The future of TMT managed services

From AI ambition to secure reality

With research and analysis by IDC

Contents

Executive summary

As AI moves from ambition to execution, Technology, Media, and Telecommunications (TMT) organizations are facing growing pressure to scale securely while managing risk, complexity, and cost. The 2026 KPMG Managed Services Outlook Survey, with research and analysis by IDC, indicates that TMT leaders are expanding investment priorities beyond traditional IT infrastructure toward AI management, cybersecurity and more advanced managed services capabilities.

However, this ambition comes with complex execution challenges. Organizations can face significant hurdles in building enterprise-grade AI architectures, while also managing the security, compliance, and operational risks associated with autonomous AI agents.

As these AI capabilities scale across the business, rigorous oversight of cost, security, architecture, and governance becomes a boardroom priority. Left unmanaged, integration complexity and unmitigated compliance risks can contribute to reputational risk, customer experience challenges, and increased operating costs.

To help navigate these market shifts, KPMG outlines considerations and approaches for the future of managed services.

Today, TMT organizations can work with KPMG to help address AI execution risks, strengthen governance, and support operational planning and growth initiatives through:

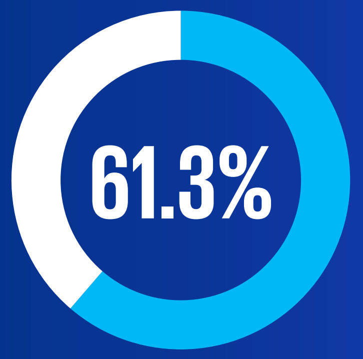
- **Orchestrating an AI factory operating model**
- **Implementing next-generation Know Your Agent security and governance frameworks**

The strategic shift in TMT operations

The TMT industry is at a watershed moment. The relentless pace of AI-driven innovation is reshaping business models, workflows, and client expectations.

The KPMG survey (see appendix) reveals that TMT firms are actively embedding AI into core enterprise operating models.

This ambition creates a significant execution challenge, reflected in how TMT organizations are prioritizing managed services investments:



of TMT companies plan to implement a new managed services solution within the **next 12 months,** a rate of

18.8 points ahead

of the all-industry average.

Overcoming the execution gap

While TMT companies are leading AI adoption, the challenge remains balancing AI ambition with security, compliance, and operational complexity.

The AI mandate versus complexity

TMT companies recognize that **AI capability is becoming a baseline expectation** for managed services providers. Our research shows that **57% of TMT organizations** consider AI capability the single most essential criterion when selecting an MSP, over 21 points above the all-industry average.

However, for TMT companies, building the necessary full-stack AI architecture in-house is proving overwhelmingly complex and cost-prohibitive.

The security barrier

53.3% of TMT companies identify security and compliance risks as the dominant barrier to adopting a managed services AI delivery model.

The ambition to leverage advanced AI is often constrained by risk, compliance, and governance models that may not be equipped for autonomous AI at scale.

Trusted AI single pane of glass

AI deployments within TMT organizations are often fragmented, creating significant gaps in governance, compliance, and continuous monitoring that can slow progress. This is highlighted by **34.1% of TMT organizations** citing integration complexity as a top barrier to adoption.

A managed services approach that embeds governance and controls across the AI ecosystem can help organizations pursue value while strengthening governance and oversight.

IDC analysis

The tension between ambition and risk is the central friction point that providers must resolve to succeed in the TMT market. While the TMT buyer is ready for AI, the organizational risk envelope is not. Security and compliance risks are the top barrier to adoption and represent the single biggest gap between TMT and the all-industry average, confirming that this is the primary challenge to be addressed.

Managed services are no longer just an adjunct to the business; they are a foundational component of digital transformation. A modern MSP can provide the "how" through pre-built AI ecosystems and comprehensive security frameworks, allowing clients to focus on the "what" of market innovation.

The evolution of managed services

Our research reveals three distinct market realities for TMT organizations that reframe the traditional managed services conversation from tactical support to strategic enablement.

Pillar 1

The agentic AI security paradox

An agentic AI security paradox arises when the desire to deploy autonomous agents is hindered by the fear of unmanageable risk.

IDC analysis

This paradox is actively reshaping the market. IDC observes that with nearly 70% of TMT firms viewing MSPs as 'very important' for agentic AI delivery, the commercial relationship is undergoing a near-term renegotiation. The conversation is rapidly moving from labor arbitrage to outcome-priced, AI-mediated delivery, making the ability to solve the security challenge a critical differentiator for service providers.

