HFS Research Agenda 2026

The Year of “How to AI”

JANUARY 2026

About the 2026 HFS Research Agenda

The HFS Research Agenda outlines the themes, trends, and research programs that will guide our work in 2026. It brings together what we will investigate, the frameworks we will develop, and the market shifts we will analyze with enterprises, service providers, and technology vendors.

It serves as a roadmap for the insights we will publish throughout the year and the areas where we will collaborate with industry leaders.

How to use the HFS Research Agenda

- **For enterprises:** Use this agenda to understand the themes, questions, and research focus areas HFS will explore this year. It shows where new insight will emerge, what frameworks we are developing, and which market shifts we are analyzing.
  You can also use it to identify opportunities to engage with HFS by participating in surveys, sharing case examples, or joining the OneCouncil.
- **For service providers and technology vendors:** Use this agenda to understand the areas where HFS will shape market thinking across the year. It helps you align your narrative, offerings, and priorities with the themes and frameworks informing enterprise demand.
  This agenda also highlights where you can partner with HFS by contributing client stories, collaborating on thought leadership, or engaging in upcoming Horizons and market studies.

If a topic in this agenda aligns with your priorities, reach out to your HFS point of contact or use this form to contact us.

Foreword: The Year of How to AI

2026 is the year of **How to AI** and the year **OneOffice** becomes the dominant framework for it.

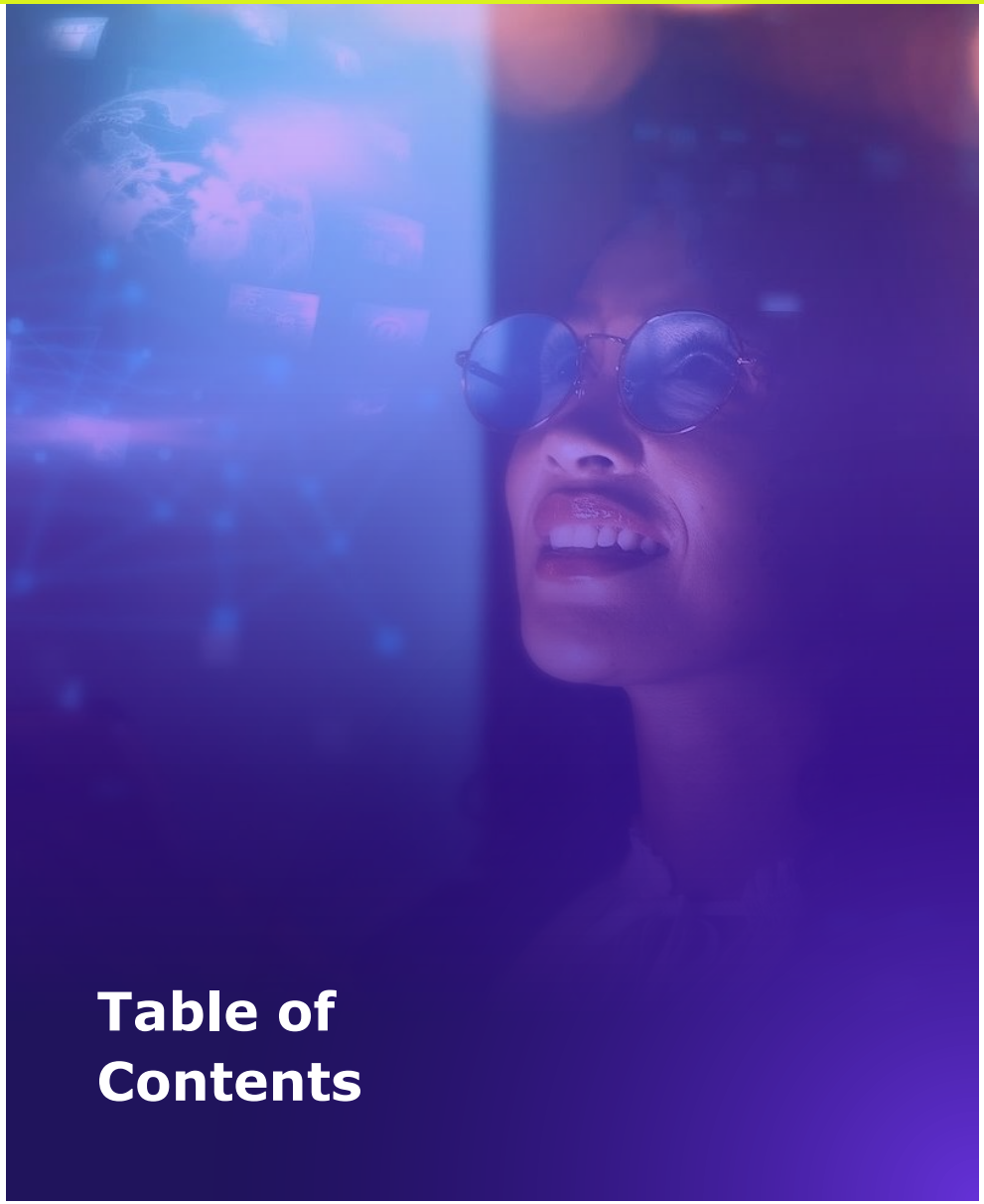
This will be the year enterprises stop circling AI and start learning how to run their businesses with it. The era of demos, pilots, and polite curiosity is fading. Leaders are no longer asking what AI can do. They want to know how to redesign workflows, data, decisions, talent, and operating models so AI drives real outcomes.

AI becomes the architecture of the enterprise, not a side experiment. People, processes, data, and intelligent systems begin to operate in one unified flow. The walls between the front, middle, and back offices fall away as organizations shift from isolated functions to operating fabrics that sense and respond in real time. This is OneOffice in action: the move from automation to adaptation and from experimentation to execution.

Enterprises focus on intelligence velocity. Providers evolve into Services-as-Software™ platforms. Leaders stop managing tasks and start orchestrating outcomes. Technology and humanity finally operate as one intentional, intelligent enterprise.

Phil Fersht

CEO and Chief Analyst, HFS Research



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The HFS mission and how we support our clients

Why HFS?

HFS Research is the most influential advisory firm at the intersection of services and software

What defines us

- **We shape the market.** We introduce the ideas and frameworks that reset how the industry thinks, from OneOffice, Generative Business Services, RPA, and the Generative Enterprise to Services-as-Software.
- **We give practical guidance, not theory.** Our advice is grounded in real work with clients and patterns we see across the industry, not abstract concepts or vendor narratives.
- **We bring the enterprise voice to the table.** Through OneCouncil, more than 250 senior leaders shape our research with lived experience, not vendor marketing.
- **We ground every insight in real enterprise data.** Our insights are powered by more than 12,000 enterprise leaders and 50-plus global surveys each year, giving you a view no one else has.

