

IT Services Are Catalysts For Innovation And Growth

How IT Services Providers Are Powering Modernization
And Unlocking The Full Potential Of AI

A FORRESTER CONSULTING THOUGHT LEADERSHIP PAPER COMMISSIONED BY DELL, MARCH 2025



Table Of Contents

- 3 [Executive Summary](#)
- 4 [Key Findings](#)
- 5 [IT Services Providers Enable Success At Every Stage Of The AI Journey](#)
- 9 [IT Services Providers Accelerate Workplace And Data Center Modernization](#)
- 12 [The Game-Changing Impact Of Strategic Partnerships With IT Services Providers](#)
- 15 [Key Recommendations](#)
- 17 [Appendix](#)

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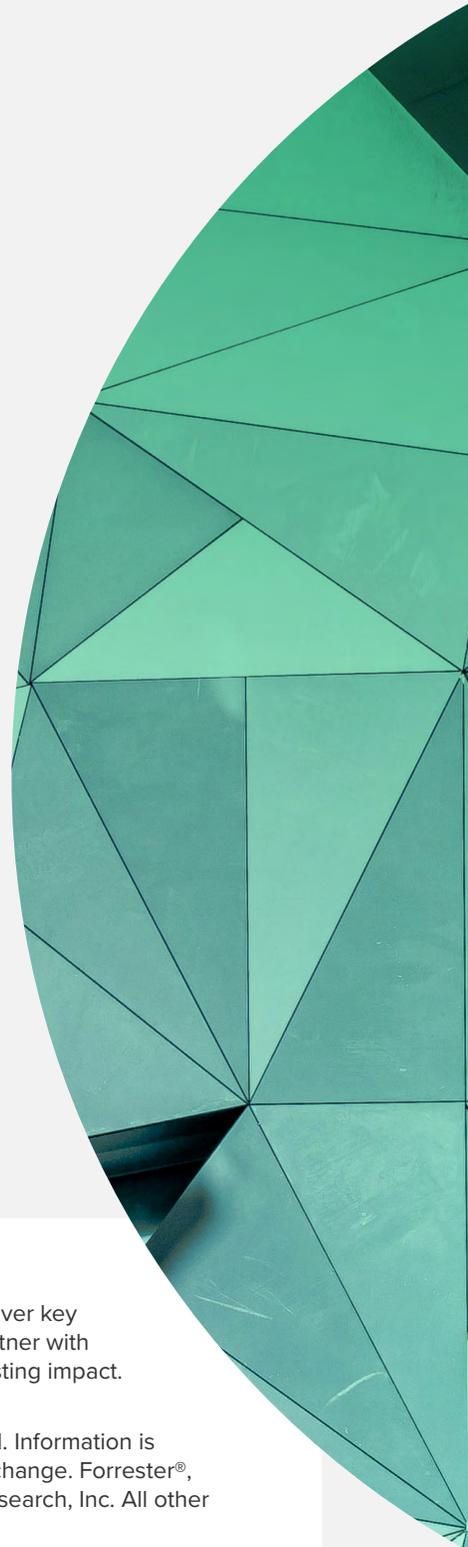
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Executive Summary

Since 2018, Forrester, commissioned by Dell, has tracked how IT and business decision-makers use IT services providers to achieve IT, operational, and business outcomes. Today, leaders are particularly focused on AI's transformative possibilities, recognizing its influence beyond IT and understanding its potential to improve security, streamline operations, and optimize workflows. To unlock AI's potential, leaders are turning to IT services providers for expertise to manage and implement these large-scale, cross-departmental initiatives.

AI is also revolutionizing customer experiences, enhancing sales, support, and service functions and enabling businesses to better engage and serve customers. From predictive analytics that personalize journeys to automated support for faster resolutions, AI is redefining how organizations deliver value.