To reconcile ambition with reality, KPMG Managed Services helps organizations implement governance and control mechanisms intended to support responsible AI scaling. Drawing from our KPMG Trusted AI framework and securing AI roadmap, we help organizations deploy and scale autonomous AI systems through risk-informed governance approaches. **These include:**

Secure AI operations: Establishing monitored role-based access controls, identity governance, and decision-path auditing for AI agents.

Continuous governance: Transitioning from periodic, static audits to automated, real-time model validation to reduce manual compliance bottlenecks, support safer deployment of autonomous agents, and help turn risk management into an enabler of speed and scale.

Pillar 2

Shifting from cost control to market growth

TMT leaders no longer view managed services merely as a mechanism to "keep the lights on", but as a critical driver of technology innovation (cited by 63.7% as the area of greatest impact).

As a result, AI management services are projected to become the top investment priority within two years, **reaching 65.9% of enterprise focus.**

IDC analysis

This data signifies a fundamental change in perception. IDC confirms that the TMT industry has decisively shifted from 'outsourcing-as-cost-lever' to 'MS-as-transformation-engine. With nearly half of TMT respondents treating managed services as a foundational component of their digital transformation strategy (a rate significantly higher than the all-industry average), their role has been elevated from an operational tactic to a strategic imperative.

Pillar 3

Enterprise AI operating models using headless architectures

The era of traditional labor arbitrage is giving way to an enterprise AI operating model built on headless architectures, where AI agents, APIs, and continuous orchestration enable scalable and adaptive operations.

Alignment with C-suite priorities

This modernized approach to managed services aligns with key priorities facing today's TMT C-suite.

Trusted AI, resilience and governance

Implementing **assurance frameworks** and **scalable AI architectures** can help organizations strengthen governance, support innovation, and improve resilience.

Business growth

Transitioning the managed services function **from a traditional cost center into an AI factory** can support revenue growth initiatives and speed time-to-market for new digital products.

Taking action now

The data points to a clear market shift: TMT organizations that can scale AI securely and govern it effectively may be better positioned to capture value. While the ambition to adopt autonomous systems is high across the TMT industry, organizations that combine ambition with operational discipline, risk governance and execution rigor may be better positioned to move from experimentation to enterprise-scale value.

Organizations should reassess whether legacy compliance models and in-house technology approaches are equipped to support the complexity, speed, and governance requirements of enterprise AI. By collaborating with a managed services provider, TMT leaders can evaluate managed services approaches to address operational challenges associated with enterprise AI adoption.

Moving from strategic intent to immediate execution requires three decisive steps:

01 Prioritize investment

Evaluate whether the investment is sufficiently focused on AI management, cybersecurity, and managed services capabilities that can support secure growth. **With 61.3% of the industry planning a new managed services implementation within the next 12 months**, organizations may wish to evaluate whether current investment priorities align with emerging AI operating requirements.

02 Establish governance and risk management

Transition from static, perimeter-based security to continuous, automated validation. Security and compliance risks remain the most cited barrier to managed services adoption among TMT respondents, **with 53.3% identifying them as their top barrier**, underscoring the importance of risk frameworks that can support AI-enabled operating models.

03 Integrate AI in delivery

Collaborate with a specialized provider to help manage the complex operational layer of AI capabilities. **Given that over a third of TMT respondents (34.1%) cite integration complexity as a barrier**, organizations should carefully assess where a managed services model can help reduce complexity, accelerate implementation, and strengthen governance.

Methodology: KPMG Global Managed Services Outlook Survey 2026. Global N=1,224 decision-makers across 9 countries and 11 industries. TMT subsample N=135, representing 11.0% of the total sample. All comparisons reference total-sample averages.

How KPMG can help

From start-ups to Fortune 500 companies, technology, media and telecommunications companies worldwide aim to secure their market position through disruptive innovation.

As new technologies are adopted around the world, organizations may be better positioned when they understand and address the complexity and business transformation impact of rolling out new products and services.

KPMG can help. Our technology, media and telecommunications sector professionals understand today's changing and challenging environment.

Our network combines industry knowledge with technical experience to provide insights that can help leaders evaluate opportunities to transform and simplify business models.

With a keen understanding of the changing marketplace, our professionals help organizations evaluate potential long- and short-term implications of shifting business, as well as financial and technology strategies.

We also work with clients to explore potential obstacles to change and collaborate on critical decisions that can help support business objectives. To explore further insights, please visit us at: KPMG US technology, media, and telecommunications industry and KPMG AI Trust services.