Our impact

250+
Enterprise leaders in OneCouncil

12,000+
Global 2000 Leaders interviewed and surveyed every year

400,000+
Data points from enterprises across industries, regions, and functions

20 million+
Annual LinkedIn impressions across the HFS network

Global presence across North America, EMEA, and APAC

How HFS supports our clients

The core ways HFS helps you understand the market, make decisions, and build relationships

Advice

Bring together people, ideas, and research to support bold decisions.

How we support your decisions

- **AI-first Deal Labs.** Design smarter, faster, future-ready deals for the AI era.
- **Analyst Advisory Programs.** Direct access to analysts for clear, practical insight tailored to your priorities.
- **Innovation workshops and assessments.** Transform strategic vision into measurable results.
- **Operational excellence.** Pricing and performance benchmarking, contract reviews, relationship assessments, technology and provider recommendations, training, and learning.
- **M&A support.** Market scans and integration guidance for technology and services acquisitions.
- **Go-to-market strategy.** Outside-in validation, SWOT analysis, and recommendations.

Influence

Unmatched platform with bold, unfiltered, and fiercely independent research to shape the industry narrative.

How HFS shapes the conversation

- **Ideas and frameworks** that reset how the industry thinks, from OneOffice, RPA, and the Generative Enterprise to Services-as-Software.
- **Horizons reports.** Forward-looking market assessments.
- **Market Impact Reports.** Deep-dive research featuring analysis on the market's most important trends.
- **Market Challenger and Hot Tech Reports.** 250+ emerging software and service providers offering distinct value propositions.
- **HFS Navigator.** Don't just react to change; anticipate it with proprietary research encompassing more than 400,000 datapoints across 12,000 enterprise interactions.
- Unfiltered videocasts, blogs, POVs, newsletters, and highlights.

Connect

We bring people together through conversations and communities that help you learn, share, and shape what comes next.

How we bring people together

- **HFS Summits in the US, UK, and India.** Our marquee events disrupt conventional thinking, spark meaningful dialogue, and explore key themes
- **In-person and virtual Roundtables.** Our Roundtables are expertly facilitated, topic-driven learning experiences designed exclusively for senior enterprise executives.
- **HFS OneCouncil.** Experience the power of collective wisdom with the premier collective enterprise voice influencing technology and services.
- **HFS Global Advisory Board.** Former CEOs, consulting legends, and academic pioneers are actively shaping the future of HFS and the industries we serve.

The HFS Research Global Advisory Board helps us sharpen our focus

The HFS Global Advisory Board brings together elite leaders who have shaped some of the most significant business and technology transformations of our time. From former CEOs and consulting legends to pioneering academics, our members are actively guiding the future of HFS and the industries we serve.

Frank D'Souza
Co-founder & Former CEO, Cognizant

Malcolm Frank
Former President, Cognizant Digital Business; CEO, TalentGenius

CP Gurnani
Former CEO & MD, Tech Mahindra

Steven Hill
Former Vice Chairman, KPMG

Mark Hodges
Founder, Equaterra & G2 Research

Mary Lacity
David D. Glass Chair and Distinguished Professor

Jesús Mantas
Former Global Managing Partner, IBM Consulting

Debbie Polishook
Former Global Chief Executive, Accenture Operations

Tiger Tyagarajan
Former CEO, Genpact

Kelly Chambliss
Former Chief Executive, IBM Consulting

HFS OneCouncil provides a powerhouse of collective wisdom shaping the future

HFS OneCouncil is the premier collective enterprise voice influencing the technology and professional services industries.

At its core, OneCouncil is a powerful nexus of collective intelligence, where more than 250 of the brightest minds in business and technology converge to share insights, collaborate on solutions, and anticipate future trends.

The HFS OneCouncil difference

It takes our research to a new level

Members preview upcoming HFS publications and participate in research studies, adding a unique perspective to our research.

It offers our clients unparalleled insights

Members participate in private advisory sessions with our clients to explore innovative ideas, offer practical guidance, help clarify their value proposition, and elevate their market presence.

Some of the HFS OneCouncil members as of January 2025

Big ideas and macro trends shaping 2026

Big ideas shaping the 2026 HFS Research Agenda

These pillars explain why enterprises must accelerate, what is being transformed, and how organizations redesign themselves to operationalize AI at scale. Together, they form the practical blueprint for "How to AI" in 2026.

Why

The forces driving urgency

The AI Velocity Gap
Measuring and Closing the Divide

The AI Velocity Gap identifies the forces that speed up or slow down enterprise AI adoption. It explains why AI is accelerating faster than most organizations can absorb, where progress gets stuck, and what leaders must do to close the distance between experimentation and real AI scale.

What

What is transforming

Services-as-Software™
Scaling Intelligence Through Products

Services-as-Software explores how AI, automation, and IP transform services into scalable, product-like models. It examines how outcomes replace effort, how platforms replace projects, and how these shifts enable enterprises to operationalize AI consistently and repeatedly.

The Agentic Ecosystem
From Workflows to Workflows That Think

The Agentic Ecosystem examines how intelligent agents coordinate work across functions. It explains how agents interact, how governance adapts, and how distributed intelligence allows enterprises to shift from static workflows to dynamic, self-adjusting systems.

How

How enterprises execute

The Five Enterprise Debts
Confronting What Holds Intelligence Back

The Five Enterprise Debts pillar identifies the structural blockers that prevent AI from scaling, including debts across technology, data, talent, leadership, and processes. It shows how organizations can unwind these debts so AI can flow across the enterprise and support the new operating model required for How to AI.

OneOffice Realized
Reinventing and Designing the Intelligent Enterprise

OneOffice Realized focuses on how to redesign the operating model so AI is embedded into decisions, workflows, and outcomes across the entire enterprise. It explains how people, processes, data, and AI operate as one intelligent system instead of disconnected functions.

The 10 macro trends guiding the HFS Research Agenda

These 10 trends define where HFS will focus its research in 2026. Each represents a fundamental shift in how enterprises operationalize intelligence and reshape their business systems around AI.

01 **Dealmaking will be reengineered for the Services-as-Software economy.**
Enterprises will move from buying services through RFPs to co-creating AI-first, outcome-based models that behave like products in the Services-as-Software economy.

02 **Agentic platforms and business systems break the ERP mold.**
The rise of agentic platforms and modular business systems marks the beginning of the end of monolithic ERP-era processes. New architectures will reshape how enterprises design and consume services.

03 **Tariffs, localization, and sovereignty will rewire global delivery.**
Deglobalization is no longer theory. Tariffs, visa restrictions, and AI sovereignty mandates will reshape nearshore and offshore strategies and compliance models.

04 **Security and liability will escalate in an AI world.**
Data sovereignty, IP ownership, liability, and insurance for AI-driven decisions will be top of mind. Enterprises will expect governance frameworks and clarity on accountability.

