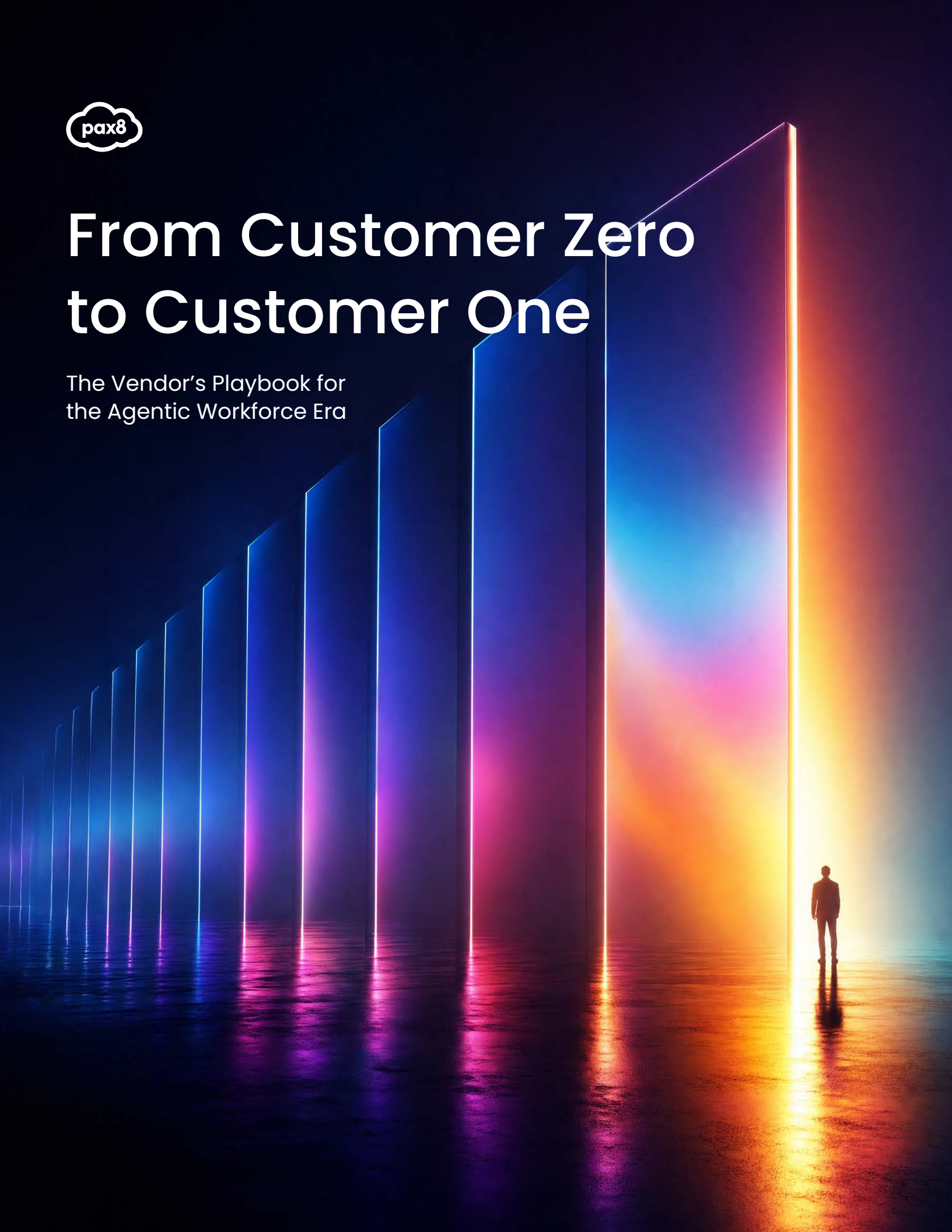


From Customer Zero to Customer One

The Vendor's Playbook for the Agentic Workforce Era

Contents

Chapter 01.

The Inflection Point: Sizing the Agentic Workforce Opportunity

The global cloud computing market was valued at approximately $752 billion in 2024

There is a number that every vendor needs to sit with before anything else in this report: $6 trillion. That is Salesforce's estimate of the digital labor market forming at the intersection of agentic AI and the global business economy.[1] For context, the global cloud computing market was valued at approximately $752 billion in 2024.[2] The agentic workforce opportunity is nearly ten times that size, and it is being contested in real time.

