KPMG

Accelerating AI with managed services

KPMG Managed Services Outlook Survey 2026

With research and analysis by IDC

KPMG. Make the Difference.

KPMG in Belgium | kpmg.com/be

Contents

03 Foreword

04 About the research

05 Key findings

06 Fueling digital transformation through AI-enabled managed services

11 Managed services goals: unlocking strategic impact

18 Powering automation, trust, and digital infrastructure

22 Conclusion and recommendations

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Foreword

In the cognitive era, every business function — from IT and finance to risk and compliance — is under pressure not only to modernize but to lead with speed and precision. They're increasingly looking to artificial intelligence (AI) as the bedrock of digital transformation.

However, the journey to scaled AI is fraught with complexity, from navigating tech debt to bridging talent gaps. Without a strategic approach, companies may fall into endless experimentation without meaningful return.

In response, senior leaders are tapping managed services as an AI accelerator and driver of strategic impact. Instead of only building tech in-house, they're turning to managed services as a way to benefit from new technologies more quickly.

That's according to the enclosed KPMG Managed Services Outlook, with research and analysis by IDC, which explores AI-enabled managed services as a catalyst for advantage. The research finds that AI capability is the single most-cited consideration in managed services, followed closely by overall tech expertise and a strategic transformation mindset. And three years from now, the top area of managed services value will be AI management, supported by the foundational layers of cybersecurity and the optimization of cloud applications.

Leading managed services succeed through a combination of advanced technology and knowledgeable professionals, helping companies thrive in a volatile business environment. With services that are tech-enabled and strategy-led, operating models can remain as dynamic as the market itself.

We're pleased to share these insights and hope they inform your transformation journey.

Ron Walker
Global Head,
Managed Services,
KPMG International,
and Principal, Advisory,
KPMG in the U.S.

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

About the research

KPMG commissioned this study from IDC to understand the market's approach to managed services for business transformation.

This research builds on similar studies conducted in the past three years.

IDC perspective

Throughout this report, look for blue boxes featuring commentary from Bill Latshaw, Research Director, Business Consulting Services, IDC.

The enclosed findings are based on a survey of:

1,224 senior leaders from large, global organizations who are involved in managed services decisions.

They represent companies with at least **US$100 million** in revenue, the majority of which have revenue of **US$1-10 billion.**

Respondents are from numerous sectors, including:

banking and capital markets; food, drink and consumer packaged goods; insurance; industrial manufacturing; life sciences; technology, media, and telecommunications; energy, utilities and natural resources; and others.

The study also includes in-depth interviews with **10 senior leaders** throughout North America, Europe, and Asia-Pacific, who discussed nuanced, industry-specific challenges and opportunities.

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Key findings

AI is now the cornerstone of digital transformation, and companies are accelerating it with managed services.

87% of companies say managed services are highly integrated in digital transformation strategy, **and**

98% cite **AI implementation** as a critical capability.

91% view managed services as important for **agentic AI** delivery.

Buyers cite AI management as the

#1 **area** of managed services investment in the next two years.

While cost and efficiency remain the primary goals for managed services, buyers also seek other kinds of strategic impact.

The **top 3 goals** for managed services:

- Cost savings and efficiency
- Access to new tech
- Faster speed to market for new products and services

Technology innovation is where managed services are expected to drive the greatest transformational effects — both today and in the future.

In addition to tech innovation, **two-thirds** of buyers expect significant managed services impact in the next 24 months on:

01 Operating model transformation

02 Business model transformation

03 Strategic outcomes (such as growth, operational resilience, and agility)

Companies are adopting managed services across key business functions, optimizing both new and existing processes.

Nearly **60%** of companies use managed services either in an entire business function or at scale across the organization.

As managed services rise in strategic importance, adoption is increasingly a senior-level discussion, with the CIO having the strongest influence.

The two managed services expected to deliver the **greatest business value** both today and in the next three years:

- AI management
- Cybersecurity

Three of the top managed services **deployed at scale:**

40% Tax

37% Cybersecurity

35% Governance, risk and compliance

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Fueling digital transformation through AI-enabled managed services

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

A new defining trait of modern managed services

In recent years, managed services providers have faced an identity crisis. While some have evolved into outcome-based, as-a-service partners, others remain rooted in offshore labor arbitrage for transactional tasks. This divergence has blurred the lines for buyers, who often use 'outsourcing' and 'managed services' interchangeably.

82%

of respondents say there is a clear distinction between modern managed services and other kinds of outsourcing.

The majority of senior leaders, however, say there is a clear distinction, and AI acceleration is emerging as a key reason. Nearly 80 percent say AI-powered automation is significantly or fully integrated into their managed services strategy. Areas range from in-depth technical support to cybersecurity to financial crime compliance.

Fittingly, the top two capabilities sought from managed services providers are AI and overall tech expertise, which ideally are backed by knowledgeable professionals who understand a buyer's business. This combination of advanced tech and specialized human teams is helping companies get AI traction in areas where agility, speed, and scalability are critical — lest they fall behind competitors.

Indeed, more than 90 percent of respondents say managed services play an important role in the delivery of agentic AI. The finding suggests buyers want providers to address AI deployment friction points that are hard to tackle alone — such as integration complexity, cross-functional data governance, long-term costs, and elusive return on investment (ROI).

