator

#### Commitment & The Value Gap

Traditional subscription models stabilize revenue, but customers often fail to achieve the outcomes they expected. Providers deliver tools, not results, which creates a widening value gap and support burden.

## Level 2

### The Adopter

#### Consumption & Volatility

Providers shift to consumption pricing: per token, per API call, or per user. Revenue becomes volatile, incentives misalign, and usage often increases costs. It's easy to sell, but difficult to scale profitably.

## Level 4

### The Outcome-Oriented Partner

#### Sovereignty & Guaranteed Outcomes

Providers assume operational sovereignty, owning the stack, managing the model, and guaranteeing business outcomes. Services become the operational backbone. This is the destination state for AI-driven economics. Level 4 isn't just a framework stage. It's a business model transformation.

# From Product-Led Growth to Service-Led Growth

AI breaks the product-led growth (PLG) playbook. Self-service adoption works when users can get value on their own. But AI requires ongoing tuning, monitoring, and domain expertise. Providers that try to scale through PLG motions often get stuck in "pilot purgatory."

Service-led growth (SLG) recognizes the reality of AI deployment: services, not features, create value. FDEs, [managed services teams](#), and data governance experts become the engines of profitability.

**Customers don't want tools. They want a 15% reduction in downtime, a 20% improvement in yield, or a 10% reduction in operating costs. SLG delivers that.**

# Recommendations

To [succeed with DARE](#) and compete in the outcome economy, you must take decisive action. Here are five steps to accelerate your transformation:

- 1 Build readiness and governance capabilities**  
Invest in AI Readiness and Governance Services to create strong data foundations, define value metrics, and establish operating guardrails. These capabilities enable you to engineer outcomes rather than chase adoption.
- 2 Shift your engagement model from adoption to activation**  
Deploy FDEs who can deliver early wins inside the customer's environment. Activation drives belief, accelerates value, and de-risks long-term commitments.
- 3 Operationalize outcome delivery through managed services**  
Outcome realization requires continuous oversight. Build managed service offerings that control data integrity, model performance, pipeline security, and cost optimization.
- 4 Create value optimization services to fight AI operational debt**  
AI models degrade over time. VOS should proactively prevent drift, manage threats, and surface opportunities to expand measurable value.
- 5 Redesign your commercial model around outcomes**  
Move beyond consumption pricing. Introduce committed-use agreements, value-based pricing, or shared reward contracts. Customers will pay for certainty, not experimentation.

# The Path Forward

AI is accelerating expectations, compressing timelines, and raising the stakes for value delivery. LAER helped the industry scale during the SaaS era, but it can't support the outcome economy. DARE offers a modern blueprint for engineering outcomes, sustaining value, and forming long-term operational partnerships with your customers.


If you want to deliver measurable business results, not just features, you need the operating model, services capability, and economic structure to support it. TSIA provides research, benchmarks, and advisory frameworks to support this transition.


If your company needs guidance to modernize its engagement model or build outcome-driven services, you can access best practices, frameworks, and expert advisory support through [a TSIA membership](#).

# TSIA's Complete Ecosystem

## Benchmarking

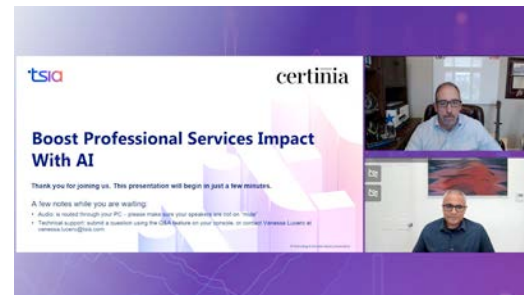
Proprietary, data-driven comparisons against peer companies.

 **Performance Optimizer (self-serve or researcher-led):** Measures maturity, identifies gaps, and compares against industry averages.