This market is not waiting for vendors to be ready. The organizations that define the category; the infrastructure, pricing models, trust layer and deployment standards; are the ones building now. This section establishes the scale and velocity of that opportunity, names why the SMB market is its largest and most underserved segment and makes the case for urgency that the rest of this report then addresses directly.

1 Salesforce. "Unlocking the $6 Trillion Digital Labor Opportunity." Salesforce News, 2025.

2 Grand View Research. "Global Cloud Computing Market Size & Outlook, 2025–2030." Grand View Research, 2025.

3 Fortune Business Insights. "Agentic AI Market Size, Share | Forecast Report [2026–2034]." Fortune Business Insights, 2025.

4 Medha Cloud. "67 AI Adoption Statistics for 2026 — Enterprise & SMB Data." Medha Cloud Blog, Mar. 2026.

5 Gartner. "Gartner Predicts 40% of Enterprise Apps Will Feature Task-Specific AI Agents by 2026, Up from Less Than 5% in 2025." Gartner Newsroom, 26 Aug. 2025.

THE DIGITAL LABOR MARKET: SCALE AND TRAJECTORY

The speed of this market's expansion is unlike anything the enterprise software industry has previously produced. The global agentic AI market was valued at $7.29 billion in 2025 and is projected to reach $139.19 billion by 2034, at a compound annual growth rate of 40.5%.[3] IDC projects global AI spending, driven primarily by agentic AI workloads, will reach $1.3 trillion by 2029, growing at 31.9% year over year, with agentic AI already representing an estimated 10 to 15% of enterprise IT spending in 2026.[4]

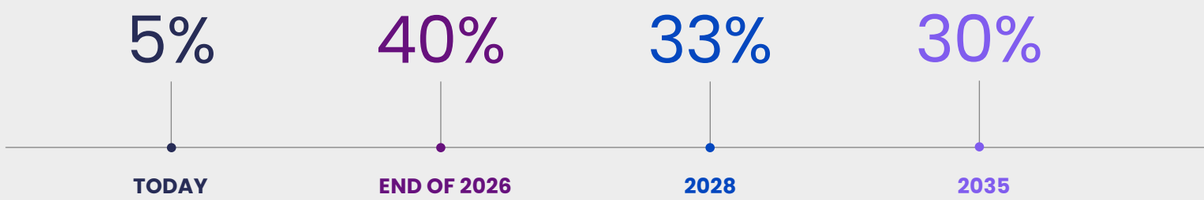
The adoption trajectory from Gartner is the most critical single data set for any vendor strategy team to internalize. Today, fewer than 5% of enterprise applications include task-specific AI agents. Gartner projects that number reaches 40% by the end of 2026, an eightfold increase in twelve months, which the firm describes as "one of the most aggressive forecasts from a traditionally conservative analyst firm."[5] By 2028, 33% of enterprise software applications will include agentic AI, enabling 15% of day-to-day work decisions to be made autonomously, up from essentially zero in 2024. In Gartner's best-case scenario, agentic AI drives 30% of all enterprise application software revenue by 2035, surpassing $450 billion, up from 2% today.[6]

The enterprise-level intent data reinforces the trajectory. A 2025 survey by MuleSoft and Deloitte Digital found that 93% of IT leaders report plans to introduce autonomous agents within two years, with nearly half already in implementation.[7] More than 80% of organizations believe that "AI agents are the new enterprise apps," signaling a fundamental reconsideration of packaged software investment.[8] 50% of enterprises using generative AI are expected to deploy autonomous agents by 2027, doubling from 25% in 2025.[9]

It is worth noting that the gap between stated adoption and production deployment remains significant. While 79% of enterprises report adopting AI agents, only 11% run them in production at scale.[10] That gap; between intent and execution, between pilot and production; is precisely where vendor opportunity lives, and it will be examined in detail throughout this report.

Gartner has been direct about the urgency this creates at the vendor level: "C-level executives at software organizations have a critical three-to-six-month window to develop their agentic AI product strategy, or risk falling behind their peers.[11]" This is a clear indicator of a structural competitive dynamic already visible in the vendor ecosystem.