Top considerations in today's managed services

01 AI capability
02 Overall technology and platform expertise
03 Operational excellence
04 Data expertise
05 A strategic transformation mindset
06 Access to advanced technology
07 Functional expertise
08 Industry expertise

Ranking is based on the number of respondents who cited each factor among their top three considerations related to managed services providers.

AI capabilities that buyers want most

01 Data insights and analytics
02 Security and threat intelligence
03 Automation and efficiency gains
04 Optimization of cloud applications
05 Security monitoring and incident management

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

At the top of the wish list

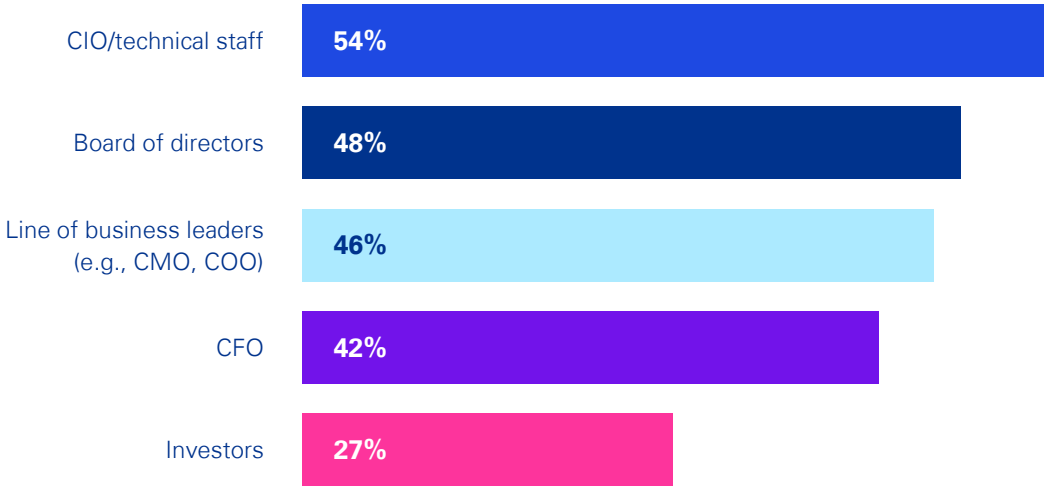
Modern managed services help build business functions that drive meaningful outcomes, pivot at the speed of the market, and create advantage through sustained transformation. It's no wonder the model is now a strategic priority for 99 percent of organizations, with almost half putting it at the very top of their list for investment.

As managed services rise in strategic value, adoption is increasingly a senior-level consideration. And with AI taking center stage, technology teams have become much more influential than in years past.

Nearly **30%** of respondents cite brand trust as a primary reason for choosing a managed services provider.

Another prominent voice is the board of directors, recognizing that managed services in areas like cybersecurity and compliance are direct proxies for reputation and resilience. In this high-stakes environment, brand trust and board-level permission are essential provider credentials.

Which stakeholder group has the greatest influence on the adoption of managed services?



Percentages reflect respondents who cited each group among the three most influential stakeholders.

> "Managed services are outcome-based delegation, distinct from outsourcing."
>
> Head of International Business Development, global medical diagnostics manufacturer, Europe

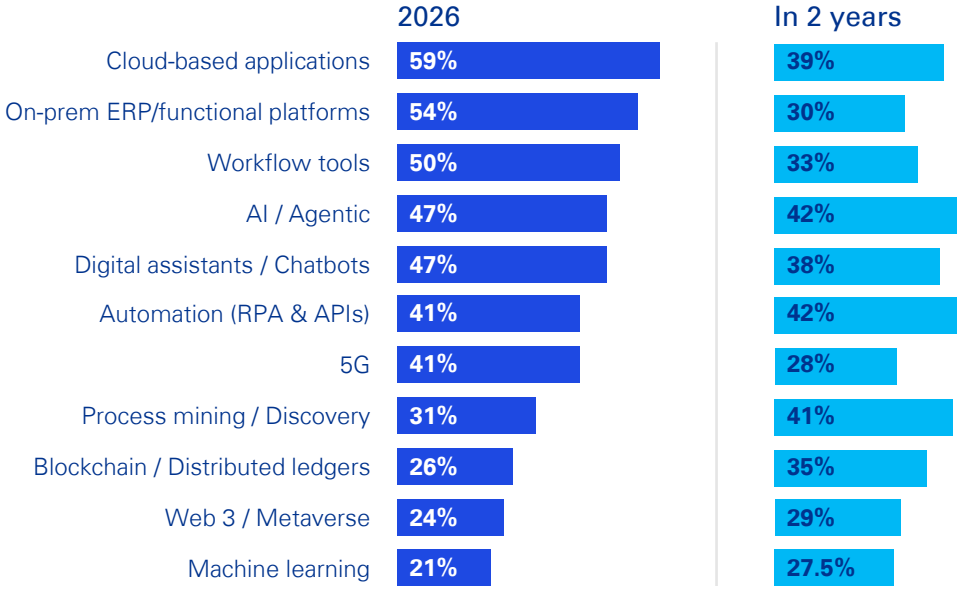
> "Providers must combine AI capability with subject-matter expertise. We don't want generic AI outputs."
>
> Head of Commercial Finance, global consumer goods company, Asia-Pacific

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Navigating cloud, on-premises, and AI technologies

While companies view managed services as an AI accelerator, most still operate in hybrid environments. As a result, managed services programs must balance AI with a steady reliance on software as a service (SaaS), workflow tools, and on-premises platforms. Leading providers are skilled at bridging this gap between legacy and future, bringing strong capabilities in systems integration, AI governance, and data management.