Contact us

Vijay Subramanyam
US TMT Consulting
Industry Leader
KPMG LLP
vijaysubramanyam@kpmg.com

Anuj Mathur
US TMT Managed
Services Leader
KPMG LLP
anujmathur@kpmg.com

Lisa Rawls
US TMT Risk
Services Leader
KPMG LLP
lisarawls@kpmg.com

Sridhar Pattisapu
Managing Director, Advisory, Managed
Services Solution and Technology
KPMG LLP
spattisapu@kpmg.com

Jeremy (JR) Mills
Managing Director,
Advisory, Managed Services
KPMG LLP
jmills@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/us

Industry snapshot

Based on an independent analysis of the survey results, IDC identified four primary themes driving TMT investment and strategy.

01

AI capability is the new MSP entrance ticket

The bar has moved:

AI capability is the #1 essential consideration for an MSP

TMT companies cite

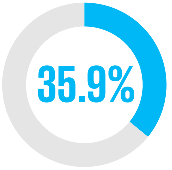
AI capability

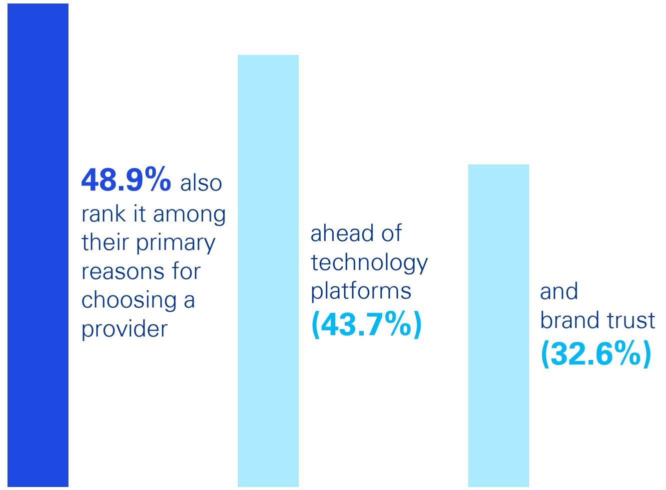
as the top essential consideration -

21.1 pts higher

than the

all-industry average





Industry snapshot

Based on an independent analysis of the survey results, IDC identified four primary themes driving TMT investment and strategy.

02

Agentic AI is the contract being written today

Agentic AI is the proving ground:

MSPs are very important to delivering agentic AI

Only **47.2%** of all industry respondents say the same

TMT leads the field by 22.4 pts.

43.7% report that AI-powered automation is already fully integrated as a foundational component of their MS strategy

vs

27.2% across all industries

Top 2 agreement that AI will redefine managed services.

61.5% of TMT firms strongly agree AI will **redefine** the scope of potential applications of managed services

21.6 pts higher than the all-industry strong-agree rate

AI/agentic AI is already in **65.9%** of TMT-managed services programs today

Industry snapshot

Based on an independent analysis of the survey results, IDC identified four primary themes driving TMT investment and strategy.

03

Managed services are foundational, not adjunct, to TMT transformation. Investment is concentrating, and AI is overtaking IT infrastructure.

Where investment concentrates:

Technology innovation is where MS delivers the greatest impact. **Far outpacing:**

- 13.3% Business model transformation
- 12.6% Operating model transformation
- 10.4% Strategic outcomes

47.4% report MS is fully integrated as a foundational component of their digital transformation – **18.6 pts above** above the all-industry rate

Investment concentrates on:

IT infrastructure | AI | Cybersecurity

Today's top three MS investment areas in TMT

In two years, AI management services will reach #1 at 65.9% and cybersecurity will climb to **49.6%**

61.3% of TMT firms plan a new MS implementation within the next 12 months - **18.8 pts ahead** of the industry

Industry snapshot

Based on an independent analysis of the survey results, IDC identified four primary themes driving TMT investment and strategy.

04

Security and compliance are the dominant and largest barrier

Security and compliance risks

are the **dominant barrier** and the largest TMT-vs-total gap in the survey.

53.3%

of TMT firms name **security and compliance risks** as the top barrier to MS adoption

11.6 pts above

The all-industry rate

41.7%

38.5%

Service quality doubts

+

34.1%

Integration complexity

round out the top three

Sits in direct tension with the agentic AI ambition in **Theme 2:**

The buyer is ready; the risk envelope is not.