The Agentic AI Adoption Trajectory



6 Gartner. "Gartner Predicts 40% of Enterprise Apps Will Feature Task-Specific AI Agents by 2026, Up from Less Than 5% in 2025." Gartner Newsroom, 26 Aug. 2025.

7 MuleSoft, Vanson Bourne, and Deloitte Digital. "2025 Connectivity Benchmark Report." Salesforce / MuleSoft, 2025.

8 MuleSoft, Vanson Bourne, and Deloitte Digital. "2025 Connectivity Benchmark Report." Salesforce / MuleSoft, 2025.

9 MuleSoft, Vanson Bourne, and Deloitte Digital. "2025 Connectivity Benchmark Report." Salesforce / MuleSoft, 2025.

10 MuleSoft, Vanson Bourne, and Deloitte Digital. "2025 Connectivity Benchmark Report." Salesforce / MuleSoft, 2025.

11 Gartner. "Gartner Predicts 40% of Enterprise Apps Will Feature Task-Specific AI Agents by 2026, Up from Less Than 5% in 2025." Gartner Newsroom, 26 Aug. 2025.

SMB AI adoption has accelerated at a pace that has surprised even well-resourced research teams.

WHY SMBS ARE THE EPICENTER OF THIS OPPORTUNITY

The agentic AI conversation in most vendor strategy rooms has been framed around enterprise. That framing misses the larger opportunity. There are approximately 440 million small and medium businesses operating globally, representing most of the employment and GDP across G7 economies.[12] They are the largest segment of the global economy and, historically, the last to receive purpose-built technology solutions, inheriting enterprise tools retrofitted downward, with all the friction and misfit that implies. That pattern is now breaking down.

SMB AI adoption has accelerated at a pace that has surprised even well-resourced research teams. The U.S. Chamber of Commerce reports that 58% of small businesses now use generative AI, up from 40% in 2024; a 45% increase in a single year.[13] Thryv's 2025 annual survey of small business decision-makers found overall adoption jumped from 39% to 55%, with usage among companies of 10 to 100 employees surging from 47% to 68%.[14] A 2026 report from Intuit and ICIC found 89% of small businesses leveraging AI, primarily for automating repetitive tasks and improving operational efficiency.[15]

12 World Economic Forum. "Driving Global Growth Through the Power of Small Business." World Economic Forum, Jan. 2026. See also: World Bank. "Small and Medium Enterprises (SMEs) Finance."

13 U.S. Chamber of Commerce. "Empowering Small Business: The Impact of Technology on U.S. Small Business." U.S. Chamber of Commerce, Aug. 2025.

14 Thryv. "AI Adoption Among Small Businesses Surges 41% in 2025." Business Wire, 17 July 2025.

15 ColorWhistle. "Artificial Intelligence (AI) Statistics for Small Business (Updated for 2026)." ColorWhistle, Jan. 2026. Citing Intuit & ICIC AI and Small Business Report 2026.

16 Salesforce. "New Research Reveals SMBs with AI Adoption See Stronger Revenue Growth." Salesforce News, Dec. 2024.

17 Salesforce. "New Research Reveals SMBs with AI Adoption See Stronger Revenue Growth." Salesforce News, Dec. 2024. And SBA Office of Advocacy. "AI in Business: Small Firms Closing In." U.S. Small Business Administration, 24 Sept. 2025.

18 SBA Office of Advocacy. "AI in Business: Small Firms Closing In." U.S. Small Business Administration, 24 Sept. 2025. The 1.8x to 1.2x compression figure is drawn from this longitudinal BTOS analysis.

19 SBA Office of Advocacy. "AI in Business: Small Firms Closing In." U.S. Small Business Administration, 24 Sept. 2025. The 1.8x to 1.2x compression figure is drawn from this longitudinal BTOS analysis.

20 Meister, David. Personal interview. 2026. VP of MSP, Check Point.

21 Railton, Matt. "IDC Defines Digital Labor for the Agentic Enterprise." No Jitter, 15 Oct. 2025. Citing IDC research on digital labor productivity.