Which technologies are part of your managed services program today, and which do you anticipate in the next two years?



Interestingly, as respondents look ahead a couple of years, their top five preferred technologies seem to wane in importance. This could point to today's time-sensitive urgency for getting into action with AI, along with overconfidence that organizations will have mastered it before long.

Notably, companies expect process mining to increase in importance, as they seek visibility on bottlenecks, deviations, compliance risks, and other process breakdowns. Capable managed services providers bring technology to continually identify these issues and apply self-healing code.

Defining modern managed services

Modern managed services combine AI and other sophisticated technologies with embedded domain expertise, sector-specific knowledge, advisory capabilities, and strategic collaboration — all packaged in a multi-year, as-a-service subscription with predictable costs.

These services, usually delivered remotely, take responsibility for knowledge-intensive processes in the front, middle, and back office. In addition to reducing costs, the best managed services drive strategic enterprise outcomes such as accelerated innovation, risk reduction, regulatory compliance, operational resilience, stakeholder trust, and agile adaption to market change.

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

IDC perspective

Across the telephone interviews we conducted as part of the KPMG Managed Services Outlook, buyers were clear: They expect managed services providers to use AI to support their needs. What we consistently heard was a sense of inevitability with providers leaning into AI viewed not as optional innovation, but as the logical next step for delivering better outcomes at scale.

The survey results reinforce the interview themes and point to a clear shift in buyer priorities over the next two years. While SaaS is the most common technology used in managed services today, buyers increasingly anticipate greater emphasis on automation, AI (including agentic AI), and process mining and discovery. Cloud-based applications will remain foundational, but the current AI zeitgeist suggests that AI-enabled automation and operational intelligence will increasingly dominate the managed services value proposition.

In today's AI-driven landscape, organizations operate in an environment where speed, adaptability, and continuous innovation are prerequisites for competitiveness. Managed services provide the operational backbone that enables enterprises to adopt and scale emerging technologies.

As AI accelerates data flows, decision cycles, and customer expectations, enterprises require infrastructure and platforms that can evolve at the same pace. Modern managed services increasingly bring automation, advanced monitoring, and predictive operations that reduce downtime, improve responsiveness, generate real-time insights, and enable companies to embrace AI capabilities faster.

Most interviewees expressed strong trust in their managed services providers. At the same time, trust is not unconditional. One of the clearest buyer triggers for considering a provider change is the emergence of distrust. When asked, "How confident are you in your managed services provider to use AI systems responsibly and strategically?" respondents largely indicated confidence. However, that confidence often came with a clear expectation for transparency and guardrails:

> "With every vendor now, we're asking about AI—what they can do to help us be more productive, reduce cost, or create new revenue. AI is going to play a huge role, but honestly, I'm not that confident yet. Things are changing so quickly that it's hard to keep up with good controls and governance."
>
> **Senior Director of IT Infrastructure, biopharma manufacturing, North America**

This reflects a broader buyer stance: trust but clarify. Buyers want assurance not only that providers can deploy AI, but that they will do so with disciplined governance, clear toolchains, explicit data-sharing boundaries, and security controls that reduce risk exposure in a rapidly expanding AI ecosystem.

At their best, managed services providers deliver the agility organizations need to evolve operating models at pace. Providers bring cross-industry experience, proven transformation playbooks, and continuous improvement frameworks that help enterprises move from reactive to proactive operations. Done well, this creates a durable foundation for AI-enabled transformation, ensuring organizations not only keep up with change, but also capitalize on it to create differentiation and long-term value.

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Managed services goals: unlocking strategic impact

