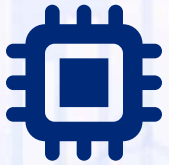




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The State of AI for Technology Services

**AI Economics and
Outcome-Based Transformation**

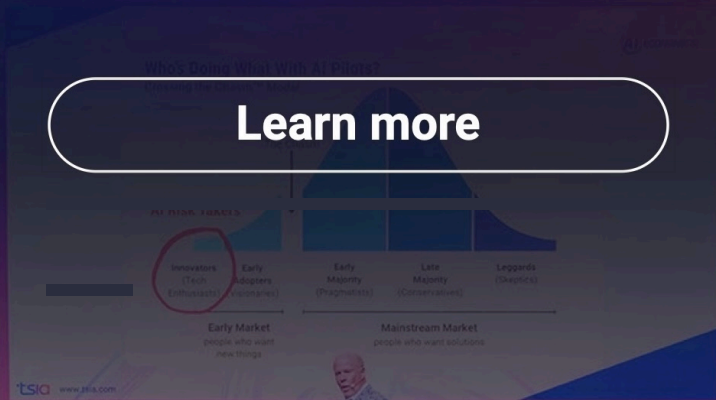


Technology & Services World

The Future of the AI Customer Lifecycle

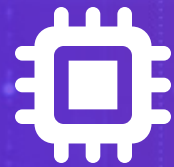
Las Vegas • Oct. 19–21, 2026

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A TSAW Event

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



Overview

You are not witnessing another incremental technology shift. This is a structural reset. AI is not just improving how software works. It is redefining how value is created, delivered, and monetized across the technology services industry. The economic model that powered two decades of SaaS growth is starting to break under the weight of automation. This is the foundation of [AI Economics™](#).

In this new era, value is no longer tied to access. It is tied to work performed and outcomes delivered. As AI agents take on more responsibility, the link between users and revenue weakens. And that forces every technology provider to confront a difficult reality: your current pricing and delivery model may be working against you.

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](#)

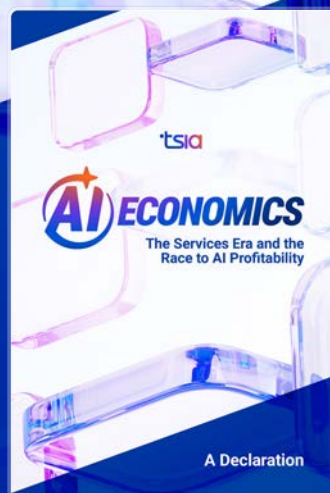


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AI. For Technology Services.



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.