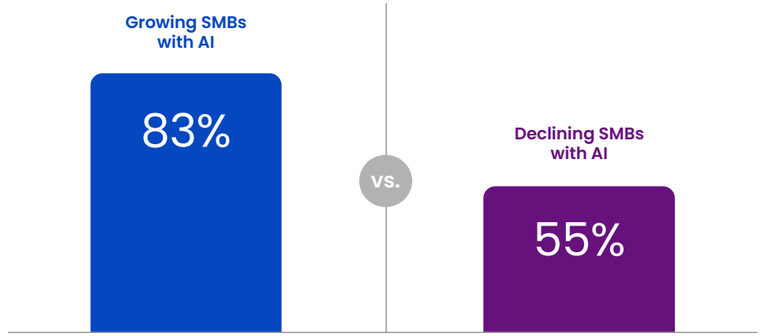
22 O'Mahony, John, et al. "The AI Edge for Small Business: Increased SMB AI Adoption Can Add $44 Billion to Australia's Economy." Deloitte Access Economics, 25 Nov. 2025.

The business performance correlation is no longer debatable. Among 3,350 global SMB leaders surveyed by Salesforce, 91% of those using AI report that it boosts their revenue, and 87% say it helps them scale operations.[16] Growing SMBs have adopted AI at a rate of 83% compared to just 55% of declining businesses. Among those using AI, 86% report improved margins, and businesses using AI are nearly twice as likely to report year-over-year growth compared to non-adopters.[17]

Perhaps the most consequential data point for vendors is how quickly the large-small business AI adoption gap is closing. In February 2024, the SBA Office of Advocacy found large businesses using AI at 1.8 times the rate of small businesses, using strict production-use definitions.[18] By August 2025, that ratio had compressed to 1.2 times.[19] Broadband internet saw SMBs lag large enterprises by nearly a decade. With AI, the gap is closing in months. The SMB market is not a future opportunity. It is a present-tense competitive arena.

David Meister, VP of MSP at Check Point, which provides AI-powered, comprehensive cyber security solutions designed to protect organizations against advanced threats, makes the case from the demand side: "The SMB is going to adopt AI faster than the enterprise. Enterprise organizations have a lot of legacy when it comes to data and infrastructure. SMBs can change business processes overnight, and managed service providers (MSPs) are creating agents on behalf of their customers substantially quicker than enterprise organizations are able to."[20] The productivity data already accumulating across the SMB economy confirms the direction of travel.

SMB AI Performance Gap



84%

revenue boost reported by SMBs using AI

Two additional data points from the companion research to this report sharpen the picture for vendors. First, line-of-business workers using AI are already saving approximately 3.1 hours per day, nearly 40% of the standard workday, with IT workers saving 3.6 hours daily.[21] That productivity dividend is already accumulating across the SMB economy, creating compounding urgency for vendors whose solutions either capture it or miss it. Second, the financial architecture of AI adoption is nonlinear: businesses that move from basic to intermediate AI adoption see profitability uplifts of approximately 45%, while those that reach full integration see uplifts of approximately 111%.[22] Vendors who help SMBs complete that integration journey, rather than stopping at surface-level tool adoption, build the most defensible client relationships in the category.

"The SMB is going to adopt AI faster than the enterprise. Enterprise organizations have a lot of legacy when it comes to data and infrastructure. SMBs can change business processes overnight, and managed service providers (MSPs) are creating agents on behalf of their customers substantially quicker than enterprise organizations are able to."

David Meister
VP of MSP, Check Point

THE ENTERPRISE SIGNAL POINTING TOWARD SMB

The urgency of the SMB opportunity is reinforced by what is already happening in enterprise. The productization wave that swept large enterprise in 2024 and 2025 is compressing into the mid-market and SMB layers on an accelerated timeline. Enterprises are now averaging 12 AI agents per organization, with 67% growth projected within two years.[23] The patterns being established at the enterprise level: agent-first architecture, outcome-based pricing, workflow-embedded AI, will define what the SMB market expects within 12 to 18 months.