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

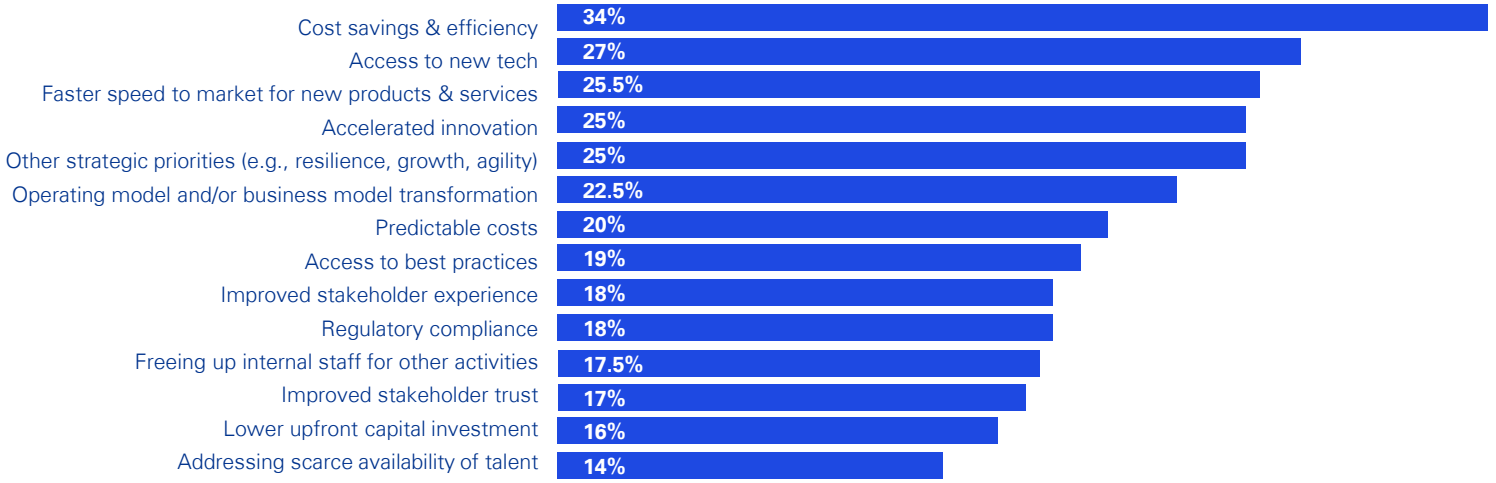
Cost savings are just the beginning

In deploying AI-enabled managed services, companies aim primarily to reduce costs and improve efficiency, and their top ROI metrics follow suit.

Some of the outsized focus on cost savings and efficiency may stem from growing pressure to go beyond AI experimentation and get return from tech investments. It may also speak to still-lingering perceptions of legacy managed services as a transactional, your-mess-for-less solution versus an engine for transformation.

To be sure, modern managed services have the potential to reduce total cost of operations by 15 to 45 percent. Some of these savings may come from ongoing process optimization; others may come from a tangible reduction in technical debt, leading to faster, more efficient AI and cloud operations. Across the board, managed services are answering the call: More than 90 percent of respondents say the model has met or exceeded their expectations on cost savings and efficiency.

Ranking of managed services goals



Percentages indicate respondents who cited each goal among their top three.

How companies measure ROI from managed services

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Enabling sustained transformation

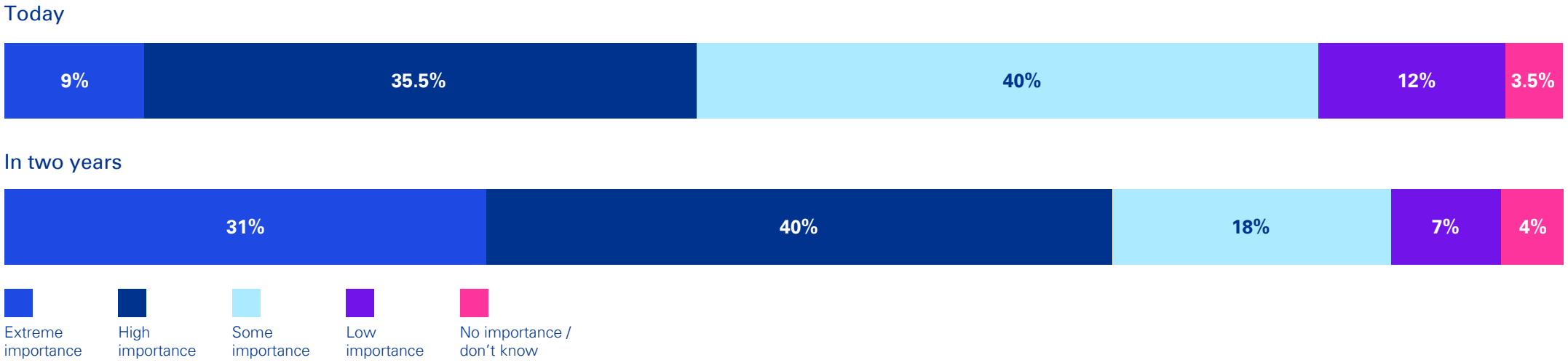
While cost cannot be ignored, progressive companies are also using managed services toward other strategic intentions. For example, several key goals — accelerating innovation, transforming models, accessing best practices, accessing new tech, and driving strategic priorities like growth and resilience — rank significantly higher today than in 2024. Among the respondents who cite these goals in their top three, more than half say managed services have exceeded expectations.

These findings reflect an increasingly common view of modern managed services providers as transformational collaborators, not transactional processors. In the next two years, buyers say transformational managed services will become even more important for long-term value.

Among respondents who prioritize **faster speed to market** for new products and services,

62% say managed services exceed expectations on this goal.

How important are transformational managed services for value generation?



© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

What does value generation look like?

Respondents expect managed services in the future to have significant impact on:

Technology innovation. Through managed services, companies can access advanced tech that could be challenging to build or evolve internally. Rather than trying to orchestrate fragmented tools, organizations use managed services to embed AI agents into core operations, deploy chatbots for IT diagnostics and coding, or add compliance tech that can automate policies.

In some companies, leaders attribute critical modernization — in areas like enterprise resource planning (ERP), cloud, test automation, and omnichannel systems — to the speed and expertise of managed services providers.

> "We are big and slow (in running complex telco processes). Managed services help us compete with smaller players."
>
> Asset Director, global telecommunications provider, Asia

Strategic outcomes that drive competitive advantage. Going beyond cost-cutting, forward-thinking companies use managed services for sustained results — from revenue growth and brand reputation to employee and customer satisfaction. One global fashion retailer, for example, says AI-enabled managed services are becoming foundational for employee experience and operational speed. Meanwhile, a consumer electronics company scaled its IT operations through managed services, supporting a 300 percent revenue surge over four years.