05 **The GCC-provider divide will continue to collapse.**
Enterprises will build capabilities in-house and partner externally for speed and innovation, creating shared models of ownership and outcomes.

06 **The human–AI operating model will become the next design frontier.**
Enterprises will shift from AI assistance to integration, redefining how humans and machines share work, decisions, and accountability. New workforce and governance models will emerge to enable hybrid intelligence at scale.

07 **Commoditization and new entrants will destabilize markets.**
OpenAI, hyperscalers, and AI-native startups are reshaping markets and compressing value chains. Enterprises must rethink sourcing and build differentiation through integration, not choice.

08 **Vibe coding and no-code agents will democratize AI development across the enterprise.**
Employees will build their own agents and workflows, speeding innovation while challenging governance and control.

09 **Critical mass will build for the energy transition.**
Enterprises will continue to operationalize sustainability, but progress will be slow and quiet. The shift to clean energy and responsible operations is underway, and those not accelerating will be forced into reactive catch-up.

10 **Physical AI will reshape real-world operations.**
While today's AI mostly sits behind screens, physical AI will bring intelligence into the real world. Falling hardware costs, maturing foundation models, and acute labor shortages will converge to make "thinking robots" commercially viable at scale for the first time.

Research coverage areas

- Strategy and frameworks
- Enterprise advisory and the AI-First Deal Labs
- Industry
- Business data services
- Emerging technologies
- IT and engineering services
- Human + AI
- Experience
- Global capability centers (GCC) and global business services (GBS)

2026 research coverage on a page

Strategy and frameworks

Defines the core principles and frameworks that guide HFS research and shape how enterprises navigate AI-enabled transformation

Services-as-Software | **Generative Enterprise** | **OneOffice** | **OneEcosystem** | **Enterprise Debts** | **AI Velocity Gap**

Business data services

Analyze the reinvention of core business functions using data, automation, and AI.

- Finance and accounting
- Sourcing and procurement
- Digital marketing and sales
- ESG and sustainability
- Supply chain
- Human resources
- Data and analytics
- Industry-specific BPO

Emerging technology

Tracks the technologies reshaping enterprise architectures.

Horizon 1: Here and now
- GenAI
- Automation and process intelligence
- Low code, no code, and AI coding
- AI risk and governance

Horizon 2: Next wave
- Agentic AI and multi-agent systems
- Physical AI
- Blockchain

Horizon 3: Future bets
- Quantum

IT services

Track how technology services are evolving in structure and delivery.

- Digital trust and cybersecurity
- Digital engineering services
- Enterprise platforms
- Tech services modernization
- Cloud transformation
- Quality assurance
- Application modernization
- IT infrastructure and digital workplace
- AI infrastructure and orchestration

Industry

Grounds enterprise transformation in sector realities.

- Healthcare (payer and provider)
- Banking and financial services
- Life sciences
- Retail and CPG
- Insurance
- Telecommunications, media, and technology
- Industrial manufacturing
- Energy and utilities
- Travel and hospitality

Human + AI

Explore how AI changes work, skills, employee experience, and operating models.

- Human-AI operating model
- Workforce and skills transformation
- Adoption, change, and culture

Experience

Explores how experience-led strategies shape customer journeys, employee engagement, and enterprise collaboration.

- Customer experience
- Employee experience
- IT and business collaboration

GCC/GBS

Assess how GCCs evolve into global AI-enabled capability hubs driving scale and innovation.

- GCC operating model evolution
- Enterprise–GCC alignment
- GCC AI-first delivery models
- GCC ecosystem and value creation

Enterprise advisory and AI-First Deal Labs

Uses HFS research to guide enterprise decision making through workshops, executive sessions, and AI-first deal labs.

- Strategy and innovation
- Ecosystem orchestration
- Operational excellence
- AI deals labs
- Analyst advisory program

Strategy and frameworks

Saurabh Gupta
President of Research and Advisory Services

Phil Fersht
CEO and Chief Analyst

In 2026, CEOs and CIOs are not looking for AI strategies. They are looking for a new enterprise architecture. They are asking how to redesign their organizations around intelligence, how to shift from effort to outcomes, and how to build operating models that move as fast as the technology shaping them.

At HFS, our strategy and frameworks practice defines that architecture. This is where we build the models that shape the C-suite agenda. It is where we cut through the noise, map the enterprise as a system, and design the frameworks leaders use to navigate transformation.

This year, we are doubling down on the foundations that matter most. First, OneOffice™ becomes the enterprise operating system, unifying people, processes, data, and AI into one flow of intelligence. Second, Services-as-Software becomes the services operating model, shifting delivery from labor to platforms, IP, and automation.

Everything we do in 2026 helps enterprises run with intelligence and providers deliver with software.

Research coverage

Services-as-Software™	Generative Enterprise	OneOffice
OneEcosystem	Enterprise Debts	AI Velocity Gap

Strategy and frameworks coverage

Overview

These core HFS frameworks shape the C-suite agenda for 2026, focusing on how enterprises redesign operating models, ecosystems, and value creation with AI. They guide how HFS analyzes the enterprise, evaluates service providers, and defines the architecture of the AI native enterprise.

Coverage	Scope
Services-as-Software	Defines how services transition from labor and effort to software-driven delivery models built on IP, automation, reusable components, and AI. Explores how providers productize capabilities, create platform revenue streams, and deliver outcomes through intelligent service architectures.
Generative Enterprise	Examines how enterprises embed AI into decision cycles, knowledge flows, product development, and innovation systems. Focuses on how generative and agentic capabilities transform enterprise behavior, operating rhythms, and the speed of intelligence creation.
OneOffice	Covers the redesign of the enterprise into a single, unified operating system where front, middle, and back offices function as one. Explores shared data layers, intelligent workflows, connected decisioning, and end-to-end outcome orchestration across the organization.
OneEcosystem	Analyzes how enterprises co-create value with providers, hyperscalers, startups, and GCCs through connected platforms and shared data models. Explores ecosystem governance, platform partnerships, interoperability, and the rise of distributed value networks.
Enterprise Debts	Identifies and evaluates the technical debt, data debt, process debt, talent debt, and leadership debt that prevent enterprises from scaling intelligence. Focuses on diagnosing constraints, prioritizing remediation, and understanding how hidden debts slow transformation.
AI Velocity Gap	Examines the gap between AI ambition and operational reality. Covers how enterprises measure and accelerate intelligence velocity by improving data readiness, architectural maturity, human AI collaboration, funding models, and governance to move from pilots to scaled outcomes.

Enterprise advisory and AI-First Deals Labs

"You cannot scale AI inside sourcing models designed to manage labor. AI demands flexible, consumption-based, software-driven contracts."

