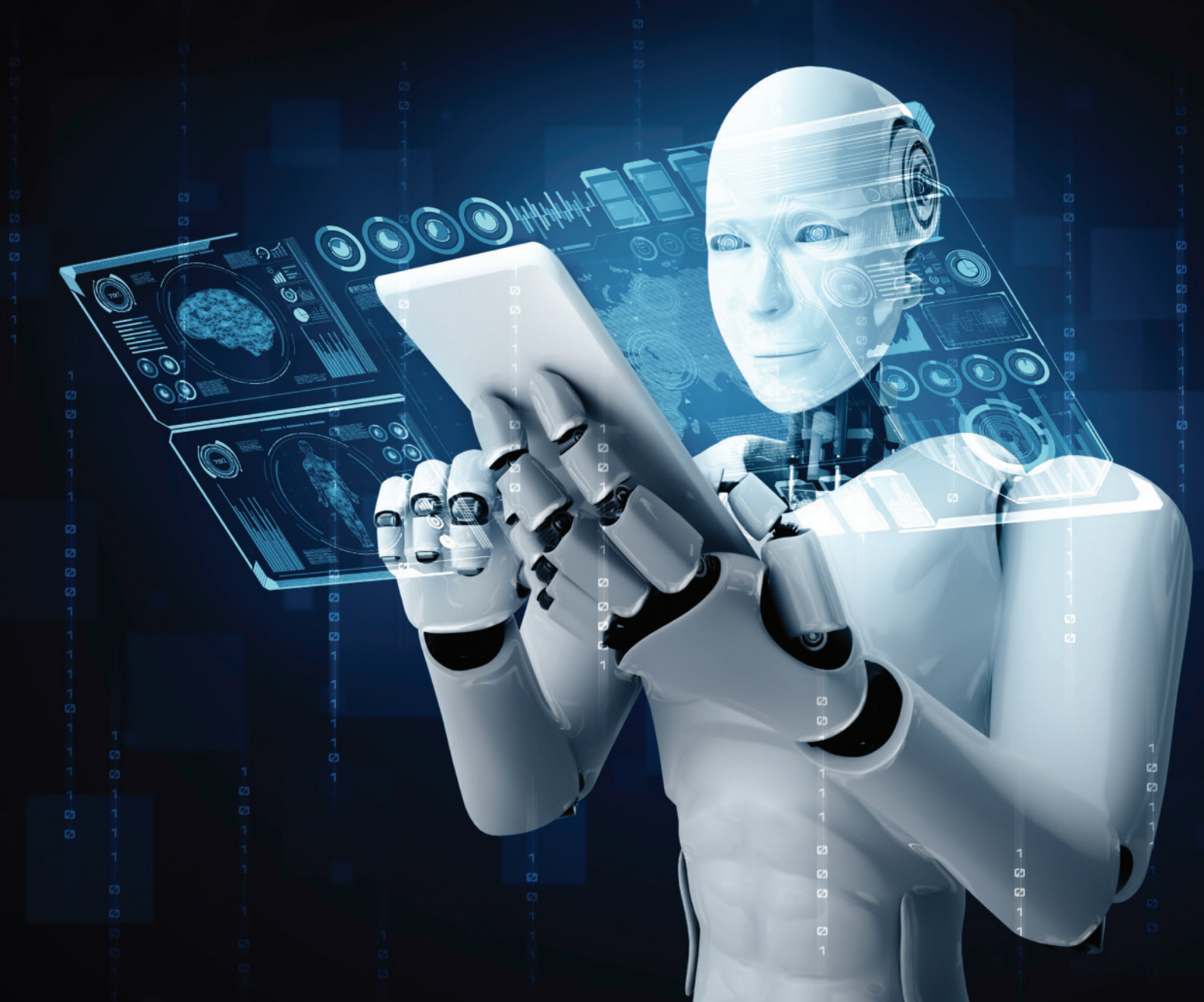
humanize

Agentification of IT Services –

Welcome to the era of ‘Services as a Software’



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In the last edition, "Traditional IT Services model is DEAD… is it?", we discussed the evolution of enterprises and the various archetypes of technology leaders. We explored the changing capabilities of technology leaders, from an Incubator to an Integrator, to an Architect.



You might have already started wondering- How different will the role of Tech-Leaders be beyond 2030?

A Gartner report on "CIO Agenda 2021: Prepare for Increased Digital Innovation" states: "Organizations that increased funding for digital innovation are 2.7 times more likely to be a top performer than a trailing one."