Operating model transformation. The best providers combine specialized talent and advanced technology to reengineer a process — and then deliver it as an ongoing service, with scale and flexibility for quick pivots as requirements change. By embedding governance and data insights directly into the operating model, for example, providers can turn a rigid function like regulatory compliance into an ongoing service that builds stakeholder trust.

Business model transformation. Digital disruption is prompting many companies to reconsider the way they do business, and modern managed services can be a springboard, shifting the focus from running the business to transforming it — while keeping internal investment lean. With AI especially, leading providers can help develop future-state roadmaps for growth, identifying ways to tap new revenue streams or reach new customers.

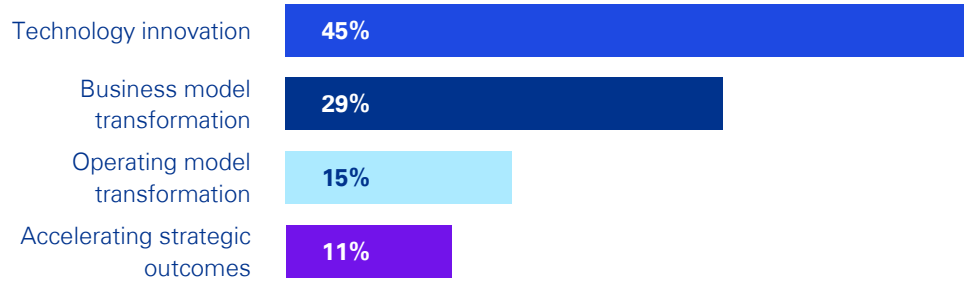
> "Managed services helped us scale rapidly with a lean core to handle our high-growth, seasonal business."
>
> Associate Director of ERP, consumer electronics brand, South Asia

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Keeping pace with innovation

Notably, when asked to choose the one area where managed services have the greatest impact today, respondents cited technology innovation as the far-and-away leader. Meanwhile, the acceleration of strategic outcomes — arguably the most important result of any business service — trails behind.

Greatest expected impact of managed services today



However, in the next two years, those outcomes — along with operating model and business model transformation — become more important, with **65 percent of respondents expecting high impact from managed services.**

These findings suggest that companies, nervous about getting dusted by competitors, are focused today on building an AI foundation, with managed services as a key enabler. This foundation — including initiatives such as AI centers of excellence (COEs), data governance frameworks, and predictive analytics — will help them down the road as they transform their models and pursue enterprise outcomes.

IDC perspective

Our discussions with managed services buyers point to a staid urgency: Organizations know they must expand both their amount and type of managed services to stay competitive and create strategic advantage, but budgets are tight. Where they are most willing to dive in are areas where AI raises expectations for speed and productivity.

Survey results show that transformational managed services are already somewhat, highly or extremely important for value generation for about 84 percent of respondents. But buyers are signaling a near-term inflection: The share expecting high or extremely high value rises from 44 percent today to 71 percent in two years. The lag is not a lack of ambition but is more about sequencing. First, providers have to stabilize operations and prove execution. This aligns with the market reality that strategic trust in a new provider may take two to three years to build.

In the next 24 months, organizations expect to pursue managed services-led technology innovation (such as AI management/COE operations, machine learning operations/model monitoring, agentic copilots, AI operations/self-healing, and process-mining-driven automation). Their goal is to tie these to strategic outcomes that match key performance indicators, while continually improving operations.

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Beating expectations on the business case

Two other outperforming goals are predictable costs and lower upfront capital investment. Among the respondents who cite these goals in their top three, 91 percent say managed services have met or exceeded expectations, with half citing the latter. This marks significant improvement over 2024.

In a volatile business environment, these two ingredients of modern managed services are a breath of fresh air, giving buyers a multi-year subscription at a stable cost — without prohibitive expenditures to get started.

Providers' ability to exceed expectations on these economics points to a maturing business case for managed services. Some providers even offer the option to flex services up or down to meet buyers' fast-changing needs.

> "Short-term gains are transactional, but transformation takes external expertise and time for value to materialize."
>
> IT Director, multinational discount retailer, Europe

IDC perspective

Ensuring predictable costs was one of the hot buttons for the leaders that we spoke with about their managed services contracts. Predictability means different things for buyers depending on their industry and circumstance. For the deputy director of information and communication technology for a public healthcare provider, "Fixed price gives us predictability." For a global fashion brand in Europe, the chief human resources officer noted the value of flexible pricing, saying that "revenues don't grow fast enough to cover fixed increases."

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Hidden talent

Surprisingly, the lowest-ranked managed services goal is access to skilled talent, which is a sharp fall from surveys in 2024 and 2023. But among the 14 percent of respondents who do cite talent access as a top goal, more than half say managed services have exceeded expectations.

> "We don't have a ton of boots on the ground; however, we do need 24-7 / 365 support. These companies have benches of people."
>
> CIO, multi-brand automotive retailer, North America

Leading providers bring an enviable talent pool — including data analysts, domain experts, and creative problem-solvers — to knowledge-intensive processes. The best providers also have robust advisory capabilities, helping clients work through questions from technology integration to revenue to corporate culture.

Buyers' tendency to undervalue talent suggests a misunderstanding of the technical, functional, and industry expertise required for AI-enabled services. As companies struggle to recruit specialized talent, managed services can be an antidote to the skills gap.

