How Forward Deployed Operations Turns Renewals Into Perpetual Expansion

Building Value Realization Into a Repeatable Operating Model

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1

INTRODUCTION

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Introduction

Your best engineers can get an artificial intelligence solution into a customer's production environment. The harder question is what happens the morning after go-live. In most managed services organizations, the elite talent that built the solution rolls off to the next account, and a lower-cost run team inherits a system it did not design and cannot fully explain. The customer starts paying, but no one owns the single thing that decides whether they keep paying: proof that the solution delivered the business result it promised.

It does not solve the ownership problem that begins at go-live.

This is the "promise gap" or "value realization gap", and it is now the difference between a services business that renews and one that compounds. Value engineering, the discipline of defining and quantifying the outcome a customer will receive, has become the mandate. The open question is operational. How do you make it a repeatable model instead of a heroic, one-off effort reserved for your largest accounts?

The pressure is structural, not cyclical. As autonomous agents absorb work once priced per seat or per hour, the old logic of charging for access and effort erodes. Differentiation moves to the last mile, where abstract AI meets a customer's messy, proprietary operations, and value has to be proven in the customer's own numbers. Forward-deployed engineering (FDE), the practice of embedding senior engineers to build production-grade solutions inside the customer environment, can solve the deployment problem. It does not solve the ownership problem that begins at go-live.

This article lays out the function most providers have not yet built, forward-deployed operations (FDO), and the operating model that turns renewal from a milestone into a checkpoint inside a longer motion of perpetual expansion.

2

THE CURRENT STATE

Usage is often a cost, not a value.

The Current State

For most of the past decade, post-sale organizations have run on the LAER model: land, adopt, expand, renew. Its logic historically fit the software-as-a-service era: land the customer, drive adoption, and treat usage as the leading indicator that expansion and renewal will follow. The default belief was simple. If the customer uses the product, the customer renews.

That belief breaks down with AI. Usage is often a cost, not a value. A customer does not want to spend hours prompting a model. They want the fraud caught, the invoice cleared, or the downtime avoided. Measuring logins and consumption tells you the customer is busy, not that they are better off. For a Services or Sales leader, this means the health scores your renewal forecast leans on may have almost nothing to do with whether the customer actually got paid back.

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A second pattern compounds the first. The team that understands the customer's context, the FDE or professional services build team, typically departs once the solution is live. The run team sees the alerts but lacks the engineering context to retrain a drifting model or adjust the solution as the customer's data shifts. Value decays quietly. The model does not crash or throw an error. It simply starts being less right, and by the time the erosion surfaces in business metrics, the renewal is already at risk.

GO-LIVE TO RENEWAL



Figure 1: The post-go-live value gap, showing how realized value decays after the build team departs and before anyone owns the outcome.

The result is visible in how the industry manages value today. Most organizations quantify value at the point of sale, when it is still a promise, and far fewer quantify it at renewal, when it is the deciding factor. The majority remain anchored in cost-justification, proving the solution was cheaper, rather than proving it grew the customer's business. Quarterly business reviews (QBRs) tend to recount activity and adoption. They rarely present an auditable dollar outcome that an executive can carry into their own board meeting.

For you, that is the exposure. When the renewal rests on relationship and goodwill instead of proof, every downturn in the customer's budget becomes a threat you cannot answer with data. When the build team's context walks out the door, you are left defending the promised value that you can no longer fully explain.

3

EMERGING TRENDS

Adoption is no longer the milestone; proven outcome is.

Emerging Trends

A new operating model is taking shape, and it begins by naming a function most providers do not yet have on the org chart. Forward-deployed Operations is the team that owns the customer after go-live, continually surfaces the next business problem worth solving, and is accountable for proving the dollar impact of solving it. Three trends are converging to make it real.

First, providers are fusing the build and run teams into a single unit. Leading organizations structure delivery around a service pod, a persistent, cross-functional squad that pairs the FDE, who builds the zero-to-one solution, with a forward-deployed operator, who owns one-to-many scaling, reliability, and optimization. The advantage is the feedback loop. When the operator sees the model struggle with a real-world edge case, that failure data goes straight back to the engineer in the same pod, who patches the instance and codifies the fix into a reusable blueprint. This is how forward-deployed engineering stops being a heroic experiment and becomes a repeatable capability, and how the run phase finally inherits the context it has always lacked.

DELIVERY MODEL

The Two-Person Service Pod

One engineer builds, one operator runs, joined by a loop that turns every edge case into a codified blueprint.