Tony Filippone
Chief Research Officer

AI breaks the logic of traditional outsourcing. Deals built on hours, effort, and labor arbitrage cannot support autonomous workflows, platform delivery, or continuous model evolution. Enterprises need sourcing structures that reward intelligence, automation, and outcomes. Providers need commercial models built for software-scale delivery, not FTE-scale operations. The AI-First Deals Lab bridges that gap.

Our approach is grounded in Services-as-Software, where service delivery shifts from labor to platforms, reusable components, and AI-driven automation. This changes everything about how deals are structured, including pricing, governance, risk, value measurement, and innovation. The AI-First Deals Lab helps enterprises replace outdated constructs with consumption-based pricing, performance-linked outcomes, adaptive SLAs, and governance designed for model drift, bias, retraining, and algorithmic accountability.

In 2026, we focus on helping enterprises escape FTE-based traps, redesign contracting around AI-enabled value, and build governance engines that accelerate capability development. For providers, we help reshape offerings into software-led service platforms with measurable differentiation.

The mission of the AI-First Deals Lab is simple: Build smarter, faster, future-ready agreements that scale with AI and eliminate the friction slowing enterprise transformation.

Coverage

- AI-First Deals architecture
- Outcome-aligned commercial models
- AI-first governance and assurance

Enterprise advisory and AI-First Deals Labs coverage

Overview

Provides strategic advisory services that help enterprises shape technology and services strategy, modernize sourcing models, execute commercial decisions, and accelerate AI-driven transformation using HFS AI-first deal labs.

Services and programs	Scope	Analysts
OneCouncil Membership	Premium research subscription and OneCouncil membership providing access to HFS roundtables, summits, and analyst inquiries. Keeps executives actively informed on competitive dynamics, disruptive forces, emerging tech, and best practices, with tailored briefings that translate market noise into clear enterprise implications, peer-to-peer networking, and real-world practitioner perspectives.	Tony Filippone, Saurabh Gupta, Steve Dunkerley
Enterprise market and competitive intelligence	Helps business and IT leaders stay actively informed on competitive dynamics, disruptive industry forces, the role of emerging technologies, and the latest trends and best practices. Advisory engagements translate HFS research into clear points of view, implications, and action plans for enterprise's specific industry and business process scope.	Tony Filippone, Saurabh Gupta, Ian Maher, Joseph Montrosse, and other domain-specific analysts
Strategy, business case, and sourcing model transformation	Addresses outdated strategies and operating models, concerns with performance, risk, and cost, and over-transactional third-party relationships. Combines market insights, price and process benchmarking, and strategic advisory engagements to build robust business cases for GBS/GCC, outsourcing, and AI-led operating models.	Tony Filippone, Saurabh Gupta, Ian Maher, Joseph Montrosse
Sourcing execution and commercial optimization	Guides the execution of strategy, from selecting, negotiating, and contracting with suppliers to setting up or expanding GBS and GCCs. Uses HFS' research-based sourcing advisory, price benchmarks, and deal diagnostics to shape commercially resilient, outcome-oriented agreements.	Tony Filippone, Saurabh Gupta, Ian Maher, Joseph Montrosse
Governance, value realization, and partner management	Helps enterprises modernize management and governance, tackling value leakage, relationship stress with technology and service partners, provider replacement and consolidation, restructuring of GBS or shared services, and insertion of innovation to prevent services from going stale. Leverages HFS independence, research, and training modules to strengthen governance models, performance management, and internal capability.	Tony Filippone, Saurabh Gupta, Ian Maher, Joseph Montrosse

Industry

"Most challenges are identified and framed in industries that then give purpose and inspiration for the development of technology and service-enabled solutions."

Rohan Kulkarni

Executive Research Leader

Lead with AI to reimagine growth

The world's propensity to become more complex will be unmatched in 2026. Legislation, policy, climate change, conflicts, and the potential of AI are forcing enterprises to reassess their purpose, value proposition, and competitive differentiation. Most enterprise leaders are experiencing this extraordinary confluence of very high-risk challenges and very high-reward opportunities for the first time. It is time to seize the future!

- **Inflection point:** Multiple industries are experiencing a first-of-its-kind headwind (traditional banking, as nations around the world consider crypto as national currency, life sciences that will experience revenue losses of $1 trillion–$1.5 trillion over the next decade, while the Big Beautiful Bill drives enormous shrinkage of public healthcare funding in the US) that will necessitate a different level of creative courage to navigate the rough waters and yet find growth.
- **AI is the catalyst for reimagination:** Enterprises across industries are recognizing that their business models (labor-to-revenue linearity), supply chains (sequential), and distribution models (broker-managed) need a 21st-century reconstruction. Enterprises that learn how to use AI seamlessly to create new value beyond productivity will see durable growth.
- **Value at the intersection of industry and technology:** HFS Research will seek to identify new forms of growth (portfolio), new sources of revenue (distribution models), and new markets to address for enterprises across various industries.

Research coverage

Healthcare (payer and provider)	Banking and financial services	Life sciences
Retail and consumer packaged goods	Insurance	Telecommunications, media, and technology
Industrial manufacturing	Energy and utilities	Travel and hospitality

Industry coverage

Overview

Grounds enterprise transformation in sector realities, showing how regulations, competition, and technology adoption shape priorities across industries like BFSI, healthcare, manufacturing, and more.

Coverage	Coverage scope	Analysts
Healthcare (payer and provider)	Explores AI enablement to address the quadruple aim of care (cost, experience, health outcomes, and health equity) across health plans and health systems.	Rohan Kulkarni, Mayank Madhur
Banking and financial services	Focuses on AI-driven risk management, real-time decisioning, customer intelligence, and modernization of core banking and payments.	Hansa Iyengar, Divya Iyer, Nitin Jhunjhunwala
Life sciences	Covers AI-accelerated research, trial automation, regulated data platforms, and intelligent commercialization models while assessing the impact across the quadruple aim of care.	Rohan Kulkarni, Mayank Madhur
Retail and consumer packaged goods	Examines predictive demand, intelligent merchandising, automation in supply and fulfillment, and personalization at scale.	Ashish Chaturvedi, Krupa KS
Insurance	Examines intelligent underwriting, claims automation, risk modeling, and customer trust in increasingly AI-mediated insurance products.	Tony Fillipone, Divya Iyer, Hridika Biswas, Sam Duncan
Telecommunications, media, and technology	Provides insights into the changing adoption of AI, cloud, data, cyber, and emerging technology and services, creating operational efficiencies, solution differentiation, and business outcomes.	Joel Martin, Suhas AR, Biswadeep Ghosh, Jason Dann
Industrial manufacturing	Focuses on smart factories, robotics, predictive production, and the convergence of digital and physical systems.	Lavanya B G, Ramachandran S, Srini Vaddepalli
Energy and utilities	Covers grid intelligence, predictive maintenance, decarbonization systems, and AI-enabled optimization of distributed energy operations.	Srini Vaddepalli
Travel and hospitality	Covers real-time demand optimization, experience personalization, operational automation, and AI-driven service models.	Melissa Fersht, Krupa KS

Business data services

"What began as business process outsourcing has evolved into orchestration of human judgment and machine intelligence, enabled via data. Now, business data services no longer serve, they think."