IDC perspective

Talent is often hidden in plain sight. In the survey, managed services goals skew toward near term, CFO friendly outcomes (cost/efficiency at 34 percent, speed to market at 25.5 percent, and innovation at 25 percent), while addressing the scarce availability of talent is cited by only 14 percent as a top goal. (See 'Ranking of managed services goals' on page 12.)

Yet provider evaluation signals a premium on expertise. When we ask buyers to choose their three most essential considerations for managed services providers, AI capability comes in at the top (36 percent), alongside technology/platform expertise (21 percent), operational excellence (20 percent), and data expertise (18 percent).

AI doesn't remove the need for smart managed services talent; it raises the bar and makes that talent more capable. As automation absorbs repeatable work, value concentrates in higher order skills such as domain experts who can redesign processes, data/engineering specialists who can run AI reliably in production, and governance/security practitioners who can keep models auditable and compliant.

Buyers' managed services talent profile reflects this shift. Today's programs are anchored by data/analytical experts, technical experts, and creative problem-solvers, and buyers expect the mix to continue in the next two years.

Interviews reinforce the point: Leaders describe persistent skills gaps (especially security, cloud, analytics, and transformation), and they caution that AI still needs human oversight and domain knowledge.

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Powering automation, trust, and digital infrastructure

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Securing the AI frontier

Befitting the age of digital acceleration, two of buyers' top areas of managed services investment and expected value, both today and in the coming years, are AI management and cybersecurity.

The two are intertwined in a dance: The business emphasizes the promise of AI, while security teams manage the cyber risk that can stand in the way.

In governance, risk, and compliance (GRC), **70%** of respondents use managed services either for an entire business function or at scale across the enterprise.

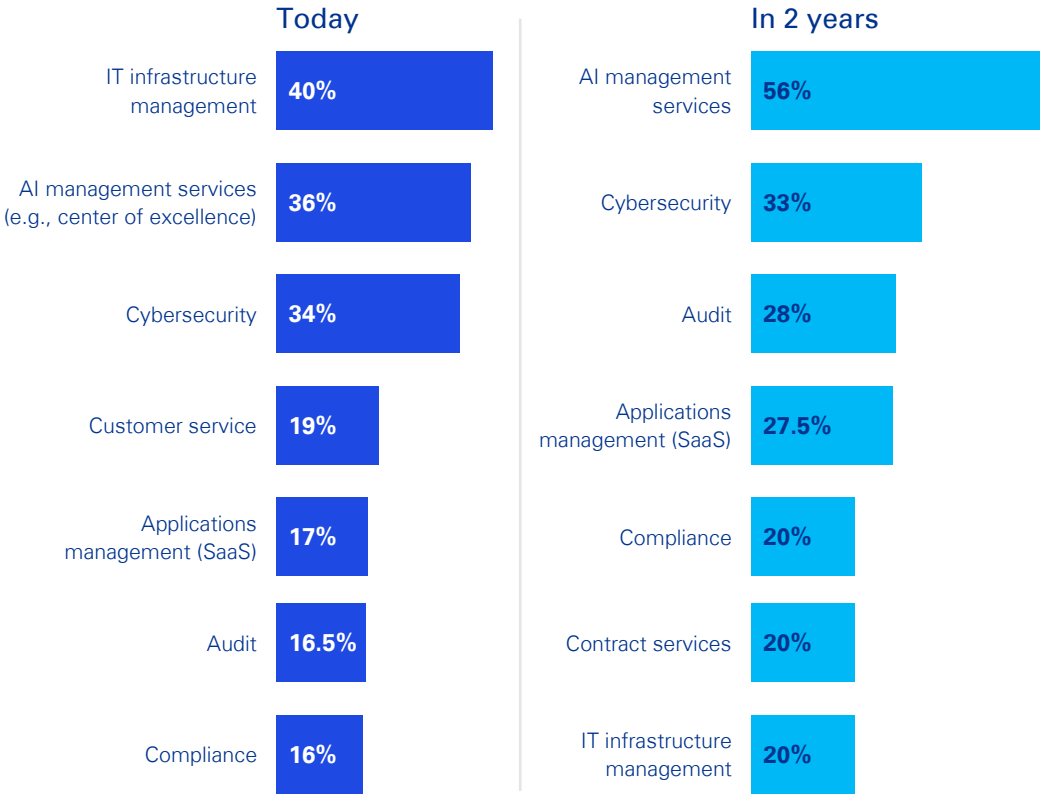
Leading managed services providers offer AI-enabled cybersecurity with a dual approach: testing and securing clients' AI systems while simultaneously using AI to bolster cyber defense. Some providers also invest in 'trusted AI' frameworks, which embed safety, governance, and transparency into AI technologies.

Accordingly, cybersecurity is one of the business functions where managed services are most widely adopted, with 63 percent of respondents using the model either for an entire business function or at scale across the enterprise. AI management garners nearly 50 percent of adopters at the same levels.

The notion of trust also relates closely to regulatory compliance, which remains in the top third of managed services priorities. These services range from automated cyber compliance monitoring to forensic-grade due diligence in financial crime prevention, and they're a critical part of stakeholder trust. When companies earn and sustain the trust of regulators, customers, and investors, they also earn the permission to innovate boldly.

Top areas of managed services adoption

(out of 19 functional areas)



Percentages indicate respondents who cited each factor among their top three areas of managed services investment.