Leaders are increasingly relying on IT services providers to drive innovation, strengthen competitive differentiation, and identify cross-organizational impact beyond the IT department. On top of modernizing their infrastructure, leaders are turning to IT services providers to help them address readiness, planning, deployment, training, and skills development with AI in mind. Security, scalability, and sustainability are also critical as leaders aim to align AI with future business goals.

Previously viewed as resources to support innovation, IT services providers are now engaged early in strategy development. They bring expertise that not only enables innovation but also serves as a catalyst for transformation. By solidifying their role as trusted advisors, IT services providers help organizations overcome challenges, innovate, and achieve goals across the business.

Key Findings

IT and business decision-makers seek comprehensive strategy and execution guidance from their IT services providers, especially with AI.

A complete AI solution with end-to-end capabilities including hardware, software, and services is a top priority for 72% of respondents. Likewise, 72% seek IT services providers with the knowledge to help guide them from strategy through execution.

IT services providers are trusted advisors, assisting with AI strategy, spurring change, sparking innovation, and enabling organizations' employees to do the same. Nearly three-quarters of respondents (70%) indicated that they need external expertise to help them drive business process change and achieve transformative business outcomes, especially when it comes to AI. Likewise, 69% favor IT services providers with the expertise to help them align IT decisions and business outcomes.

Security remains a key consideration across infrastructure, employees, and of course, AI — but also a top challenge. Keeping up with and staying ahead of evolving security threats is a key concern for seven out of 10 decision-makers. As a result, 79% are prioritizing IT services that can help ensure security, business continuity, and resiliency.

IT services providers play a crucial role in modernizing technologies and processes. Nearly two-thirds of respondents (63%) believe IT services providers help them optimize technology, performance, IT operations, and management. From modernizing the data center to empowering IT and end users for digital workplace success, services are integral to addressing key challenges and making sure organizations are future-ready.

IT Services Providers Enable Success At Every Stage Of The AI Journey

Both as a standalone organizational imperative and an element woven into additional components, technologies, and deployments, leveraging AI is a major priority for IT decision-makers (ITDMs). However, they can't get the most out of AI without IT services providers, whom they look to for guidance and solutions throughout their AI journeys.

Respondents were clear that they seek the expertise and experience of IT services providers to help them align IT and the business so they can move rapidly through their AI journey. They indicated that they seek IT services providers as key partners in establishing an overarching AI strategy and recommending infrastructure and/or platforms through deploying AI solutions and prioritizing use cases to be implemented.

By thinking cross-organizationally and beyond the IT department, CIOs and other ITDMs can harness AI's power to create not just operational efficiencies but also deeper customer connections, elevating brand loyalty and CX and achieving unprecedented levels of differentiation.

In addition, we found that:

- **Respondents are looking for IT services providers that support the entire AI adoption process.** Nearly three-quarters (72%) of respondents stated that they're prioritizing a services provider that offers a complete solution with end-to-end capabilities and the knowledge to take them from AI strategy to execution (see Figure 1). More than two-thirds (68%) of the decision-makers we surveyed want to work with an industry leader experienced in developing successful AI strategies, and 70% agreed that an IT services provider that has proven processes and methodologies to help prioritize high-value use cases and build plans to achieve them is critical for success. Other top priorities for selecting AI services providers include expertise in securing AI and data (79%), offering upskilling and training programs (76%), and aligning with sustainability goals (70%).

FIGURE 1

Key Features For AI Services

● Very important ● Extremely important



Base: 516 global decision-makers and influencers in IT services, managed services, AI/genAI, and IT consulting.
 Note: Not showing all options; individual percentage values may not sum to totals due to rounding.
 Source: Forrester's Q3 2024 IT Services And AI Survey [E-60323]