Ashish Chaturvedi

Executive Research Leader

The domain of business process outsourcing (BPO) has shed its skin of cost-arbitrage commoditization to emerge as business data services, a realm now defined not by manpower, but by machine-led cognition, platform-orchestration, and the ethos of Services-as-Software.

Key shifts reshaping enterprise strategies:

1. **Platformization of services:** Enterprises are increasingly seeking service providers that offer API-enabled, interoperable solutions, blurring the lines between software and service. The traditional "lift and shift" has ceded ground to "code and orchestrate."
2. **Data as a strategic asset:** Business data is no longer a by-product but the fulcrum of competitive differentiation. The ability to extract, enrich, and act upon data in real time is reshaping the value proposition of services firms.
3. **AI-powered autonomy:** Generative AI and predictive analytics are recalibrating the human-machine equilibrium, enabling services that are self-learning, context-aware, and anticipatory rather than reactive.
4. **Convergence of tech and ops:** The demarcation between IT services and business operations is dissolving. Business data services sit at this nexus, enabling hyper-automation and experience-centric design.

HFS will lead the discourse by tracking the evolution from legacy outsourcing to intelligent, software-enabled services. We will dissect

- How providers are building and monetizing platforms.
- The interplay of human judgment and machine intelligence in service delivery.
- The rise of outcome-based, XaaS-aligned commercial constructs.
- The competitive landscape of hyperscalers, digital natives, and traditional incumbents vying to define the future of business data services.

Research coverage

Human resources	Finance and accounting	Digital marketing and sales
Sourcing and procurement	ESG and sustainability	Supply chain
Data and analytics	Industry-specific BPO	

Business data services coverage

Overview

Explores how core business functions evolve from labor-based processes to intelligent, data-driven services. Focuses on AI-powered autonomy, platform-led delivery, and the convergence of tech and operations.

Coverage	Coverage scope	Analysts
Finance and accounting	Covers the transition from transactional finance to real-time, analytics-driven financial decision support powered by automation and AI.	Hridika Biswas, Ashish Chaturvedi, Saurabh Gupta, Ian Maher
Digital marketing and sales	Focuses on how AI reshapes customer engagement, personalization, content creation, and revenue operations.	Melissa Fersht, Dana Daher, Krupa KS, Jason Dann
Human resources	Examines how HR shifts from process administration to intelligence-driven talent strategy, using AI to redesign workforce planning, skills, and employee experience.	Dana Daher, Melissa Fersht
Sourcing and procurement	Explores AI-enabled procurement models, supplier intelligence, risk sensing, and autonomous buying workflows.	Tony Fillipone, Srini Vaddepalli
ESG and sustainability	Explores how enterprises use data, automation, and AI to meet regulatory demands, measure impact, and operationalize sustainability strategies.	Dana Daher, David Cushman
Supply chain	Covers the rise of intelligent, resilient, and predictive supply chains built on real-time data and AI-led orchestration.	Ashish Chaturvedi, Saurabh Gupta, Krupa KS
Data and analytics	Focuses on the platforms, architectures, and governance models required to turn enterprise data into real-time intelligence.	Ashish Chaturvedi, Hridika Biswas, Dana Daher
Industry-specific BPO	Focuses on BPO operations related to a particular industry. For example, claims processing in insurance, or patient care in healthcare.	Saurabh Gupta, Ashish Chaturvedi, plus industry analysts

Emerging technology

"Our unique position at the intersection of services and software, our focus on what matters for enterprise leaders, and our access to startup communities in Silicon Valley and beyond mean we cut through the hype to help you make the tech decisions that count."

David Cushman
Executive Research Leader

If you thought tech was moving fast now, 2026 promises to blur by. New capabilities emerge almost daily, but which should you act on, and which should you avoid?

Compute will become cheaper and more energy efficient, the cost of knowledge work is collapsing, and soon even physical labor could be replaced.

Our unique position at the intersection of services and software, our focus on what matters to enterprise leaders, and our access to startup communities in Silicon Valley and beyond mean that we cut through the hype to help you make the tech decisions that count.

We'll be with you as the race for superintelligence heats up, with its promise of solving "hallucinations" and delivering genuine reasoning beyond our own capabilities. Multi-agent systems are going mainstream and cracking the control and governance challenges in end-to-end processes. New ecosystems of big tech-services startups are emerging, and we'll help you choose where you should play.

Now, an exciting new era of physical AI beckons, in which models are trained to interact in the real world. We'll track how advanced robotics reshape how work is done and disrupt manufacturing and the labor market across multiple sectors.

Research coverage

GenAI	Automation and Process Intelligence	Agentic AI and multi-agent systems
AI risk and governance	Physical AI and advanced robotics	Quantum
Low-code, no-code, and AI (vibe)-coding		

Emerging technology coverage

Overview

Tracks the technologies reshaping enterprise architecture and guiding intelligent operating models. Focuses on what to adopt, when to adopt it, and how to turn emerging tech into real business value.

Coverage	Coverage scope	Analysts
GenAI	Covers enterprise-grade generative AI capabilities and patterns for applying language models to workflows, decisions, and digital products.	David Cushman, Dana Daher, Ashwin Venkatesan, Niti Jhunjhunwala
Automation and process intelligence	Explores end-to-end automation, process mining, and analytics-driven orchestration across business functions.	Dana Daher, Hridika Biswas, David Cushman, Ashish Chaturvedi
Agentic AI and multi-agent systems	Evaluates platforms and architectures enabling autonomous agents that plan, act, and collaborate across workflows.	David Cushman, Dana Daher, Hridika Biswas
AI risk and governance	Analyzes frameworks, controls, and assurance models that secure intelligence, reduce risk, and maintain trust across AI-driven systems.	David Cushman, Dana Daher
Physical AI	Examines how AI-infused machines, robotics, and physical agents transform production, logistics, and real-world operations.	Lavanya B G, Ramachandran S, Srini Vaddepalli
Blockchain	Evaluates enterprise uses of blockchain for trust, transparency, provenance, and decentralized data coordination across ecosystems.	Sam Duncan, David Cushman, Saurabh Gupta
Quantum	Monitors the progress of quantum computing and its long-term implications for optimization, modeling, and enterprise security.	Joel Martin
Low-code, no-code, and AI (vibe)-coding	Explores AI-accelerated software development patterns, including rapid application creation, workflow automation, and automated coding.	Joel Martin, Hansa Iyengar, Jason Dann

IT and engineering services

”The next era of enterprise technology won’t be about keeping systems running, but about systems that run themselves, connect the physical and digital, and earn trust in every decision they make”

Ashwin Venkatesan

Executive Research Leader

IT and engineering services 2026: Rebuilding the foundations of the enterprise

IT is no longer the plumbing of the enterprise; it’s the nervous system of intelligence, agility, and trust. Yet most enterprises remain constrained by the very systems they spent decades building. Technical debt, fragmented platforms, and delivery models optimized for effort rather than outcomes now define the enterprise bottleneck. In 2026, the race is on to liberate IT from legacy and to rebuild its foundations around automation, orchestration, and AI-native resilience.