Over the last decade, partner ecosystems, product development, talent networks, distribution platforms, and business models have been constantly emerging, creating the microcosms of software-driven enterprises. These efforts are baby steps in the journey to becoming a Generative Enterprise. Amid this business outlook, enterprises have placed greater emphasis in recent years on driving enterprise agility and business acceleration powered by technology. Cloud-native SaaS platforms have revolutionized how enterprises respond to, and in some cases, create market demands.

With the advent of AI and GenAI, we saw an opportunity to turbocharge each of these aspects of Agility and Acceleration and augment them with human acumen to create contextualized solutions, building industry use cases on an industry SaaS stack powered by AI and GenAI. The responsibility of tech leaders in the future will be to orchestrate technology, people, processes, and partners, becoming an integral part of realizing business value for the company. The archetype of tech leaders emerging by 2030 will be that of a 'Value Orchestrator.'

Now, let's explore the role of AI and deep-tech in empowering a 'Value Orchestrator' to create a 'Generative Enterprise.'

The convergence of code automation and agentic AI is set to redefine the software development landscape, challenging traditional SaaS models. As businesses seek more customized, efficient, and cost-effective solutions, code automation offers a compelling alternative, signaling a transformative shift in how software solutions are conceived and delivered.

AI's Role in Software Development: Projections and Cost Impacts

The integration of code automation and agentic AI into the Information Technology Enabled Services (ITES) sector is poised to significantly reduce operational costs by decreasing the reliance on low to mid-level programmers. According to the U.S. Bureau of Labor Statistics, the median annual wage for computer programmers was approximately $93,000 in 2023, with automation programmers earning a median hourly wage of $48. By automating routine coding tasks, companies can reduce the need for a large workforce of junior developers, potentially saving millions in salary expenditures annually.

Beyond cost savings, the adoption of agentic AI introduces innovative capabilities that enhance software development. These AI agents can autonomously detect and rectify errors, optimize code for performance, and even make strategic decisions regarding software architecture. For instance, advanced AI models like GitHub Copilot assist developers by suggesting code completions, flagging potential errors, and autonomously generating code for standard functions. Agentic AI models, such as OpenAI Codex, GitHub Copilot, and other LLMs, are projected to handle 60-70% of routine coding tasks by 2026.



AI Trends on IT Services for the Next Five Years



1. Market Size and Growth Trajectory

By the end of 2026, code automation, powered by agentic AI, is expected to penetrate deeply into the ITES and software development markets. Estimates suggest that the global code automation market will grow from its current $13.2 billion valuation to approximately $65-70 billion by 2026, representing a CAGR of over 35%. The ITES industry, currently valued at $1.5 trillion globally, spends approximately 30-35% of its costs on software development and IT services. Automation is projected to reduce these expenses by 15-25%, translating to $70-100 billion in annual savings globally by 2026. This impact stems primarily from reduced reliance on entry-level programmers and a shift toward AI-managed workflows for coding, deployment, and maintenance.

2. Reduction in Workforce Costs

A significant cost-saving will emerge from reduced dependency on low- and mid-level developers. For context:

- According to the World Economic Forum, by 2025, automation and a new division of labor between humans and machines will disrupt 85 million jobs globally in medium and large businesses across 15 industries and 26 economies. Roles in areas such as data entry, accounting, and administrative support, as well as junior/mid-level programmers, are decreasing in demand as automation and digitization in the workplace increase.

- Resource optimization also includes savings on office space, cloud usage, and IT infrastructure, which are expected to be reduced by 10-15% through automated CI/CD pipelines, Infrastructure as Code (IaaC), and low-code platforms – eventually leading to 'Everything as Code.'

3. Efficiency Gains Across Development Pipelines

Code automation will allow ITES firms to scale faster with less human intervention.

- Time-to-Market Improvements: As businesses aim to accelerate their development processes, low-code, and no-code platforms are gaining popularity. A low-code app development platform allows users to construct applications with minimal coding experience, leading to faster development cycles. These platforms also empower non-technical employees to contribute effectively to software initiatives. Gartner predicts that low-code application development will account for 65% of total app development activity by 2025. This will result in an expedited Time-to-Market for businesses with their products and services.

- Code Quality and Security: Agentic AI's ability to autonomously scan for vulnerabilities, optimize code for performance, and ensure compliance with global standards will reduce post-deployment bugs and vulnerabilities by 30-40%, saving on maintenance costs and mitigating reputational risks.