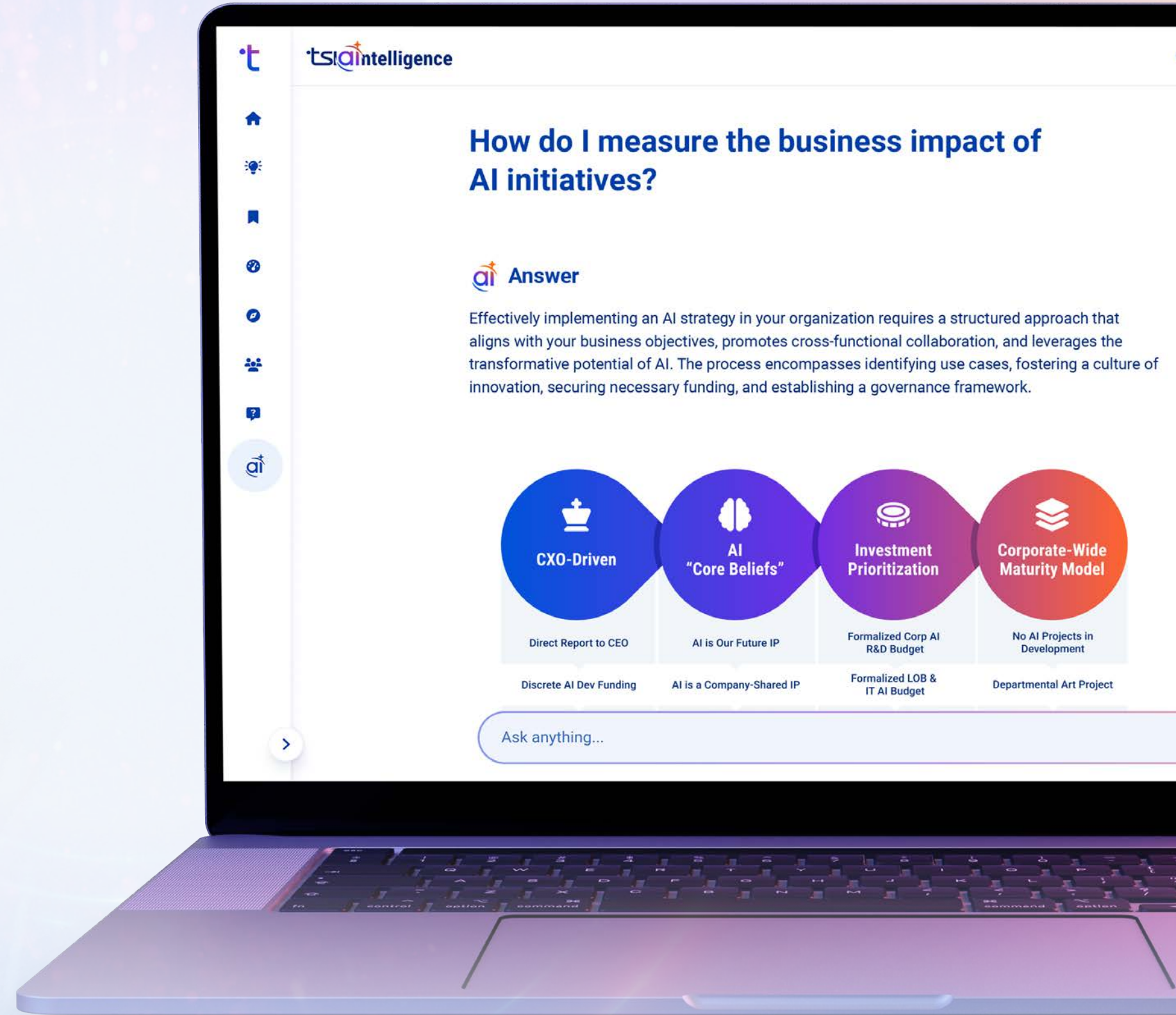
Instant Value: Summarizes reports, answers questions, and visualizes data in seconds.

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 Cannibalization Dilemma

For years, growth followed a predictable path. More users meant more revenue. SaaS pricing scaled with headcount, and success was tied to expanding access. AI disrupts that logic. When an AI agent can perform the work of multiple employees, fewer users are needed to achieve the same or greater output. If your pricing model is tied to seats, every efficiency gain reduces your revenue potential.

This creates the Cannibalization Dilemma:

Improve your AI → reduce customer headcount → reduce your revenue.

The more effective your product becomes, [the more pressure it puts on your existing business model](#).

The Shift to AI Economics™

The industry is now splitting into two paths. Some organizations are attempting to preserve seat-based pricing, treating AI as an add-on or premium feature. Others are embracing a new model where revenue is tied to measurable outcomes. This is [AI Economics](#) in action.

Instead of selling access, you are selling results:

Tickets resolved

Costs reduced

Revenue increased

Risk avoided

This shift decouples revenue from headcount and aligns it with business impact.

Why Services Now Drive Value

Early expectations suggested AI would accelerate Product-Led Growth. Customers would integrate AI through APIs and unlock value independently. In reality, most enterprises are not ready for that level of autonomy.

They operate in complex environments shaped by:

Legacy systems

Fragmented data

Security requirements

Governance constraints

[This creates the “Last Mile” challenge](#). AI models alone cannot navigate this complexity. They require expertise to integrate, adapt, and operationalize. This is why services have moved to the center of the value equation. Professional services, managed services, and customer success are no longer support functions. They are the delivery engine that turns AI potential into measurable outcomes.

You Cannot Automate Chaos

Before you can scale AI delivery, you must address your operational foundation.

Many organizations are still operating with:



AI does not fix these problems. It amplifies them.

