STIFEL

IT SERVICES Q&A

CLOSING THE AI ADOPTION GAP

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Q: How have AI agents and their usage evolved since ChatGPT's launch in 2022?

A: AI platforms have advanced rapidly since the launch of ChatGPT in late 2022. Innovation in digital infrastructure, advancements in model training, and enhanced computing power have meaningfully improved the capabilities of AI tools, including chatbots and agents, enabling a broader range of use cases and, ultimately, resulting in an explosion of usage. We expect AI tools to become increasingly embedded in everyday workflows, supporting everything from routine administrative tasks to more complex decision-making processes.

Q: What is the "AI Adoption Gap"? What are organizations doing to solve it?

A: The AI Adoption Gap refers to the disconnect between that which AI systems can do and an organization's ability to effectively leverage those capabilities. Organizations are increasingly realizing the challenges of deploying AI effectively and are looking for third-party experts, including IT consultancies and technology services providers, to help.

Over the last few months, OpenAI and Anthropic have launched multi-tiered partnership programs that have attracted substantial interest from IT services firms looking to support AI adoption. OpenAI and Anthropic have also announced joint ventures with private equity firms seeking to acquire or invest in AI-forward services providers. Their objective is to help embed AI into workflows and identify the highest-impact use cases for their customers. Initiatives to build deployment capabilities have not been limited to these frontier AI labs. We are seeing similar activity from the hyperscalers, including Microsoft, Amazon, and Google, who are expanding AI-focused consulting and implementation initiatives designed to help clients accelerate adoption and realize value from AI investments.

We view Microsoft's launch of the Microsoft Frontier Company just last month to be particularly noteworthy. Microsoft is making a $2.5 billion investment, embedding 6,000 industry and engineering experts at customers to co-design, deploy, and continuously improve AI systems, describing it as going "beyond what has been labeled as Forward Deployed Engineering" and as "the largest, most capable, outcome-driven engineering organization in the industry."

Q: Can you discuss the current market opportunity for IT services vendors?

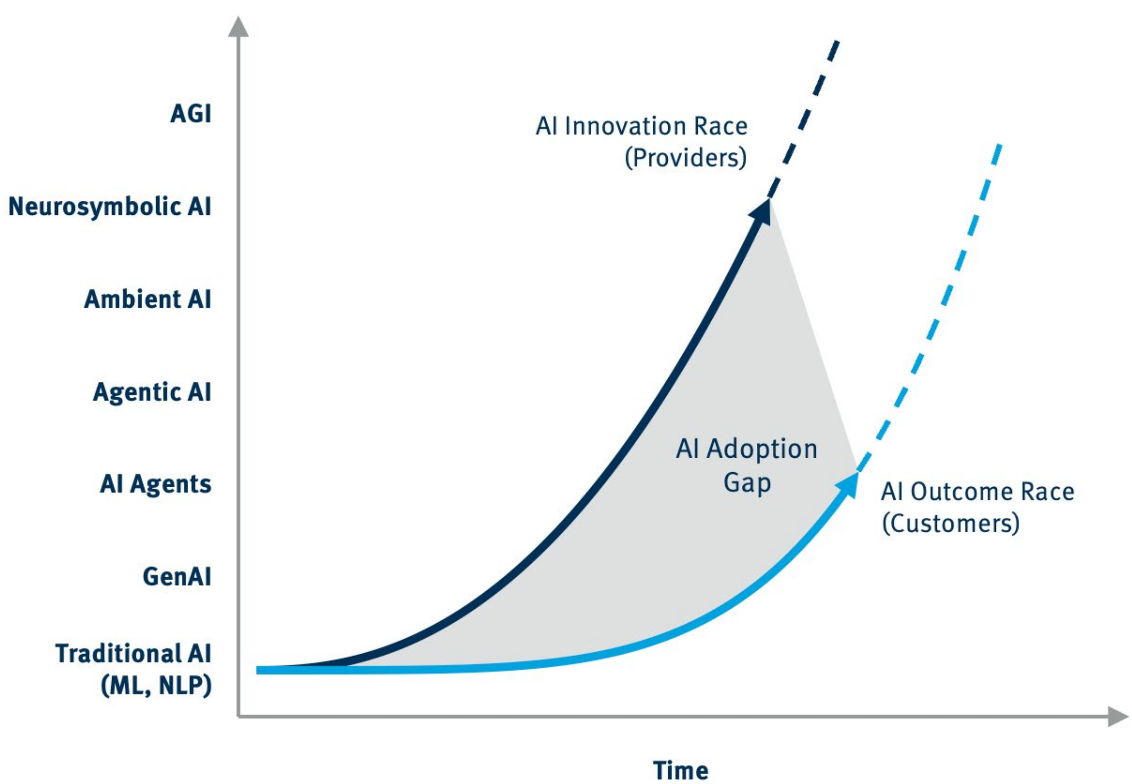
A: The opportunity for IT services vendors is significant. Demand is accelerating for consulting and implementation services that help companies integrate AI into their workflows and close the AI Adoption Gap. As large language models become more sophisticated, we expect organizations to require greater levels of implementation, integration, and change-management support, creating a meaningful opportunity for IT services providers. We believe these services will be critical to maximize the value of AI deployments, improve productivity, and support long-term growth initiatives.

Q: What will separate the "haves" and the "have-nots" in the space?

A: IT services vendors that can help clients translate AI's technical capabilities into measurable business outcomes will be invaluable in enabling AI's next phase of growth. There will likely not be one single archetype that succeeds, but we believe vendors with deep domain expertise in specific industries, use case-specific tools and accelerators, and strong management consulting and change management capabilities, will be best positioned to advise clients on how to narrow the AI Adoption Gap.

We also believe that the IT services industry will increasingly be asked to assist in containing the overwhelming growth in AI consumption spend that has been straining the IT budgets of their corporate clients. As such, those vendors that can leverage their expertise to help companies maximize operational efficiency and deploy AI strategically will drive better "tokenomics" for their clients and differentiate themselves in the market.

THE AI ADOPTION GAP



Source: AI Adoption Gap: Gartner (October 2025).

SELECTED COMPANIES BUILDING THE AI DEPLOYMENT LAYER

	OpenAI Deploy Co.	ODE with ANTHROPIC	Microsoft Frontier Company
Announced	**May 2026**	**May 2026**	**July 2026**
Capital Committed	**$10.0Bn JV**	**$1.5Bn**	**$2.5Bn**
Capital Partners	TPG Brookfield Advent BainCapital	Blackstone Hellman & Friedman Goldman Sachs	**NA**
Model / Go-to-Market	Forward-deployed engineers embedded in sponsors' portfolio companies	"Claude-first" boutique; PE portfolios as a captive customer base	6,000 experts delivering outcome-driven engineering on Microsoft's own AI stack

Source: Company announcements and press reporting (TechCrunch, The Next Web, The Information).

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