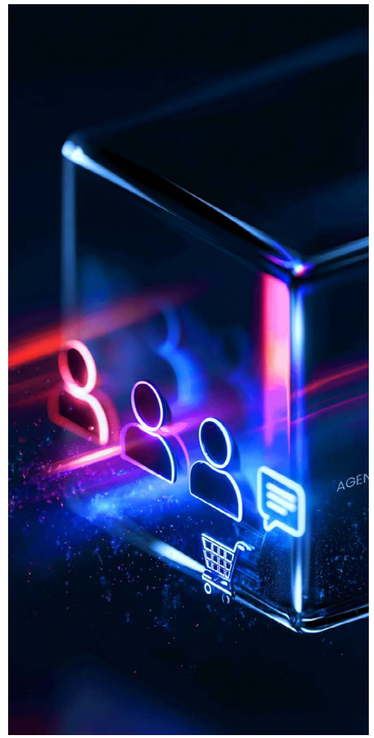
The vendors positioned to capture that wave are building to those standards now, and critically, building with SMB-specific constraints in mind rather than retrofitting enterprise assumptions downward. Microsoft and IDC's joint research across 2024-2025 deployments found an average return of $3.70 for every dollar invested in generative AI.[24] The SMB market is already absorbing the solutions that deliver that return quickly: behavioral data from hundreds of thousands of small business users shows the highest digital tool concentration in payment collection, billing and invoicing automation and client management; the operational functions where data is cleanest, processes are most defined and ROI is most immediate.[25] Nearly half of SMBs who measured returns from recent technology investments reported positive impact within six months, with 29% seeing it within three months.[26] The enterprise architecture may establish the pattern. The SMB product must deliver returns on a timeline the SMB's cash flow can absorb.

THE WINDOW IS OPEN, BUT COMPETITION IS ALREADY INSIDE IT

The SMB trust layer is not unoccupied. Intuit has embedded a team of five purpose-built AI agents directly inside QuickBooks: an accounting agent, customer agent, finance agent, project management agent and tax agent, framed explicitly as a virtual team for the small business owner, with demonstrated results showing collections on outstanding invoices an average of five days sooner for businesses using the accounting agent.[27] HubSpot's Breeze Agents are live inside the CRM workflow that millions of SMBs use daily, with HubSpot Ventures declaring agentic AI for SMBs its primary investment thesis.[28] Zoho's Bigin is deploying on-device AI specifically to address the data privacy concerns that rank among the top SMB adoption hesitations.[29]

These are not enterprise companies attempting to reach SMBs. They are SMB-native platforms moving aggressively to claim the trust layer before the category standards harden. The vendors not yet competing for this position are facing platforms already occupying the ground they want.

The competitive window is real and quantified. Today's fewer-than-5% of enterprise applications with agentic AI capability becomes 40% by the end of 2026.[30] The organizations that define architecture, pricing, deployment and trust standards during that transition will carry those advantages forward. The path forward begins, for most vendors, with an honest assessment of where they stand today, which is where this report turns next.



23 Salesforce. "Salesforce Announces 2026 Connectivity Report." Salesforce News, Feb. 2026.

24 Microsoft and IDC. "IDC's 2024 AI Opportunity Study: Top Five AI Trends to Watch." The Official Microsoft Blog, 12 Nov. 2024.

25 The Agentic Workforce Economy: How Digital Labor Is Reshaping SMB Growth and Redefining the Role of IT Providers. Pax8, 2026.

26 MYOB. "2025 Business Monitor." MYOB, July 2025.

27 Intuit. "Intuit Introduces Ground-Breaking Virtual Team of AI Agents to Fuel Growth for Businesses." Business Wire, 1 July 2025 and Intuit. "Intuit Launches AI-Powered Intuit Assist for QuickBooks, Giving Millions of Businesses a Competitive Edge." Intuit Investor Relations, Nov. 2024.

28 Coccari, Adam. "AI Agents and the Future of Small Business." HubSpot, 18 Dec. 2024; and HubSpot. "HubSpot Launches New and Enhanced AI Agents." HubSpot Investor Relations, 10 Apr. 2025.

29 Zoho. "Zoho Empowers Small Businesses with Significant Upgrades to Bigin and Zoho Contracts." Zoho Press Room, 4 Sept. 2025.

30 Gartner. "Gartner Predicts 40% of Enterprise Apps Will Feature Task-Specific AI Agents by 2026." Gartner Newsroom, 26 Aug. 2025.

Chapter 02.

