



# Managed Services in the Age of AI

## A Strategic Path for the Future-Ready Telco

By Amdocs Live Services | July 2025

### Executive Insight: Managed Services at an Inflection Point

Telcos are entering an era where managing change is just as critical as managing systems. From customer experience to compliance, every business outcome now depends on dynamic, reliable, and intelligent IT and application environments.

Yet traditional managed services - built for stability, not velocity - are lagging behind. According to Gartner, by 2026, 60% of enterprises will replace traditional outsourcing with AI-native service partners that offer operational adaptability and automation-first models. This shift is echoed in the Gartner Hype Cycle for Managed IT Services, 2025, which highlights how IT services, driven by complexity and constant change, are increasingly focused on automation, AI, acceleration, and cloud adoption.

Amdocs believes managed services must evolve into a living system - AI-embedded, business-aligned, and continuously learning. In this model, service execution isn't static support - it's a source of competitive differentiation.

## Disruption and Demand: What's Impacting Telco Managed Services Today

Five structural forces are reshaping the telco managed services paradigm:

- A Hybrid Complexity**  
CSPs are operating across legacy BSS stacks, cloud-native platforms, and third-party SaaS ecosystems. Operational control and visibility must be unified across these environments.
- B Innovation Pressure**  
Service delivery cycles are shrinking. Managed services must support DevOps-style iteration and real-time release readiness.
- C Cost and Efficiency Mandates**  
OPEX pressures and rising infrastructure costs demand dynamic, AI-based resource governance and FinOps-aware service execution.
- D Talent Gaps and Workload Surges**  
As systems scale in complexity, human teams alone can't sustain performance. AI must augment the workforce by automating routine execution and learning from patterns.
- E Security and Compliance Demand Real-Time Assurance**  
Operational compliance is no longer audit-based - it must be embedded, self-reporting, and responsive to constant change.

**Forrester Insight:** The service partner of the future is not the most global or the cheapest - it's the one with embedded intelligence, real-time execution capabilities, and industry-specific understanding.

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**Gartner Note:** As stated in the 2025 Hype Cycle, sourcing, procurement, and vendor management leaders must evaluate the maturity of AI-infused managed services when planning their sourcing strategies ensuring adaptability, responsiveness, and automation-first architecture from their service providers.

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## AI as the Operating Layer of the Modern Service Model

The integration of AI into managed services is no longer optional. It is becoming foundational to operating at digital scale.

- A From Manual Execution to Autonomous Optimization**  
Machine Learning, NLP, and LLM-powered agents are now resolving incidents, updating knowledge bases, and predicting risks before they escalate.
- B From Tools to Agentic Systems**  
Amdocs envisions a managed services architecture where goal-driven AI agents can monitor systems, adapt behavior, and act autonomously within defined guardrails.
- C From Incident Handling to Service Lifecycle Intelligence**  
AI transforms disconnected operational data into continuous improvement loops where every fix, change, and deviation informs future performance and resilience.

**Gartner Forecast:** By 2027, 75% of I&O leaders will adopt AIOps platforms to move from reactive monitoring to proactive, AI-driven operations. Furthermore, by 2028, 60% of IT services will be powered by generative AI and hyperautomation, radically transforming the service provider landscape.

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## From Delivery Models to Living Systems: Amdocs' Perspective

Amdocs' Live Services offering reflects a fundamentally different view of managed services: not as support, but as a strategic engine.

At the heart of Live Services is Services360 – a centralized platform that integrates:



Service management



Observability and operations



AI agents for automation and optimization



Real-time performance intelligence



A reusable knowledge layer enriched across engagements

This AI-embedded foundation enables dynamic, cross-domain service execution – across BSS, IT, infrastructure, and hybrid cloud.

Gartner Warning: By 2028, 30% of organizations will report significant dissatisfaction with their cloud adoption, driven by unrealistic expectations, suboptimal implementation, and poor financial governance. Platforms like Services360 – grounded in telco-native experience and live operational intelligence – offer a strategic antidote to these challenges.