- **IT services providers play a key role in aligning AI strategy with overall business goals.** When selecting a services provider for AI solutions, more than eight in 10 respondents stated that demonstrated success at aligning the business and IT to maximize agility is integral to their selection. With AI's rapid ascent in mind, the majority of decision-makers surveyed (61%) indicated that they want an IT services provider that has strategic industry partnerships in place and can serve as an AI systems integrator across infrastructure, ecosystem, and services.
- **Decision-makers want to better understand the impact of AI on their organizations.** They are looking to IT services providers to turn current gaps in knowledge into opportunities to use AI and insights. Respondents believe that leveraging AI-powered connectivity technologies and self-service dashboards from IT services providers will produce real-time visibility into risks and incidents (64%); provide clear, actionable recommendations related to the health and performance of IT environments (61%); improve productivity due to automation (68%); and increase employee satisfaction (63%).
- **IT services providers can serve as accelerators, helping organizations move quickly and effectively.** More than half of respondents (53%) said IT services providers could help accelerate AI implementation by helping to develop a detailed roadmap with expected outcomes and clear, actionable steps. Similarly, 58% emphasized the value of a short consulting session or workshop focused on key challenges and a shared vision of success to get things started, and 63% cited the importance of predeployment guidance to ensure readiness. Once use cases are identified, 64% of respondents expect they'll need help with data preparation for the vector databases used by large language models (LLMs). Likewise, 56% want help tuning

One decision-maker noted, "Our organization needs outside help identifying the best AI use cases that align with our organization's current needs."

”

LLMs for specific use cases. Additionally, respondents cited a need for expert predeployment guidance (63%) and expertise in high-performance AI networking (65%) to ensure they have a fully operational infrastructure ready to go on day one.

Leveraging IT services providers can accelerate not only AI strategies but overall modernization efforts. Technology providers with the expertise to advise leaders in IT decisions that are aligned with their desired business outcomes (69%) and have demonstrated experience and scale to navigate the rigorous demands of today's IT landscape (63%) are essential for success.

81%



of respondents seek IT services providers with demonstrated experience and success aligning the business and IT for maximum agility.

IT Services Providers Accelerate Workplace And Data Center Modernization

In addition to AI integration, decision-makers are thinking of other ways in which they can modernize their organizations and future-proof their investments. They look to their IT services providers to help them prioritize and deliver on these goals. This study yielded the following insights:

- **Future-ready workplaces are a vital piece of modernization efforts.** When thinking about a future-ready workplace, respondents are prioritizing secure productivity, collaboration, and AI-powered workflows. IT services providers can simplify big refresh cycles for operating systems and AI PCs while supporting sustainability goals. They also hope to streamline and automate IT services and improve digital employee experience (EX) by personalizing and maximizing technology adoption. Seventy-one percent of respondents also noted the importance of services that accelerate workforce productivity, increase efficiencies, and empower employees to innovate and do their best work. More than half of respondents (53%) indicated that education services that accelerate the adoption of new and/or emerging technologies by their IT workforce can help them address these priorities.
- **Infrastructure modernization and optimization are critical to business success.** Respondents are looking to modernize their data center operations and environments for both multicloud and edge and are turning to services for help. Nearly three-quarters (73%) want to work with IT services providers with demonstrated experience with modernization and optimization of data center operations (see Figure 2). More than half (59%) also want their providers to help their organizations seamlessly adapt to these changes while continuing to drive data center modernization. Critically, 64% of respondents want a services provider with expertise aligning these data center modernization strategies with the unique needs of AI workflows, indicating the expected proliferation of AI throughout other technologies and modernization efforts.