Enterprises are reimagining IT not as a cost center, but as a modular, measurable, and self-optimizing software-defined capability. Platforms are becoming composable, applications are shifting from bespoke to reusable, and the IT workforce is being augmented by autonomous systems that deliver reliability at scale.

The boundary between IT and operational technology (OT) is dissolving as digital systems, physical assets, and connected products converge into unified, data-driven ecosystems. Engineering itself is being redefined. The rise of software-defined products and cyber-physical systems is blurring the line between digital innovation and industrial value creation.

But none of this transformation is sustainable without trust. Digital trust and cybersecurity are no longer reactive functions; they are the architecture of growth. As enterprises embed AI across operations, the challenge is to secure intelligence itself by making trust continuous, measurable, and built into every layer of technology and experience.

Key themes HFS will keep an eye on in 2026

- **IT Services-as-Software, not headcount**: The shift from labor-based delivery to outcome-based orchestration with platforms, AI, and automation becoming the new service engines.
- **Engineering convergence and physical AI:** The rise of software-defined products, cloud-based R&D, and intelligent systems that merge design, production, and operation into a continuous digital loop.
- **Trust by design:** The evolution of cybersecurity from static defense to dynamic digital trust by embedding identity, resilience, and governance into AI-driven, distributed enterprises.

Research coverage

Digital trust and cybersecurity	Digital engineering services	Enterprise platforms
Tech services modernization	Cloud transformation	Quality assurance
App modernization	IT infrastructure and digital workplace	AI infrastructure & orchestration

IT and engineering services coverage

Overview

Explores how IT evolves from labor-based delivery to software-defined, AI-enabled systems. Focuses on rebuilding enterprise foundations around automation, trust, cloud-native platforms, and AI-ready architectures that support intelligent, resilient, and scalable operations.

Coverage	Coverage scope	Analysts
Digital trust and cybersecurity	Covers enterprise security, risk frameworks, and compliance automation designed for AI-dense environments. Focuses on continuous trust, identity, resilience, and secure-by-design architectures.	Akshat Tyagi, Joel Martin, Ashwin Venkatesan
Digital engineering services	Explores AI infused software development, automated testing, DevOps acceleration, and engineering practices that shift delivery from bespoke builds to intelligent, adaptive systems.	Ramachandran S, Lavanya B G
Enterprise platforms	Covers SaaS platforms, ERP modernization, and platform strategy as enterprises shift to modular, cloud-native architectures that unify data, workflows, and intelligence.	Ashwin Venkatesan, Saurabh Gupta, Hansa Iyengar, Suhas AR
Tech services modernization	Examines how IT services move toward AI-enabled delivery, automated execution, platform-based operations, and outcome-driven service constructs.	Ashwin Venkatesan, Saurabh Gupta, Suhas AR
Cloud transformation	Focuses on cloud adoption, containerization, microservices, edge integration, and modern architectures that support scalable, distributed, and resilient digital ecosystems.	Ashwin Venkatesan, Suhas AR, Joel Martin
Quality assurance	Covers AI-enabled testing, continuous quality, automation, and assurance frameworks that ensure application performance, reliability, and compliance across enterprise platforms.	Hansa Iyengar, Sam Duncan
App modernization	Explores strategies to rearchitect, refactor, replace, or retire legacy applications to build modern, cloud native, and AI-capable systems.	Hansa Iyengar, Joel Martin, Ashwin Venkatesan
IT infrastructure and digital workplace	Covers modern infrastructure from edge to core, including servers, storage, endpoint environments, ITSM, ITOps, and digital workplace capabilities that support hybrid and intelligent work.	Ashwin Venkatesan, Dana Daher
AI infrastructure and orchestration	Examines AI Ops, MLOps, edge AI, and orchestration platforms.	David Cushman, Ashwin Venkatesan, Dana Daher

Human + AI

"The most valuable enterprises of the next decade won't just use AI; they'll build systems where humans and AI continuously learn from each other."

Dana Daher

Executive Research Leader

The enterprise is no longer asking *how to use AI;* it's asking *how to work with it.* The next frontier is not technological adoption but organizational redesign. As AI becomes embedded into decisions, workflows, and leadership systems, enterprises must re-architect how humans and intelligent systems collaborate to create measurable value.

This domain focuses on the transformation of work, skills, and culture in the age of intelligence. Across 2026, we will examine how enterprises are moving from automation to augmentation, from process efficiency to adaptive performance, and from workforce enablement to workforce reinvention. The Human + AI research agenda explores how operating models, leadership frameworks, and trust systems evolve when intelligence becomes a true participant in the enterprise.

The major shifts shaping this space include the rise of distributed decision-making between humans and AI, the redefinition of talent around adaptability and learning velocity, and the creation of governance systems that make AI accountability tangible. HFS will focus its 2026 research on three pillars: designing Human–AI operating models, enabling workforce and skills transformation, and guiding enterprises through cultural and behavioral change required to sustain intelligent work.

Our mission is to help leaders move beyond AI adoption to build enterprises that *perform with intelligence.*

Research coverage

- Human–AI operating models
- Workforce and skills transformation
- Adoption, change, and culture

Human + AI coverage

Overview

Examines how enterprises redesign work, skills, and organizational structures to integrate humans and intelligent systems. Focuses on building AI-native operating models where roles, collaboration, and accountability are shared across human and machine actors.

Coverage	Coverage scope	Analysts
Human AI operating model	Covers the redesign of workflows, governance, and decision structures to embed intelligent systems and define shared accountability between humans and AI.	Dana Daher, Ashwin Venkatesan, David Cushman
Workforce and skills transformation	Explores how roles, skills, and leadership models evolve as AI changes what work is and how it gets done. Focuses on job redesign, continuous learning systems, and the skills required to supervise, collaborate with, and scale intelligent agents.	Dana Daher, Melissa Fersht, David Cushman
Adoption, change, and culture	Examines the behaviors, trust systems, and cultural shifts required for responsible human AI collaboration. Focuses on leadership alignment, communication models, and the organizational readiness needed to adopt AI at scale.	Dana Daher, Melissa Fersht, David Cushman

Experience

”In a productivity-obsessed world, we have lost touch with the value of creating experiences that have impact. Companies that continue to ignore experience risk losing a competitive edge and becoming obsolete.”