The Vendor Readiness Gap: Why Most Vendors Aren't Ready to Lead

The market opportunity documented in Section 1 is real. The vendor readiness to capture it is not. That gap, between the scale of the agentic AI opportunity and the organizational maturity of the vendors competing for it, is the central problem this report is written to address. It is not a gap born of ignorance. Most vendors in the technology ecosystem are aware of the trajectory. The problem is the distance between knowing where the market is going and having done the internal work required to lead anyone there.

Only 26% of companies globally have developed the capabilities required to move beyond proof of concept and generate tangible value from AI.

The data on this is unsparing. Only 26% of companies globally have developed the capabilities required to move beyond proof of concept and generate tangible value from AI, despite years of investment, hiring and pilot programs.[31] Most agentic AI projects are not moving into production. Over 40% will be canceled by the end of 2027, according to Gartner, due to escalating costs, unclear business value and inadequate risk controls.[32] And while 88% of organizations globally report using AI in at least one business function, only 39% attribute any enterprise-wide financial impact to it and just 7% have fully scaled AI across their organizations.[33] These findings describe the enterprise and mid-market organizations from which many vendors are themselves emerging. The readiness gap is not something vendors can observe from the outside. For most, it is the view from the inside.

This section names the gap precisely, segments it honestly across the vendor landscape and identifies the specific organizational failure modes; in change management, architectural decision-making and credibility; that are keeping most vendors from translating AI awareness into AI leadership.

THE VALUE REALIZATION PROBLEM

The consensus across the three most authoritative analyst firms tracking enterprise AI performance is unusually consistent in its diagnosis: the barrier to AI value rests primarily within the organization surrounding it.

BCG's landmark survey of 1,000 senior executives across 59 countries found that approximately 70% of AI implementation challenges stem from people- and process-related issues, with just 20% attributable to technology problems and only 10% to the AI algorithms themselves; despite the latter consuming a disproportionate amount of organizational time and resources.[34] The companies generating real AI value are those that have concentrated their investment in workflow redesign, talent development and process integration rather than in algorithm selection.

Gartner's agentic AI findings are even more pointed. In a poll of 3,412 organizations actively investing in agentic AI, the firm found that most projects are "early-stage experiments or proof of concepts that are mostly driven by hype and are often misapplied." The consequence, Gartner projects, is that over 40% of agentic AI projects will be canceled before reaching production. And the vendor ecosystem itself is implicated in this failure: **Gartner estimates that of the thousands of vendors claiming agentic AI capabilities, only approximately 130 offer genuine agentic functionality.** The rest are engaged in what Gartner calls "agent washing:" rebranding existing chatbots, RPA tools and AI assistants as autonomous agents without delivering the underlying capability.[35] For vendors, this is a significant credibility risk, because every inflated claim in the market makes every legitimate claim harder to land.

Forrester completes the picture from the demand side. Three out of four firms that attempt to build advanced agentic AI architectures on their own will fail, the firm predicts, because the complexity is genuinely beyond what most organizations can manage without external expertise: multiple AI models, sophisticated retrieval-augmented generation stacks, advanced data architectures and niche implementation knowledge that takes time to accumulate.[36] The implication for vendors is direct: the same architectural complexity that makes agentic AI hard for their customers to deploy is present inside most vendor organizations as well. However, knowing this and having solved it are two different things.

31 Boston Consulting Group. "AI Adoption in 2024: 74% of Companies Struggle to Achieve and Scale Value." BCG Press Release, 24 Oct. 2024.

32 Gartner. "Gartner Predicts Over 40% of Agentic AI Projects Will Be Canceled by End of 2027." Gartner Newsroom, 25 June 2025.

33 Singla, Alex, et al. "The State of AI in 2025: Agents, Innovation, and Transformation." McKinsey & Company, Nov. 2025.

34 Boston Consulting Group. "AI Adoption in 2024: 74% of Companies Struggle to Achieve and Scale Value." BCG Press Release, 24 Oct. 2024.

35 Gartner. "Gartner Predicts Over 40% of Agentic AI Projects Will Be Canceled by End of 2027." Gartner Newsroom, 25 June 2025.