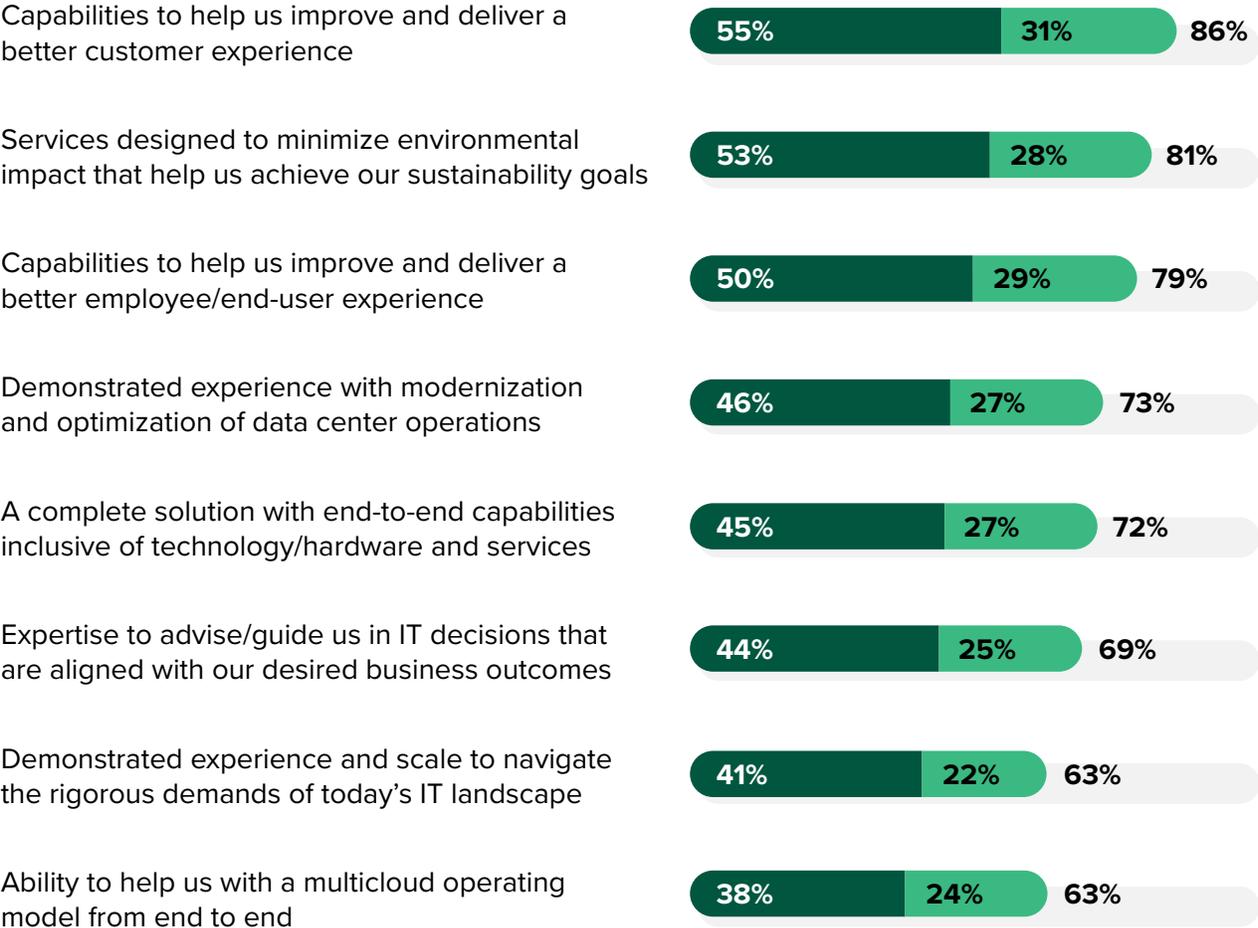
- **Decision-makers take a mixed approach to how they engage with IT services providers.** The extent of respondents' partnerships with providers depends on their level of internal expertise and available resources. Most prefer to fully outsource or use a hybrid approach (i.e., working with an IT services provider but not fully outsourcing), while some resource their initiatives entirely in-house. Overall, security/cybersecurity solutions are the most likely to be fully outsourced. In addition, more than 80% of respondents are either partially or fully using IT services providers for the implementation and adoption of technologies like cloud and AI solutions.
- **Resource and expertise limitations slow progress.** Nearly three-quarters of respondents said their organizations do not have the resources and skills to implement and realize the full value of technology purchases. This feedback has been consistent over the past few years, increasing slightly year over year. Respondents are looking for help with overcoming limitations around optimizing technology performance (63%), breaking down silos to bring business and IT together (58%), and reducing complexity in environments to enable more time for innovation (53%). Security, a top priority, is also a top challenge for respondents' modernization efforts, with 70% reporting that their organizations are having trouble keeping up with evolving threats. The increasing importance of sustainability also presents challenges, with 59% of respondents indicating that establishing sustainable practices that meet environmental responsibility goals remains difficult.
- **IT services providers must be technical and strategic partners.** More than ever, technology impacts not only IT goals but also desired outcomes across businesses, and respondents want their providers to help them attain those outcomes. Nearly three-quarters expect technical expertise around data center modernization and end-to-end capabilities that include technology/hardware and services, while 63% want end-to-end help with their organization's multicloud operations (see Figure 2). Respondents also want services that help them meet company goals like better customer experience (CX) and EX (86% and 79%, respectively).