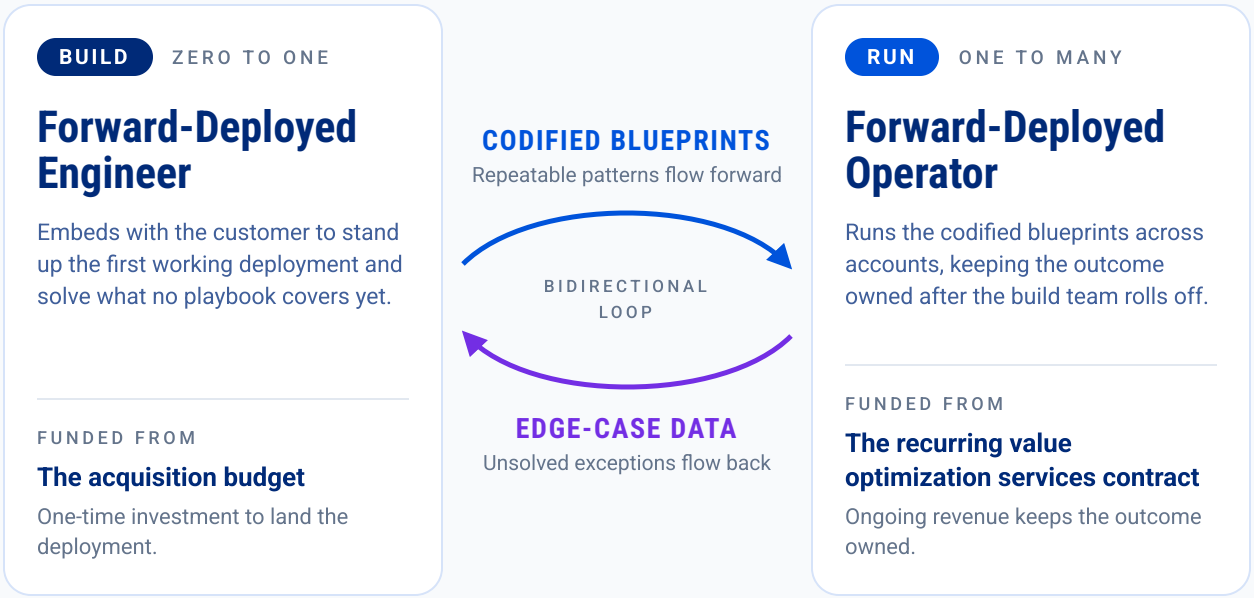


Figure 2: The service pod, showing how pairing a forward-deployed engineer with a forward-deployed operator closes the loop between build and run.

Second, financial operation moves inside the handoff rather than sitting downstream of it. The most advanced organizations instrument the outcome from day one, wiring telemetry into the build so that adoption data can be translated into the customer's business result. A dedicated value engineering office (VEO) owns that translation, tracking value realization across the life cycle and replacing the activity-based QBR with a value realization review that presents proven return on investment (ROI). The distinction is the entire game. The renewal conversation shifts from *"usage is up 40%"* to *"we increased your revenue by 40%"*. One is a report. The other is a reason to sign.

Third, delivery automation is what makes the model economically viable at scale. As agentic AI takes over provisioning, monitoring, and routine delivery tasks, providers face a cannibalization dilemma: efficiency gains handed straight back to the customer as fewer billable hours. Pricing the work around the outcome rather than time and materials lets the provider keep the efficiency dividend and reinvest it in the operators who watch the outcome. There is a dependency worth naming. You cannot price around an outcome you are not measuring, so the same telemetry that proves value is also what makes automation safe to turn on.

One is a report. The other is a reason to sign.

Together, these trends dismantle the core LAER assumption. Adoption is no longer the milestone; proven outcome is. TSIA's DARE model (design, activate, realize, evolve) captures the shift, treating expansion and renewal not as separate, sales-driven events but as the direct output of continuously proving value. Renewal becomes a checkpoint inside the motion rather than the motion's finish line.

The roles that feel this first are concentrated in the post-sale organization. Services Operations inherits a genuine run-phase profit and loss instead of a cost center. Professional services gains a destination for its build talent, so elite engineers are no longer trapped supporting bespoke code forever. And the renewal and customer success teams finally forecast on evidence rather than sentiment. The business model most exposed is any provider still selling access by the seat, where automation quietly erodes the very revenue it was meant to protect.

4

FUTURE FOCUS

The same function that defends the base is the one that grows it.

Future Focus

Over the next one to three years, the providers who build forward-deployed operations will separate from those who keep treating post-go-live as a support cost. The trajectory follows a maturity curve TSIA describes as the DARE progression, moving from proving feasibility toward operating the customer's outcome outright.

In the near term, expect the run phase to formalize into value optimization services (VOS): recurring, subscription-style engagements that monitor for model drift, retrain models, and optimize cost, and that expand with the customer's AI footprint. More models in production means more models under management. This is the structurally attractive revenue services leaders have chased for years, durable and recurring rather than resetting to zero at the end of every project.

More models in production means more models under management.

Ultimately, the leading edge moves to outcome-oriented AI services (OOAS), where compensation is tied directly to a business result and governed by an outcome level agreement (OLA) rather than a service level agreement (SLA) that only promises response times. Getting there demands two things: operational sovereignty, meaning enough control of the data pipeline and run environment to stand behind the result, and the financial machinery to recognize outcome-based revenue responsibly.

The endpoint reframes the renewal entirely. When value is proven continuously, renewal stops being an annual referendum and becomes a checkpoint inside a longer motion: uncover a problem, deploy a solution, prove the value, uncover the next one. Renewal turns frictionless because the proof already exists on the day the conversation starts. Expansion turns perpetual because the operator whose job is to surface the next problem worth solving is also your most credible source of qualified pipeline. The same function that defends the base is the one that grows it.