36 Forrester Research. "Predictions 2025: An AI Reality Check Paves the Path for Long-Term Success." Forrester, 2024.

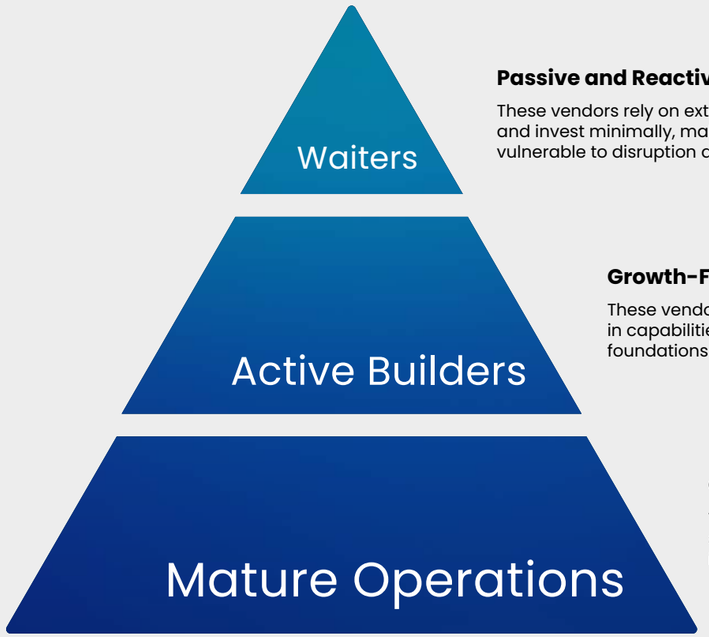
> "The agentic nature of IT ops will be taking the rote, repetitive tasks that take time away from strategic and higher-level projects and putting them in the hands of agents."
>
> **Peter Bretton**
> VP of Product Strategy, NinjaOne

THE THREE-TIERED VENDOR SEGMENTATION

Vendor readiness is not a binary. The landscape is better understood as a distribution across three tiers, each with a distinct set of challenges and a distinct distance to travel before it can credibly lead SMB customers through an agentic transformation.

This segmentation is drawn from direct peer observation across the SaaS vendor ecosystem, validated by the channel confidence data and consistent with the analyst findings cited above.

Three-Tier Vendor Segmentation



Passive and Reactive

These vendors rely on external direction and invest minimally, making them vulnerable to disruption and slow to adapt.

Growth-Focused and Evolving

These vendors are actively investing in capabilities, processes, and scalable foundations for future success.

Optimized and Leading

These vendors operate with efficiency, strong execution, and continuous improvement to maintain market leadership.

37 Gartner. "Gartner Predicts Over 40% of Agentic AI Projects Will Be Canceled by End of 2027." Gartner Newsroom, 25 June 2025.

38 Bretton, Peter. Personal interview. 2026. VP of Product Strategy, NinjaOne.

Tier 1 vendors are the Waiters. These organizations have made modest or no investments in internal AI adoption. They are watching early adopters accumulate lessons learned before committing resources, operating on the implicit assumption that the pattern will become clearer before they need to act. Low internal AI usage, no coherent agentic product strategy for the SMB market and a GTM motion still built around the prior generation of software economics characterize this group. The Gartner poll finding that 31% of organizations are in a "wait and see" posture on agentic AI investment, and 8% have made no investments at all,[37] reflects this tier's scale. The risk these vendors face is that the window in which waiting was a viable strategy is already closing.

Tier 2 vendors are the Active Builders. These organizations are experimenting with AI internally, typically function by function; legal, finance, customer support and sales are the most common starting points. They have made genuine progress in isolated workflows and are beginning to see productivity returns from individual deployments. But they are experiencing what practitioners across the ecosystem consistently describe as the central organizational fault line of the early transformation journey: the mismatch between the teams responsible for product innovation and the teams responsible for process optimization. These two groups rarely share a vocabulary, a timeline or a performance metric. The result is agentic capability being built in R&D while the processes that would make it deployable at scale are still being managed manually in operations. Adding to this friction is the employee anxiety that accompanies any serious internal AI adoption; uncertainty about role definitions, fear of displacement and the genuine confusion of navigating a workflow that is being redesigned in real time.