Finally, they seek strategic expertise around sustainability (81%) and navigating the rigorous demands of today’s IT landscape (63%) (see Figure 2). In other words, a well-rounded business needs a well-rounded IT services provider.

FIGURE 2

IT Services Providers Must Demonstrate Alignment With Business Outcomes

● Very important ● Extremely important



Base: 516 global decision-makers and influencers in IT services, managed services, AI/genAI, and IT consulting.
 Note: Not showing all choices; individual percentage values may not sum to totals due to rounding.
 Source: Forrester’s Q3 2024 IT Services And AI Survey [E-60323]

The Game-Changing Impact Of Strategic Partnerships With IT Services Providers

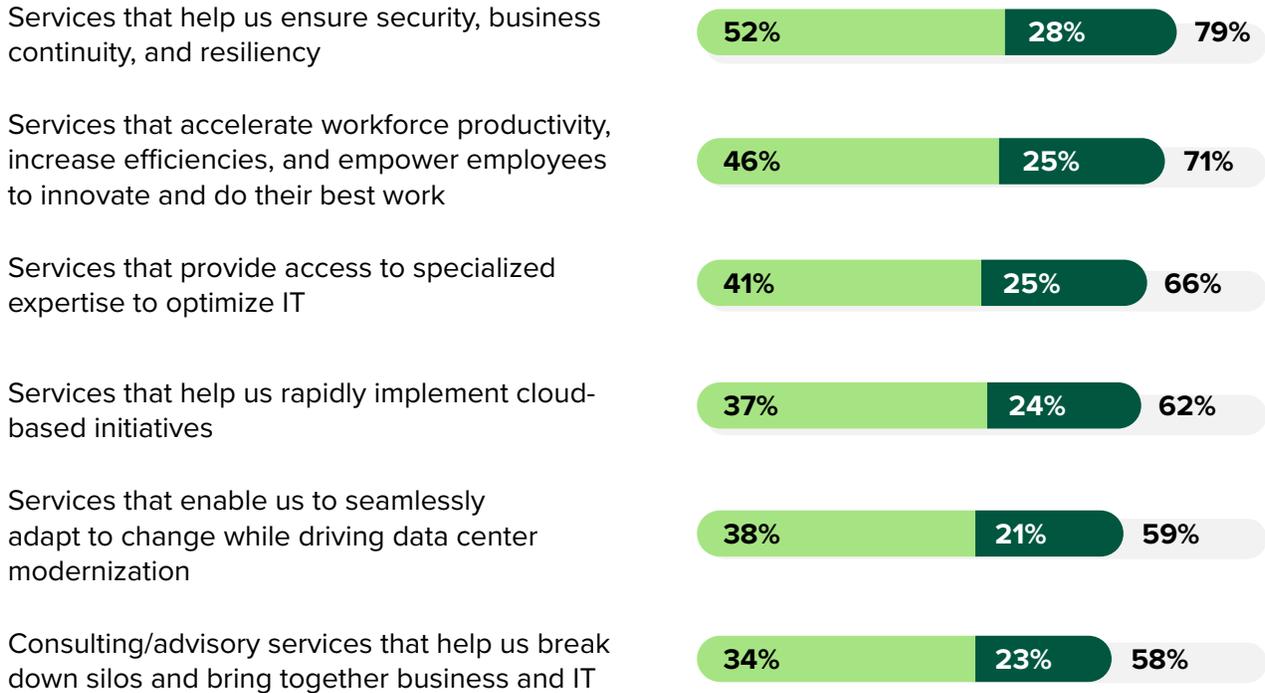
Where once ITDMs relied on IT services to free up employee time for focusing on innovation, they are now perceived as strategic partners, helping organizations spark that innovation from the start. This shift is nuanced but significant — IT services providers have become trusted advisors that can help their customers drive success across business goals, especially for advanced initiatives like AI. Those IT services providers that demonstrate experience and success in guiding strategy now have an opportunity to not just enable innovation — they can also be a catalyst that triggers it. IT services providers must be ready to meet ITDMs' high expectations. If they do, the impact of their strategic partnership with customers can be transformative. The study found:

- **Decision-makers look to IT services providers for help implementing and sustaining business initiatives.** The technical and strategic partnerships that respondents want in their IT services providers are also reflected in the types of services they are prioritizing. Nearly eight in 10 respondents agreed that services that ensure security, business continuity, and resiliency are key to addressing current organizational priorities (see Figure 3). To help solve current challenges around EX and employee innovation, 71% of respondents seek services that accelerate workforce productivity, subsequently empowering employees to innovate. To close any potential skills gaps, 66% want to optimize IT by working with IT services providers that have access to specialized expertise. Likewise, 62% want services that help with rapid implementation of cloud-based initiatives.

FIGURE 3

Strategic And Technical Services Are Integral To Addressing Top Business Priorities

● Important
● Very important



Base: 516 global decision-makers and influencers in IT services, managed services, AI/genAI, and IT consulting.

Note: Not showing all choices; individual percentage values may not sum to totals due to rounding.

Source: Forrester's Q3 2024 IT Services And AI Survey [E-60323]

- **Decision-makers expect or are already achieving extensive benefits from professional services.** Improving CX (66%), accelerating adoption of new and emerging technologies for faster ROI (59%), aligning tech and business strategies (57%), and optimizing efficiency (55%) are among the top benefits that ITDMs want or are already seeing from professional services. This recalls the 70% of respondents who said they need external expertise to help drive business process change and achieve transformative business outcomes. These decision-makers understand the importance of professional services to achieving these outcomes and subsequently (or will soon) reap the benefits.

- **Modernizing work environments with AI can enable better EX and employee innovation.** Nearly 70% of respondents stated that continuing to modernize work environments to meet employee needs and expectations is difficult, despite its high priority. They pointed to IT services providers, particularly those that offer AI capabilities, as a means to help them improve on these goals. One decision-maker said, “[IT] services providers outside our company can help us build employee skill development and effective training programs using AI.” Another respondent said, “[Outside partners can] help us navigate cultural changes in the company to boost AI integration.”
- **External services and tools close gaps through automation and education.** IT services providers are key to equipping IT staff with the tools and skills they need to be successful in a rapidly evolving tech landscape. Decision-makers believe that internal teams can spend more time on innovation and strategic priorities when using automated tools and technologies provided by IT services providers (77%). To achieve this goal, nearly half of respondents seek out IT services providers to help identify opportunities to leverage automation and reduce manual work. Similarly, 56% of respondents currently or expect to see increased productivity enabled by self-healing automation, which automates once-manual fixes and patches. In addition to automating more tasks, more than three-quarters of respondents said leveraging education services to train IT staff accelerates their organizations’ adoption of new and emerging technologies.

More and more, IT services providers are driving innovation and enabling organizations to achieve their goals. Nearly 60% of respondents said their IT services provider possesses the expertise needed to help meet technology milestones faster and stay ahead of competition. By serving as trusted advisors, from aligning technology and business strategy, to enabling agility, and all the way through the actual implementation and scaling of technology and initiatives, IT services providers are helping organizations thrive.