ENGAGEMENT CYCLE

Renewal Is a Checkpoint, Not an Endpoint

Uncover, deploy, prove, and uncover again. Each loop through the DARE progression raises outcome maturity, from proving feasibility to outcome sovereignty.

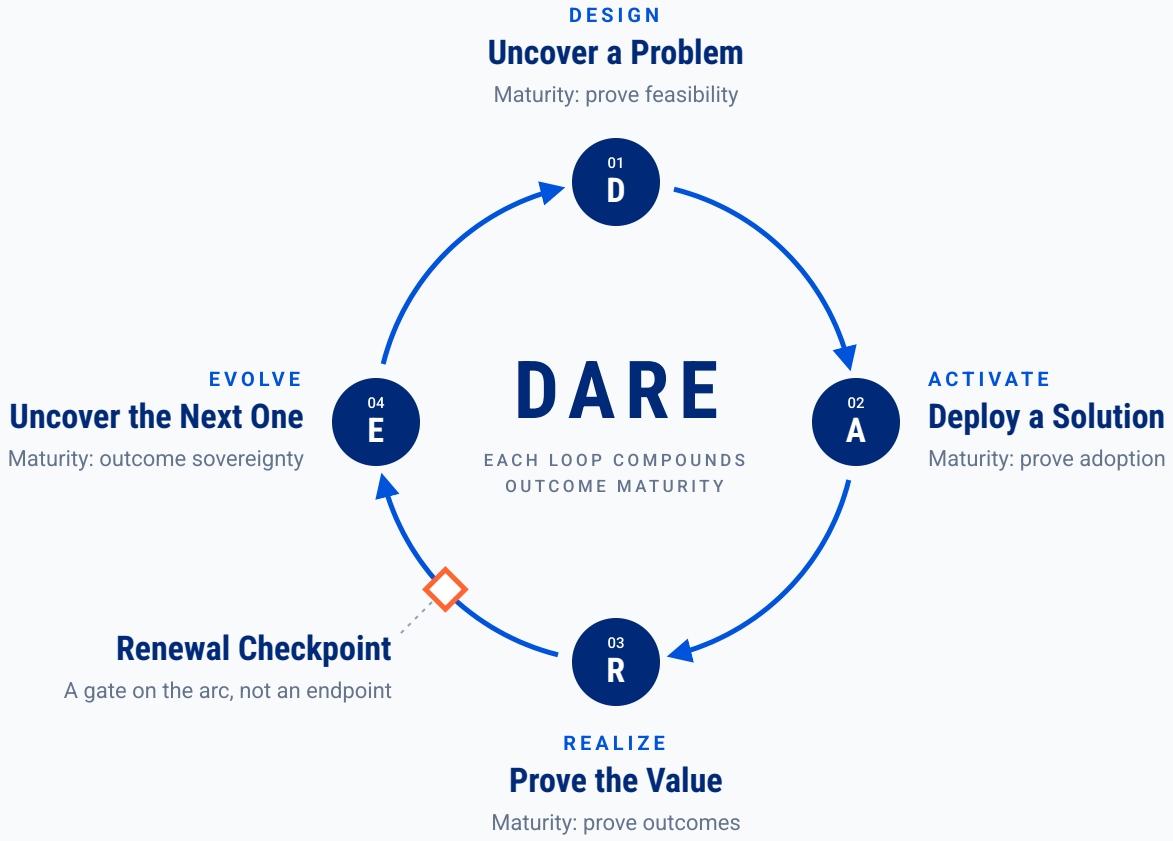


Figure 3: The perpetual expansion motion, showing renewal as a checkpoint inside a repeating cycle rather than a terminal milestone.

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CONCLUSION

Do these well, and the renewal stops being the finish line and becomes a checkpoint in a motion of perpetual expansion.

Conclusion

The argument reduces to three moves. Name and staff forward-deployed operations as the function that owns the customer after go-live. Put financial operations inside the handoff so adoption data becomes a proven dollar outcome. And use delivery automation to make value realization repeatable and margin-safe instead of a heroic effort on your best accounts. Do these well, and the renewal stops being the finish line and becomes a checkpoint in a motion of perpetual expansion.

You do not need to rebuild the organization overnight. Sequence the work from lowest barrier to highest commitment:

1. Audit where your build teams hand off to your run teams, and document exactly what context is lost in the gap.
2. Instrument one active engagement so its outcome is measured in the customer's business terms, not in usage or activity.
3. Pilot a single service pod on a strategic account, pairing your build engineer with a dedicated operator.
4. Stand up a value engineering office to own value realization and convert your next quarterly business review into a value realization review.
5. Redesign one renewal so the conversation leads with proven ROI and an explicit map of the next problem worth solving.

Map your current post-go-live model against the DARE progression, then bring your findings to TSIA's research and advisory team to pressure-test where forward-deployed operations fit your portfolio.

The providers who own the outcome will own the renewal, and everything that comes after it.