Amdocs doesn't just provide SLAs – it evolves service delivery to meet the live, always-on demands of telco enterprises.

## The Agentic Taskforce: A New Model for AI-Augmented Service Execution

To meet the demands of live, AI-native operations, Amdocs is introducing the Agentic Taskforce – an evolved service delivery construct that combines:

- AI Agents, orchestrated to manage observability, ticketing, change, compliance, and resource governance
- Domain Experts and Engineers, who focus on exception handling, architectural evolution, and governance
- A Shared Intelligence Layer, continuously refined through Services360, enabling reuse, faster time-to-resolution, and collaborative learning across services



This is not a future concept – it is a shift already underway in how Amdocs delivers to top-tier telcos across regions.

By combining automation with accountability, speed with reliability, and learning with scale, the Agentic Taskforce empowers CSPs to respond to change with agility – and confidence.

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## Redefining Success: What to Measure in the AI-Managed Era

Traditional service KPIs (ticket resolution time, system uptime, SLA adherence) no longer reflect strategic value. A new measurement model is emerging:

| Yesterday                  | AI-Managed Services            |
|----------------------------|--------------------------------|
| % Tickets Resolved         | % Prevented or Auto-Closed     |
| MTTR (Mean Time to Repair) | MTTL (Mean Time to Learn)      |
| SLA Compliance             | Business Outcome Alignment     |
| Manual Change Success      | AI-Orchestrated Change Success |
| Cost per FTE               | Value per AI-Augmented Action  |

These metrics capture what matters now: adaptability, intent realization, and continuous improvement.

## What Telco Executives Should Do Now

- ✓ **Reposition Managed Services as a Strategic Platform**  
Not just for stability, but for agility, learning, and innovation.
- ✓ **Move from Toolchains to Operating Systems**  
Select service partners who offer platform thinking, not just patchwork automation.
- ✓ **Embrace Human-AI Collaboration**  
Treat AI as a service team member—one that scales instantly, learns continuously, and never sleeps.
- ✓ **Future-Proof KPIs and Contracts**  
Shift contracts and governance to include AI maturity, responsiveness, and co-evolution capabilities.





## Closing Reflection: Managed Services as a Living System

The future of managed services is not defined by reactive support or incremental automation – it is shaped by a profound shift in how services are conceived, delivered, and evolved. In the age of AI, where adaptability is a prerequisite and learning is continuous, the value of managed services lies in their ability to respond intelligently to change, not just maintain systems.

Amdocs' vision for managed services moves beyond the constraints of traditional outsourcing. We see a future where services are not just delivered – they are orchestrated across domains, systems, and teams; where intelligence is not bolted on – but built in; and where every operational signal becomes an opportunity to improve, anticipate, and innovate.

The Gartner Hype Cycle for Managed IT Services, 2025, validates this transformation. It makes clear that AI-native, hyperautomated, and cloud-intelligent services are no longer experimental – they are becoming essential. The organizations that will thrive are those that treat AI not as a support tool, but as a strategic layer for execution, collaboration, and innovation. By 2028, 60% of IT services will be powered by generative AI and hyperautomation. The question is not if telcos should adopt this model – but how quickly they can embed it at scale.

At the core of Amdocs' approach is a belief in managed services as a living system – constantly adapting, always learning, and deeply aligned with business outcomes. Our Live Services model, powered by Services360 and reinforced by our Agentic Taskforce, brings this belief to life. It enables telco enterprises to move from contract-based support to platform-driven evolution – from responding to incidents to preempting them, from static SLAs to dynamic business alignment.

This is the future of managed services:

- Embedded with AI, not layered with tools
- Measuring success through agility, not just uptime
- Orchestrated through platforms, not silos
- Shaped by intelligence, not inertia

For telco leaders, the call to action is clear: Rethink your sourcing strategies, challenge legacy models, and partner with those who don't just operate services-but evolve them. Managed services must no longer be an anchor-they must become a catalyst.

At Amdocs, we are building that future-where services are alive, intelligent, and always ready for what's next.