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The evolution of infrastructure

Again reflecting the AI trajectory, the No. 1 priority for managed services investment is IT infrastructure, as companies need massive computational power and elasticity for fast-changing demands. In the coming years, however, infrastructure falls in priority while cloud applications management rises — in both adoption and expected value.

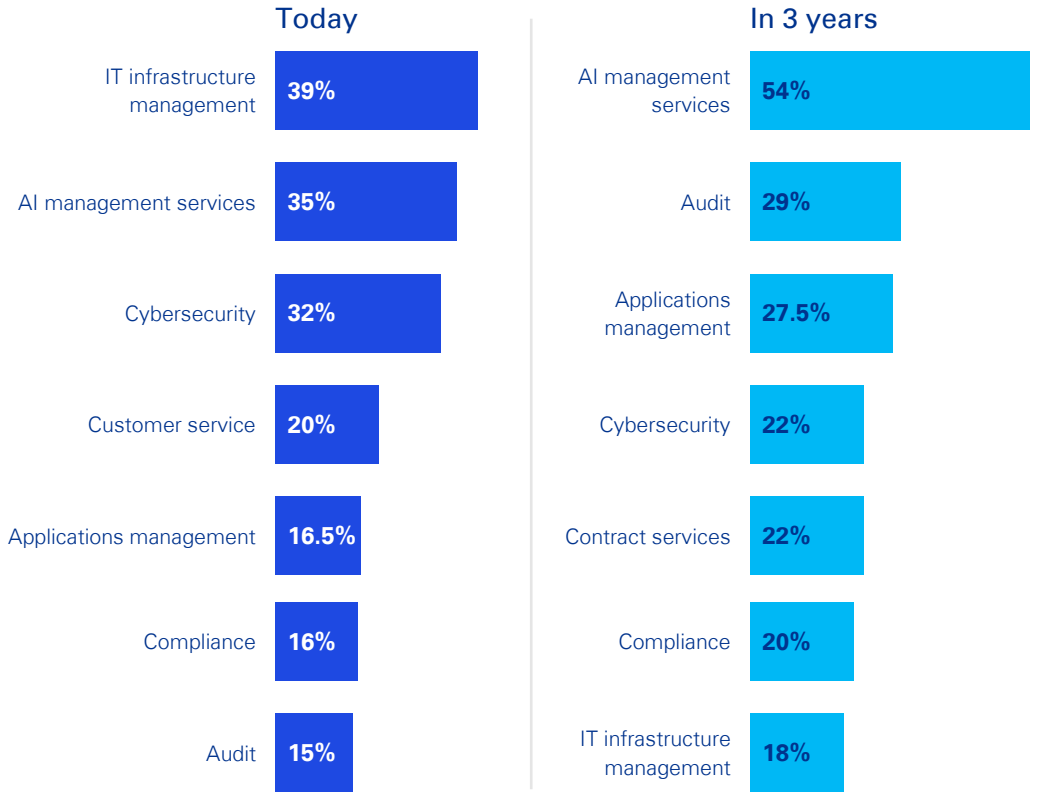
The findings may point to a blurring line between IT infrastructure and digital infrastructure, with the latter including all the physical and cloud assets a business needs to automate its operations. By some definitions, applications management lands squarely in this category, ensuring that cloud software runs optimally, securely, and aligns with the business case.

In this managed service, often called managed SaaS or SaaS optimization, providers take ongoing responsibility for software updates, configuration, data governance, analytics, process improvement, training, and change management.

Many companies are taking advantage. To get the most from their platforms after implementation, more than 80 percent of respondents use SaaS optimization in part of a business function, a full function, or at scale across their organization.

Top areas of managed services value

(out of 19 functional areas)



Percentages indicate respondents who cited each factor among their top three areas of expected value.

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

IDC perspective

The perceived shift in priority from infrastructure management to AI and applications management isn't a sign that infrastructure matters less. It is a sign that infrastructure is becoming more automated, abstracted, and inseparable from the way businesses run their cloud application estates. As enterprises scale AI, the operational center of gravity moves from managing discrete infrastructure components to managing service performance end-to-end starting with application experience, integration reliability, security posture, and unit economics.

Applications management (including managed SaaS/SaaS optimization) is expected to increase in value, even amid periodic "AI will replace SaaS" narratives. SaaS remains a system-of-record backbone, and AI makes it more important to keep configurations clean, data governed, integrations resilient, and process variants controlled. AI copilots and agents are only as effective as the applications, permissions, and workflows they orchestrate.

Respondents explicitly expect providers to apply AI to SaaS outcomes. Forty percent cite optimization of cloud applications as a key AI-enabled capability they want from managed services partners. Cloud-based applications are already the most prevalent technology in managed services programs today (59 percent), remaining a major expected component over the next two years.

As the Director of ERP at an Asia-Pacific retailer put it, "...It just shows that you can't really be isolated with AI on specific things like cloud automation. It has to be introduced everywhere and each of these partners should be able to marry subject matter experts along with AI capability engines to accelerate the transformation."

> "Data is our most valuable resource, so security and governance are critical in choosing providers."
>
> Senior finance executive, global consumer goods company, Asia-Pacific

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Conclusion and recommendations

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Succeeding with AI-enabled managed services

Moving fast and staying resilient is a difficult balancing act, and AI has become the essential lever for making that shift. But for most, the corporate reality hasn't caught up to the ambition. Strategies often hit walls like scarce talent, unreliable data, and unpredictable costs.