Melissa Fersht

Executive Research Leader

In a productivity-obsessed world, we have lost touch with the value of creating experiences that have impact. Many pieces of customer and employee experience are fundamentally broken, and enterprises are either ignoring the dysfunction or are treating experience like a process that can be patched up with digital band-aids. While these problems linger, important elements like loyalty, satisfaction, and trust are eroding and having a detrimental impact on company performance.

To rewire experiences and fix these problems, leaders must create a measurable connection between experiences and value. But often, before that can happen, a fundamental mindset switch must occur within leadership culture to recognize that customer and employee experience *do* impact business metrics. As we move toward a Services-as-Software model, it becomes even more important to have alignment across the enterprise on experience goals and impacts. In 2026, HFS will explore how enterprises dissolve silos, redesign decision making, and build an operating fabric where AI, humans, and workflows collaborate dynamically across the value chain to deliver outcomes, not outputs.

Our goal is to guide enterprises to operate as an intelligent organization where AI, data, people, processes, and experiences function as OneOffice.

Research coverage

- Customer experience
- Employee experience
- IT and business collaboration

Experience coverage

Overview

Examines how enterprises design customer, employee, and cross-functional experiences. Focuses on the technologies, workflows, and service models that shape interaction quality, engagement, and productivity across the organization.

Coverage	Coverage scope	Analysts
Customer experience	Covers the platforms and systems that support marketing and service interactions, including customer content orchestration, journey automation, personalization engines, and digital experience delivery.	Melissa Fersht, Krupa KS, Jason Dann
Employee experience	Explores how digital tools, AI assistants, collaboration systems, and workflow platforms shape day-to-day employee experience. Includes knowledge automation, digital workplace design, and performance enablement.	Melissa Fersht, Dana Daher
IT and business collaboration	Examines the tools, structures, and operating models that connect IT, operations, and business teams. Focuses on collaboration platforms, workflow hubs, experience governance, and cross-functional orchestration.	Melissa Fersht, Saurabh Gupta, Ashwin Venkatesan, Ashish Chaturvedi

GBS and GCC

"GCCs cannot unlock their full potential by working in isolation or operating through yesterday's playbooks. The future lies in truly global GCC networks that partner closely with service providers, deliver Services-as-Software through AI, and continuously drive enterprise growth."

Achyuta Ghosh
Executive Research Leader

GCC/GBS organizations are entering a new phase where they move beyond labor-based delivery toward global, software-led, AI native capability hubs. As enterprises shift to platform-driven and intelligence-enabled operating models, GCCs must evolve into strategic engines that design, orchestrate, and scale digital capabilities across the business.

In 2026, our research will focus on four defining shifts: the widening expectation gap between enterprises and their GCCs regarding readiness and capability in the AI era; the globalization of the GCC model as enterprises build multi-location, resilient capability networks; the shift from people-driven execution to AI-first, Services-as-Software operating models in GCCs; and the rise of ecosystem-driven value creation, where GCCs co-innovate with providers, hyperscalers, academia, and startups.

These shifts redefine GCCs not as captive execution units, but as global capability platforms that accelerate enterprise transformation.

Our mission is to help leaders modernize their GCC and GBS strategies to build globally resilient, platform-enabled, intelligence-driven operating models.

Research coverage

- Globalization of the GCC model
- Bridging the enterprise–GCC expectation gap
- Globalization of the GCC model
- The shift to AI-first, Services-as-Software delivery

GBS and GCC coverage

Overview

Examines how GCCs and GBS organizations evolve from labor-based operations to global, software-led, AI-native capability hubs. Focuses on building multi-location, platform-enabled, ecosystem-driven operating models that align with enterprise transformation goals.

Coverage	Coverage scope	Analysts
Customer experience	Covers the platforms and systems that support marketing and service interactions, including customer content orchestration, journey automation, personalization engines, and digital experience delivery.	Melissa Fersht, Krupa KS, Jason Dann
Employee experience	Explores how digital tools, AI assistants, collaboration systems, and workflow platforms shape day-to-day employee experience. Includes knowledge automation, digital workplace design, and performance enablement.	Melissa Fersht, Dana Daher
IT and business collaboration	Examines the tools, structures, and operating models that connect IT, operations, and business teams. Focuses on collaboration platforms, workflow hubs, experience governance, and cross-functional orchestration.	Melissa Fersht, Saurabh Gupta, Ashwin Venkatesan, Ashish Chaturvedi
The GCC ecosystem flywheel: accelerating value creation	Best-in-class GCCs are embracing ecosystem-led innovation, collaborating with technology providers, academia, and startups to accelerate experimentation and value creation. In 2026, we will examine how co-creation and partnerships are making GCCs future ready.	Achyuta Ghosh, Biswadeep Ghosh Hazra, Saurabh Gupta

2026 HFS Horizons agenda

HFS Horizons

Forward-looking market assessments and research across a comprehensive range of the hottest IT and business process services, emerging technologies, and industry domains, powered by our OneOffice and OneEcosystem models and our unparalleled Pulse demand-side research.

INNOVATION SCOPE

HORIZON 3 – ECOSYSTEM TRANSFORMATION

ECOSYSTEM

Horizon 3 service providers demonstrate

- Horizon 2 + the ability to drive **OneEcosystem** impact via collaboration across multiple organizations with common objectives around driving completely new sources of value
- Innovation scope at the ecosystem level, with the resulting value delivered focused on growth through new business and collaboration models.

GROWTH

HORIZON 2 – ENTERPRISE TRANSFORMATION

ENTERPRISE

Horizon 2 service providers demonstrate

- Horizon 1 + enablement of the **OneOffice** model of end-to-end organizational alignment across the front, middle, and back offices to drive unmatched stakeholder experience
- Innovation scope at the end-to-end enterprise level, with the resulting value delivered focused on enhanced stakeholder experience, inclusive of customers, partners, and other relevant stakeholders.