 **DataViews & Key Metrics:** Bite-sized benchmarks (e.g., renewal rates, adoption ratios) available in the TSIA Portal.

## Expert Inquiry

An Expert Inquiry is a direct engagement with a TSIA Research Executive to answer a specific business question or validate a strategy. Inquiries are addressed via a curated email response or a 30-minute call, depending on the complexity of the issue.



## TSIA Intelligence (AI)

The first AI built exclusively for technology services. Provides trusted answers in seconds, complementing the expertise of human researchers.



## Advisory Services

### Advisory Blocks:

1–4 hour hyper-focused, virtual sessions solving a specific challenge.

### Interactive Strategy Reviews (ISRs):

Researcher reviews strategy docs and hosts a 2-hour interactive session with recommendations.

### Workshops:

Half to full-day engagements for team enablement and transformation planning.

### Speaking Engagements:

Keynotes, executive briefings, or panels delivered by TSIA experts.

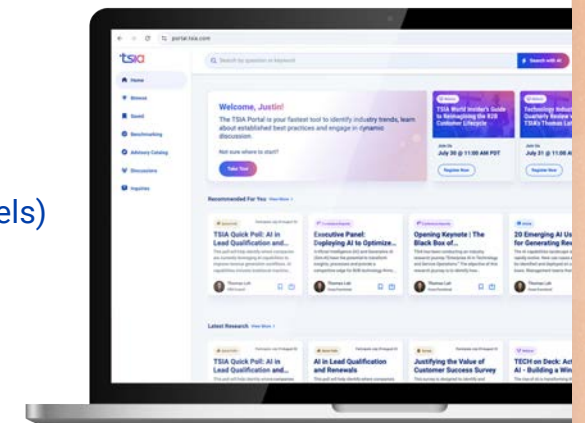


## TSIA Portal: Research & Insights

A rich library of proprietary research and tools.

### Formats include:

- Research Reports (deep analysis)
- State of the Industry Reports (annual, free)
- Framework Papers (visual best-practice models)
- Articles (thought leadership)
- DataViews (benchmark stats, always paid)
- Webinars & Podcasts (free, expert-led)
- Industry Stories (real-world applications)




# Membership Plans

**Free**

Explore TSIA's ecosystem with limited access to research and AI tools—ideal for getting familiar before you commit.

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-  **Limited TSIA Intelligence**
- ✓ **7 AI Inquiries:** Specialized AI Q&A for technology services.
- ✓ **7 AI Content Assistant Uses:** Instant summaries and deep dives into reports, videos, and more.

**Best for you**

**Individual**

Get full, self-serve access to all research areas, TSIA Intelligence, and benchmarking—built for SMB leaders and solo professionals ready to level up.

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-  **Single User**
-  **Unlimited TSIA Intelligence**
- ✓ **AI Inquiry:** Specialized AI Q&A for technology services.
- ✓ **AI Content Assistant:** Instant summaries and deep dives into reports, videos, and more.



**Learn more**

**Best for your company**


**Enterprise**

Access organization-wide research, expert advice, and advanced benchmarking to drive large-scale service transformation.


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-  **Unlimited Users**
-  **Unlimited TSIA Intelligence**
- ✓ **AI Inquiry:** Specialized AI Q&A for technology services.
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## Community & Peer Learning



**Advisory Boards:**  
Peer councils by Research Area.




**Conferences:**  
Keynotes, breakouts, and networking with thousands of executives.



**STAR Awards:**  
Recognition of member success stories.

**TSIA BOARD SUMMIT**

**Executive-Hosted Forum:**  
An invite-only experience for TSIA Advisory Board executives to think deeply, connect meaningfully, and act decisively on the future of technology services.



**Contact us**

Questions? Our team is here to guide you toward the right TSIA solution for your needs.

**Get in touch**



Make smart decisions.®

TSIA (Technology & Services Industry Association) is dedicated to helping technology and services organizations large and small grow and advance in the technology industry. Find out how you can achieve success, too.

Have questions? [Let us know.](#)

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