4. Long-Term Projections: 2026-2031

- Consolidation of SaaS and Code Automation Markets: By 2030, the SaaS market is projected to reach $1 trillion as businesses shift to AI-driven business processes. Despite a closely-knit SaaS environment, AI-led automation of implementation services will become the backbone of IT services for SaaS products.

- Rise of AI-Orchestrated Agents: AI agents capable of integrating tasks across application ecosystems will dominate. These agents will handle 70-80% of operational workloads across ITES firms, such as customer support, application monitoring, and iterative updates.

5. Technological Advancements Driving the Future

The next wave of innovation will focus on:

- Self-Healing Applications: Agentic AI models will autonomously detect runtime anomalies, allocate additional resources, or rewrite code in real-time to address performance bottlenecks. This will eliminate downtime and ensure uninterrupted service delivery.

- AI-Powered Legacy Code Transformation: Automation platforms will increasingly specialize in refactoring or replacing outdated codebases, accelerating digital transformation in industries reliant on legacy systems.

- Distributed AI DevOps Teams: By the end of the current decade, we can expect the emergence of fully autonomous, distributed AI "teams" that function like human DevOps squads. These teams will coordinate globally to develop and deploy software, requiring minimal human oversight.

This level of automation not only accelerates development timelines but also improves the quality and reliability of software products, positioning businesses to better meet market demands and maintain a competitive edge. These savings will allow organizations to reinvest in higher-end innovation and strategic roles while maintaining scalability and quality through AI-driven efficiency.

The future of IT services will not be solely about services, but about services delivered on an IP or platform enabling extreme automation. The future of IT services will not be delivered by organizations catering to a wide range of services facilitated by talent but will be specialized services delivered by talent made smarter with technology. The traditional business model of the IT services industry is at the cusp of disruption. We aim to challenge the status quo of the technology services industry by delivering 'value' against 'volume and manpower,' 'services-as-a-product' against 'economic services,' and 'business as a service' as opposed to 'servicing a business.'

Humanize is the antithesis of what the norm in the traditional IT services industry is—volume and manpower. The differentiation of Humanize lies in the use of AI/GenAI to disrupt the model of technology delivery, the acumen and expertise of Tech-Artisans who infuse creativity into tech solutions, and fostering a culture of continuous value delivery through innovation to the client, colleagues, and the ecosystem as a whole. It marks the birth of a new business model in the IT services industry—Services as a Software.

“Services as a Software” is a tech-led IT services business model that uses deep-tech to package software services and eliminates talent/cost arbitrage. This model minimizes human dependency, maximizes efficiency, and focuses on outcomes by leveraging talent and technology, delivered through software.

The 'Services as a Software' model promises to harness its AI/GenAI-led hyper-automation of technology implementation to expedite time-to-deploy by nearly 20%. It will do so by making extraction, design, documentation, testing, configuration, code-generation, and deployment zero-touch. Using the core engine of the HumanAIze™ platform, we will build plug-and-play industrial use cases to help expedite enterprise evolution from concept to reality.

We are confident that we will disrupt the traditional IT services industry with our platform-led tech-transformation approach that integrates enterprise SaaS stacks across CRM, BPM, Data, and ERP with an AI engine. Our platform is unique, as it will be the world's first AI accelerator that generates code development for SaaS suites of products and augments functionality with AI/GenAI on Vertical SaaS.

Conclusion:

1. Technology is taking a front-seat role in enabling business model changes, launching new products and services, and re-imagining ways of doing business that were previously not possible. AI will reshape the way enterprises of the future will operate.

2. The generative enterprise will be an assembly of microcosms of software-driven enterprise functions. The core will be built on SaaS, low-code, and no-code applications, with orchestration and intelligence driven by AI and GenAI.

3. The responsibility of tech leaders in the future will be to orchestrate technology, people, processes, and partners, playing an integral role in realizing business value for the company. By 2030, the archetype of tech leaders will be that of a 'Value Orchestrator.'

4. The future of IT services will not be solely about services, but about services delivered on an IP or platform enabling extreme automation.

5. "Services as a Software" is a tech-led IT services business model that uses deep-tech to package software services and eliminates talent or cost arbitrage. This model minimizes human dependency, maximizes efficiency, and focuses on outcomes by leveraging talent and technology, all delivered through software.