This is the **Professional Services (PS) 2.0 Transformation Paradox**:
You cannot build scalable AI services on top of operational debt.

To move forward, you must:



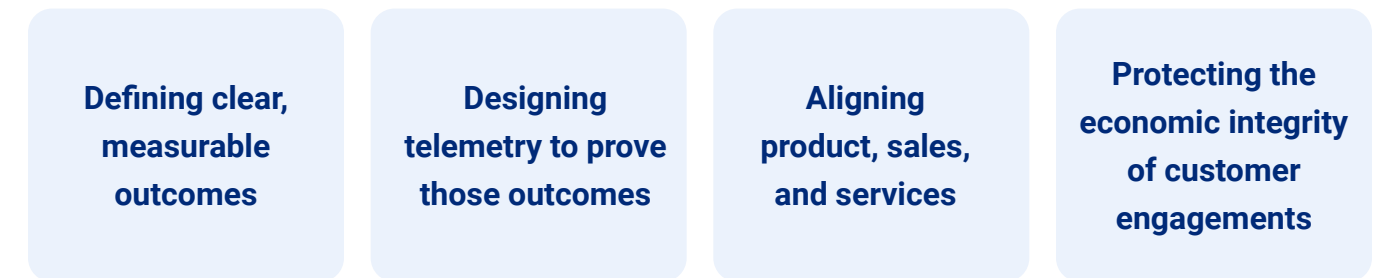
These are not technical upgrades. They are business requirements.

Designing for Outcomes

The Value Engineering Office

To operate in [AI Economics](#), you need a new organizational capability: the Value Engineering Office (VEO). The VEO ensures that value is not a vague concept. It becomes something defined, measured, and managed.

Its responsibilities include:

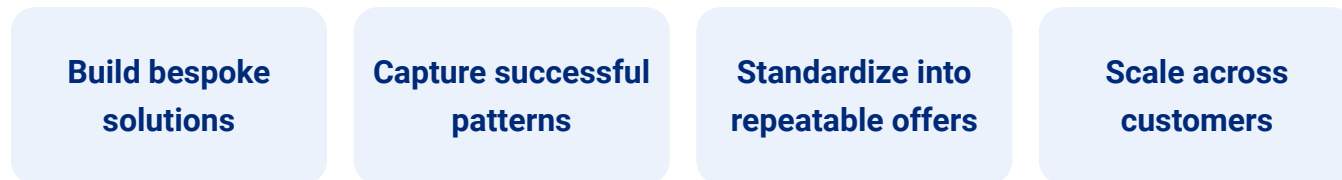


This function transforms value from a promise into a system.

From Custom Work to Scalable Delivery

AI delivery often begins with highly customized work. [Forward-Deployed Engineers \(FDEs\)](#) play a critical role in solving complex integration challenges and building the connective tissue between AI and enterprise systems. But customization alone does not scale. To grow efficiently, you must capture and standardize what works. This is the role of Services Offer Engineering.

The process evolves as follows:



This is how services become product-like.

 **Managed Services**

Sustaining AI Value

AI deployment is not the end of the journey. It is the beginning. Once in production, AI systems require continuous oversight to maintain performance and control cost. Managed services are evolving to meet this need.

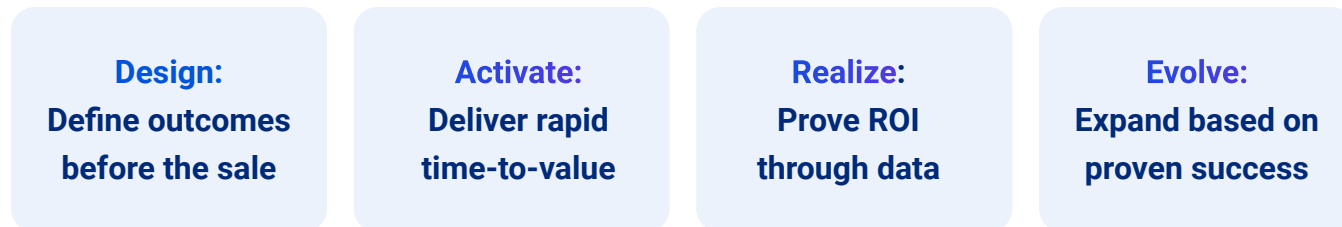
The focus shifts from monitoring infrastructure to managing outcomes:



This transforms [managed services into a guardian of AI ROI](#).