The benefits of deployment services align with overall goals, including **increased employee productivity (63%)** and **improved system performance and stability (59%)**.

Key Recommendations

From identifying and implementing AI strategies and solutions, to increasing agility and resilience, to moving to a more modern and sustainable IT environment, business and IT leaders are partnering with IT services providers for innovation and guidance. Forrester's in-depth study yielded the following recommendations:

Admit that you can no longer provide all you need from internal sources.

Some believe that the growth of automation and emphasis on self-sufficiency and control will limit the opportunity for IT services providers, but enterprise reliance on external services is growing. Not only are necessary skill sets more difficult to recruit for and retain than ever before, but the time horizon to realize technical and business benefits is shorter than ever. Services that contribute to higher resiliency, better security, and greater business continuity remain essential. However, customers also want to work with IT services providers to spur change, introduce innovation, and serve as partners to the enterprise.

Recognize that the role of IT services providers in accelerating benefits of AI is particularly important.

IT services providers can play a critical role in aligning AI strategy with overall business goals, helping stakeholders understand the impact of AI on their organizations, and acting as accelerators for achieving the benefits of AI adoption more rapidly and effectively. This is particularly significant given that AI technologies are still in their infancy, and advancements in the technology are inherently unpredictable.

Realize the multiple dimensions of modernization. Many believe modernization refers primarily to applications, particularly adaptation to cloud-native and increasingly AI-native modes of delivery.

While applications modernization is a significant element, the role of data modernization is in some ways equally important. Moreover, infrastructure modernization, particularly workplace modernization in which secure productivity, collaboration, and AI-powered workflows are prioritized, is critical to increasing workforce productivity.

Update your governance processes to foster cocreation with IT services providers. Partnering with IT services providers is different than operating at arm's length or using an adversarial approach based on penalties and credits. It entails fostering cooperation and teamwork to deliver breakthrough outcomes. This requires interaction at multiple levels, including operational, tactical, and strategic, and it must include senior management. Plan intentional interactions at the strategic level at the onset of working with IT services providers to spur innovation.

Consider both the operational and transformational aspects of external services delivery. Increasingly, customers want partners that do not merely deliver services but that contribute to the transformation of the enterprise itself. This means enlisting partners that not only deliver effectively but also share knowledge and provide organizational change management in cocreation scenarios, leaving an improved enterprise customer environment in their wake.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 516 global, cross-industry AI, infrastructure and operations, cloud, and IT leaders to evaluate the role of IT services providers in their organizations' AI and digital transformation and modernization journeys. Respondents were offered a small incentive as a thank-you for time spent on the survey. The study began and was completed in September 2024.

Appendix B: Demographics/Data

REGION/COUNTRY		COMPANY SIZE		DEPARTMENT	
North America	30%	250 to 499 employees	13%	IT	48%
EMEA	30%			Cloud	29%
APAC	29%	500 to 999 employees	12%	AI or genAI	12%
Brazil	10%	1,000 to 4,999 employees	50%	Infrastructure and operations	11%
INDUSTRY (TOP FIVE)				5,000 to 19,999 employees	13%
Financial services and/or insurance	14%	20,000 or more employees	12%	Manager	33%
Retail	12%			Director	25%
Technology and/or technology services	11%			Vice president	10%
Manufacturing and materials	11%			Software developer	8%
Healthcare	7%			Cloud architect	5%

Note: Percentages may not total 100 due to rounding.

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

[Forrester's Application Modernization And Migration Services Buyer's Guide, 2024](#), Forrester Research, Inc., July 22, 2024

[GenAI, Trust, And Your Services Partner](#), Forrester Research, Inc., November 4, 2024

[Get AI Right With AI Service Providers](#), Forrester Blogs, September 13, 2022

[Understanding The Cloud Service Provider Ecosystem](#), Forrester Research, Inc., August 6, 2024



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