EXPERIENCE

HORIZON 1 – FUNCTIONAL DIGITAL TRANSFORMATION

FUNCTIONAL

Horizon 1 service providers demonstrate

- The ability to drive digitized processes to improve business outcomes such as cost reduction, speed, and efficiency across horizontal or industry domains.
- Innovation focus, generally at the function level, with the resulting value focused on the digitization of domain-specific processes

DIGITAL

VALUE ASPIRATION

2026 HFS Horizons on a Page

	Q1 2026	Q2 2026	Q3 2026	Q4 2026	2027
Emerging technology	• Agentic Services		• Generative enterprise		• Agentic AI • Physical AI
Business data services	• Data modernization and AI	• Finance and accounting • Customer experience			• Digital marketing and sales • Sourcing and procurement • Supply chain
IT services	• Next-gen infrastructure • SAP ecosystem services	• Palantir ecosystem	• Managed detection and response • ER&D	• Agentic application management services (AMS)	• Cybersecurity • Legacy modernization
Human + AI			• Change management		
Industry	• Financial crimes and compliance (FCC)	• Healthcare provider services	• Industry 4.0 and smart factories • High-tech services	• Healthcare payer services • Insurance services • Agentic retail	• Asset and wealth management • Medical devices • Pharma and biotech • Energy transition
GCC		• GCC services			
Geography		• IT and business services in the Middle East		• IT and business services in Europe	

2026 Horizons – Q1

Research report	Lead analyst	2026			
		Q1	Q2	Q3	Q4
Data modernization and AI This study explores how service providers help enterprises modernize legacy data estates, build cloud-native architectures, and activate AI capabilities. It focuses on how organizations unlock value from unified, trusted, and AI-ready data environments.	Ashish Chaturvedi	✓			
Agentic Services This study explores how service providers help enterprises adopt agentic AI capabilities across operations, technology, and customer experience. It examines how agents automate workflows, coordinate decisions, and improve speed, accuracy, and scalability in real environments.	David Cushman	✓			
Next-gen infrastructure This report analyzes how service providers help enterprises modernize their infrastructure with cloud-native architectures, automation, and AI-enabled operations. It evaluates how next-generation infrastructure supports scalability, resilience, and faster digital transformation.	Ashwin Venkatesan	✓			
SAP ecosystem services This study examines how service providers support SAP transformations, including S4 migrations, modernization of core processes, and adoption of cloud-aligned architectures. It assesses how providers help clients unlock value and reduce technical debt across the SAP ecosystem.	Hansa Iyengar	✓			
Financial crimes and compliance (FCC) This study explores how service providers support banks and financial institutions with advanced FCC capabilities, including transaction monitoring, fraud detection, sanctions screening, and AI-enabled regulatory compliance.	Divya Iyer	✓			

2026 Horizons – Q2

Research report	Lead analyst	2026			
		Q1	Q2	Q3	Q4
Palantir ecosystem This report evaluates how service providers build, deploy, and operationalize solutions on Palantir platforms. It covers data integration, operational modeling, and AI-driven decision support enabled through Palantir's ecosystem.	Ashwin Venkatesan		✓		
Finance and accounting This report evaluates how finance and accounting services are transforming through automation, analytics, and AI. It highlights how providers support real-time visibility, compliance, and modernization of the finance function while enabling strategic decision making.	Ashish Chaturvedi		✓		
Customer experience service providers This report analyzes how CX service providers transform customer engagement using digital tools, AI-enabled interactions, analytics, and omnichannel design. It evaluates how providers improve experience quality, reduce friction, and drive revenue through smarter service models.	Melissa Fersht		✓		
Healthcare provider services This study evaluates how service providers support hospitals and health systems with digitized care delivery, EHR optimization, patient experience, revenue cycle modernization, and AI-enabled clinical operations.	Rohan Kulkarni		✓		
GCC This report explores how global capability centers evolve in structure, talent strategy, technology adoption, and service delivery models. It focuses on how GCCs become strategic hubs for digital, AI, and operational transformation rather than legacy cost centers.	Achyuta Ghosh		✓		
IT and business services in the Middle East This study examines how service providers support the rapid digital and economic transformation underway in the Middle East. It highlights investments in cloud, data, AI, national digitization programs, and industry modernization across the region.	Dana Daher		✓		

2026 Horizons – Q3

Research report	Lead analyst	2026			
		Q1	Q2	Q3	Q4
Generative enterprise This report examines how enterprises are shifting from traditional operating models to AI-led, data-driven decision making. It evaluates how service providers help clients redesign workflows, modernize architectures, and adopt generative operating models that deliver scale, agility, and measurable business impact.	David Cushman			✓	
Managed detection and response This report assesses how MDR providers combine AI-assisted threat detection, continuous monitoring, and rapid response capabilities to help enterprises strengthen security posture and improve resilience against advanced threats.	Akshat Tyagi			✓	
Engineering research and development This study evaluates how engineering and R&D service providers help enterprises design, develop, and scale next-generation products and platforms. It focuses on the use of digital engineering, simulation, sustainability, and accelerated innovation cycles.	Ramachandran S			✓	
Industry 4.0 and smart factories This study analyzes how service providers help manufacturers modernize plant operations through digital twins, automation, IoT, and AI, enabling intelligent production, predictive maintenance, and adaptive supply chains.	Ramachandran S			✓	
Change management This report examines how service providers help enterprises navigate organizational change driven by new technologies, operating models, and workforce expectations. It focuses on adoption readiness, behavior change, and enterprise alignment in transformation programs.	Dana Daher			✓	
High-tech services This report evaluates how service providers support high-tech companies with product engineering, platform modernization, cloud, data, and AI capabilities to accelerate innovation and agility in a rapidly evolving sector.	Joel Martin			✓	

2026 Horizons – Q4

Research report	Lead analyst	2026			
		Q1	Q2	Q3	Q4
Agentic application management services (AMS) This report explores how agentic AI is transforming application management through autonomous monitoring, self-healing systems, intelligent remediation, and workflow automation. It examines how providers help enterprises shift from manual support to outcome-driven, adaptive AMS models.	Hansa Iyengar				✓
Healthcare payer services This report assesses how service providers support health plans with claims modernization, member engagement, care management, analytics, and compliance to improve outcomes and operational efficiency.	Rohan Kulkarni				✓
Insurance services This study examines how service providers support insurers with underwriting modernization, claims transformation, digital distribution, core system upgrades, and AI-enabled risk assessment.	Divya Iyer				✓
IT and business services in Europe This report assesses how service providers drive enterprise modernization in Europe, highlighting cloud and data investments, AI adoption, regulatory pressures, and the evolution of regional delivery and talent models.	David Cushman				✓
Agentic retail The report will assess how service providers are accelerating the shift towards Agentic AI architectures and systems for forward-looking retailers. This report will delve into pre-built retail agents, reference workflows, and industry-specific data models provisioned by providers, that sit on top of modern data platforms and integrate with ERP, OMS, WMS, POS, CRM, and edge systems.	Ashish Chaturvedi				✓

About HFS

- **INNOVATIVE**
- **INTREPID**
- **BOLD**

HFS Research is a leading global research and advisory firm helping Fortune 500 companies through IT and business transformation with bold insights and actionable strategies.

With an unmatched platform to reach, advise, and influence Global 2000 executives, we empower organizations to make decisive technology and service choices. Backed by fearless research and an impartial outside perspective, our insights give you the edge to stay ahead.


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