Rethinking Customer Engagement

The traditional customer lifecycle model—LAER (Land, Adopt, Expand, Renew)—relied on adoption as a proxy for value. In the AI era, adoption is no longer sufficient. Customers can use AI tools without achieving meaningful results. [This requires a new model: DARE.](#)



DARE | Customer Engagement Model in the AI Era



This shift also changes the role of customer success. You are no longer managing relationships alone. You are responsible for measurable business outcomes.

The AI Pricing Ladder

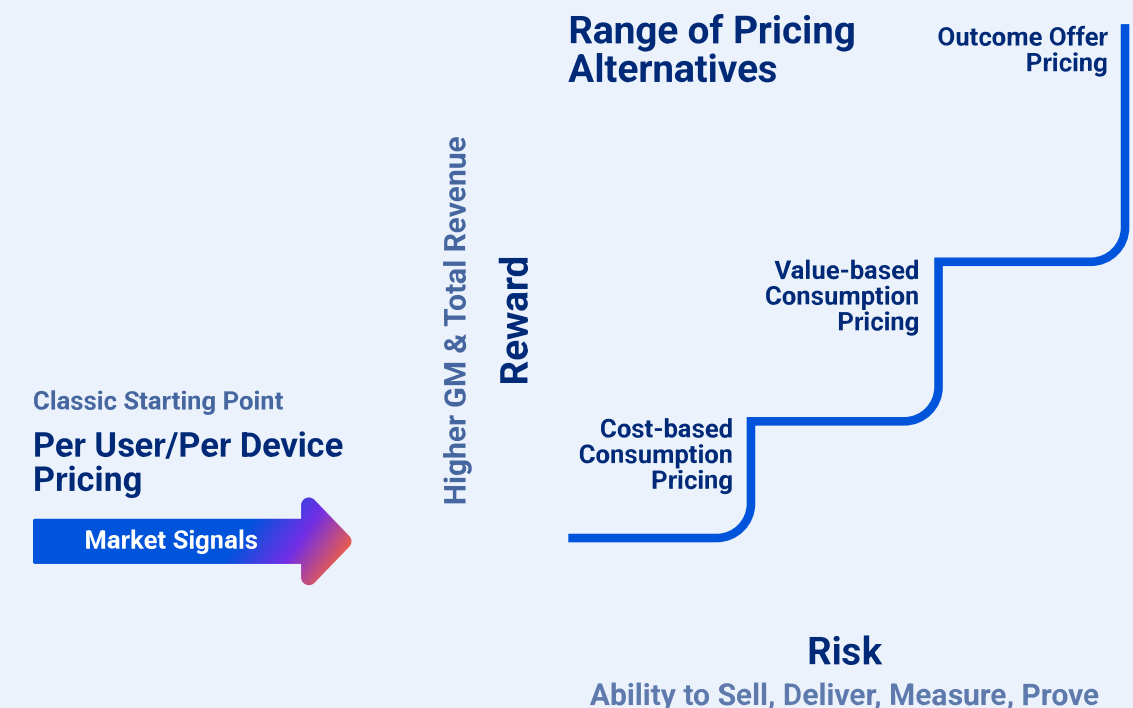
As your delivery model evolves, [your pricing must evolve with it.](#)

The AI Pricing Ladder outlines this progression:



Each step increases alignment between your revenue and the value delivered to the customer. Outcome-based pricing represents the highest level of maturity, but it requires strong measurement, governance, and delivery capabilities.