This is where modern managed services bridge the gap. Combining advanced technology with human expertise and advisory capabilities, leading providers help companies transform AI from a talking point to strategic advantage.

Taking action now: Your 2026 agenda

01

Consider the outcome you want from each critical process.
Instead of looking at process automation just in terms of cost and productivity, consider the value of the process to the enterprise. Is it delivering the right outcome, in the right time frame? Explore outcomes related to growth, risk, loyalty, demand planning, agility, and speed to market.

02

Prioritize managed services to reengineer the process.
Moving beyond simple automation, leading providers reimagine how work gets done. Using sophisticated AI, along with industry-specific domain expertise, they deliver sustained outcomes while helping companies leapfrog competitors. Modern managed services offer predictable costs, any-shore delivery, and the option to flex up or down to meet changing needs.

03

Treat data as a strategic asset.
To realize the potential benefits of sophisticated AI, companies need an accurate, reliable data foundation. Look for managed services providers who bring a strong approach to data governance, analytics, and insights.

04

Use managed services to scale AI safely.
Stakeholder trust is vital for resilience, yet the race for AI dominance often comes at its expense. Some of the best managed services providers bring robust frameworks for scaling AI responsibly and safely, anchoring innovation in core tenets such as cybersecurity, privacy, data integrity, and the rigorous use of controls and audit trails.

05

Seek the right combination of technology and talent.
Another key part of responsible AI is an appropriate amount of human oversight, especially in high-stakes domains such as GRC, supply chain, and clinical operations. Look for a managed services provider who is building modern ways of working with AI. Some, for example, are deploying skilled sentinels who serve as the "humans over the shoulder," providing strategic guidance and accountability for AI-driven decisions.

06

Manage change throughout the enterprise.
New technologies and processes can fundamentally reshape an organization's culture and performance. Work with a provider who brings advisory capabilities in organizational change management, helping companies build stakeholder alignment, increase adoption of new services, and prevent tech debt from shadow AI.

07

Seek a transformational collaborator, not a transactional processor.
To get meaningful impact from managed services, look for a long-term innovation ally who goes far beyond cost savings. Transformation-minded providers harness advanced technologies, talent, strategy, and processes to create nimble, scalable functions that respond to disruption.

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

How KPMG can help

About KPMG Managed Services

Business transformation is the path to sustained advantage. But transformation is not a fixed destination; it's an ongoing journey. How can you continually evolve your business functions to keep up with ever-changing targets?

KPMG Managed Services can help — by handling knowledge-intensive processes across your enterprise on a subscription, as-a-service basis. This outcome-based approach has the potential to reduce your total cost of operations by as much as 15 to 45 percent, in addition to driving priorities like resilience, customer and employee retention, and stakeholder trust.

Taking you beyond traditional managed services, KPMG firms combine advanced technology with functional, process and sector expertise — plus smart analytics, data governance, change management, and alliances with software providers — to operationalize your growth ambition. It's this strategic collaboration that makes the difference between transactional and transformational services, helping you gain competitive advantage, sustain it through ongoing transformation, and limit disruption and risk.

KPMG. Make the Difference.

kpmg.com/managedservices

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

KPMG

Change smarter, move faster with KPMG Velocity

Drive growth and agility with precision and speed for lasting resilience.

Our AI-enabled products and services help you transform, operate, and thrive in the intelligent economy.

See what's possible

KPMG. Make the Difference.

kpmg.com/velocity

© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Contact us

Daniël Pairon
Partner, Head of Managed Services Advisory
KPMG in Belgium
M: +32 (0)495 53 02 02
E: dpairon1@kpmg.com

Jasper van der Wulp
Head of Managed Services Advisory, Partner
KPMG Managed Services Netherlands and Belgium
M: +31 (0)6 2397 7393
E: vanderwulp.jasper@kpmg.nl

Debbie Matthys
Managed Services Advisory Operations Lead, Senior Manager
KPMG in Belgium
M: +32 (0)499 56 67 08
E: dmatthys@kpmg.com

Olivier Elst
Managed Services Lead Governance, Risk & Compliance as a Service
KPMG in Belgium
M: +32 (0)485 17 83 48
E: oelst@kpmg.com

Filip Weynants
Managed Services Lead Know Your Customer
KPMG in Belgium
M: +32 (0)477 40 75 65
E: fweynants@kpmg.com

Jens Moerman
Managed Services Lead Third Party Risk Management
KPMG in Belgium
M: +32 (0)477 96 33 94
E: jensmoerman@kpmg.com

Benny Bogaerts
Managed Services Lead Cyber
KPMG in Belgium
M: +32 (0)477 30 14 49
E: bbogaerts@kpmg.com

Vlad-Paul Tanase
Managed Services Lead Powered Evolution Coupa / Ivalua
KPMG in Belgium
M: +32 (0)478 90 54 69
E: vtanase@kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

kpmg.com/be

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.
© 2026 KPMG Advisory, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.
Throughout this document, “we”, “KPMG”, “us” and “our” refers to the KPMG global organization, to KPMG International Limited (“KPMG International”), and/or to one or more of the member firms of KPMG International, each of which is a separate legal entity.
KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit kpmg.com/governance.
The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.
The views and opinions expressed herein are those of the IDC and survey respondents and do not necessarily represent the views and opinions of KPMG.