The AI Pricing Ladder

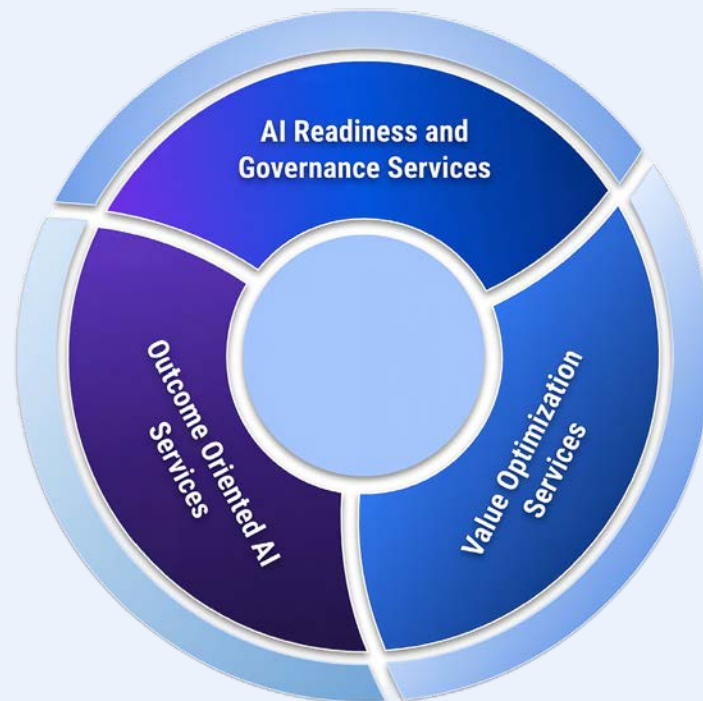


Building the Right Services Portfolio

To compete in [AI Economics](#), you must expand your service offerings.

Three categories are essential:

- 1 AI Readiness & Governance Services (ARGS):**
These services prepare customers for AI by addressing data, systems, and compliance.
- 2 Value Optimization Services (VOS):**
These services manage AI performance over time to ensure sustained value.
- 3 Outcome-Oriented AI Services (OOAS):**
These services deliver and guarantee specific business results.



Together, they form the foundation of an AI-native services portfolio.

The Broader Impact Across Service Lines

AI is transforming every part of the technology services organization:



Field services are shifting from utilization to value absorption, using AI to augment technicians and capture knowledge.



Education services are focusing on time-to-competency, [using AI to accelerate learning and adoption](#).



Support services are becoming predictive, resolving issues before customers experience them.

Across all functions, the pattern is the same: efficiency alone is not enough. Value must be measurable and provable.

The Path Forward

The transition to [AI Economics](#) is not optional.

You are already seeing the early signs:

Pressure on seat-based pricing

Rising cost of growth

Increasing demand for measurable outcomes

Greater reliance on services to deliver value

The question is not whether this shift will happen, but whether you will lead it.

What You Should Do Next

To move forward, focus on four priorities:

Align your organization around outcomes

Invest in service capabilities that deliver AI value

Improve your data and operational foundation

Experiment with outcome-based pricing models

These steps will position you to compete in a market where results, not access, define success.

The Services Era is not a temporary phase. It is the new foundation of the technology industry. AI does not eliminate the need for services. It makes them essential. The organizations that succeed will be the ones that combine AI scale with precise, outcome-oriented delivery. The future belongs to those who can sell and prove results.

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.



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Advisory Blocks:

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Workshops:

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

Speaking Engagements:

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

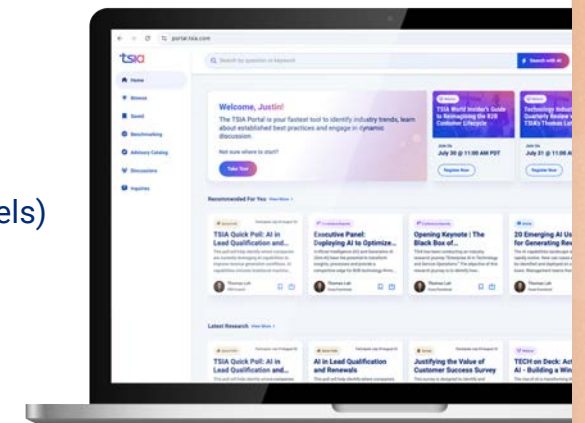


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A rich library of proprietary research and tools.

Formats include:


- Research Reports (deep analysis)
- State of the Industry Reports (annual, free)
- Framework Papers (visual best-practice models)
- Articles (thought leadership)
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- Industry Stories (real-world applications)



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

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Learn more


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

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-  **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.

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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.



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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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