This anxiety is real, and vendors who dismiss it accelerate the adoption drag rather than resolving it. But the anxiety rests on a premise that 150 years of technological transformation have consistently disproven. The switchboard operator was once the interface to the network, the human layer through which every connection was made. Then the network learned to route itself. The operator did not disappear. The operator moved up the stack, from connecting calls to designing, operating and governing the communications infrastructure that made the network possible. The ATM appeared to signal the end of the bank teller. Instead, it eliminated cash handling as a primary job function and freed human attention for relationship banking, advisory services and the work that required judgment rather than transaction processing. The pattern across every comparable transition is identical: the technology absorbs the toil; the human moves up the stack. The agentic AI transition is simply its most recent iteration. The vendors who communicate this clearly to their teams, as documented historical fact, will move through the internal transformation faster than those who leave the anxiety unnamed.

> "So much of IT — particularly the MSP space — is about the human relationship and the human touch."
>
> **Peter Bretton**
> VP of Product Strategy, NinjaOne

Peter Bretton, VP of Product Strategy at NinjaOne; which provides a unified IT operations platform designed to monitor, manage and secure endpoints; makes the same argument from inside the IT ops ecosystem: "The agentic nature of IT ops will be taking the rote, repetitive tasks that take time away from strategic and higher-level projects and putting them in the hands of agents. So much of IT — particularly the MSP space — is about the human relationship and the human touch. AI is going to make the strategy and the people-centric approach to IT more important, because that's what will differentiate MSPs and IT leaders from laggards."[38] That differentiation, however, is only available to the vendors who have already done the internal work, which brings the third segment of the vendor landscape into focus.

Tier 3 vendors are the Mature Operators. These organizations have dedicated R&D investment, internal sandboxing environments and in some cases, purpose-built labs for agentic AI experimentation. They have the cash flow and organizational infrastructure to hire consultants, run structured pilots and build proprietary tooling. What they frequently lack, and what the research consistently identifies as the most underestimated obstacle to scaling, is the documentation infrastructure and operational maturity that make agentic deployments repeatable across functions and clients. Sophisticated experiments that live in the institutional knowledge of the team that ran them, rather than in SOPs and documented decision frameworks, are not deployable at scale. The mature operator who cannot systematize what it has learned is not as far ahead as its investment level suggests.

> “The number of successes versus the number of false starts is probably 1 to 10. There’s just a lot of folks that have gotten very excited…but don’t have anything built out that they feel comfortable about having it out there.”
>
> **Justin Bradley**
> Sr. Alliances Manager for MSSP Aggregators, CrowdStrike

THE CONFIDENCE COLLAPSE THE CHANNEL HAS ALREADY MEASURED

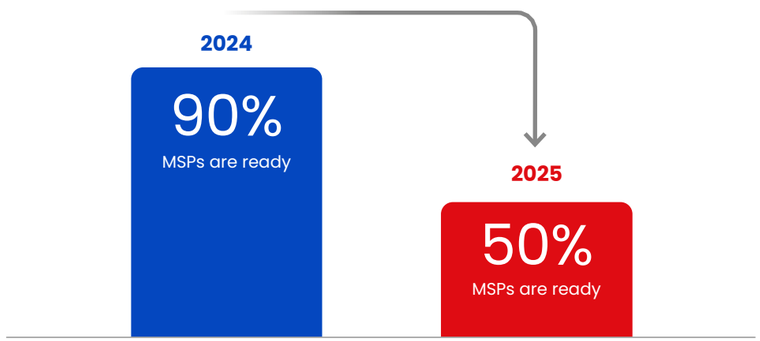
The most precise available measurement of the vendor readiness gap comes not from enterprise-level surveys but from the managed services channel that sits between vendors and SMB end customers, and whose confidence trajectory is a leading indicator of the same dynamic playing out at the vendor level.

In 2024, 90% of managed service providers reported feeling ready to support AI-related needs for their clients. By 2025, that figure had dropped to approximately 50%; a 40-point collapse in a single year.[39] This did not happen because AI got harder. The tools have become more capable and more accessible across every relevant category in the past twelve months. The confidence collapsed because the gap between what providers were telling clients they could deliver and what they had deployed became visible as client demand materialized. The AI conversation had been happening for years. The AI implementation infrastructure: the deployment playbooks, governance frameworks, trained practitioners and proven use cases, had not been built at the same pace.

Justin Bradley, Sr. Alliances Manager for MSSP Aggregators at CrowdStrike; a cybersecurity organization that specializes in cloud-native endpoint protection and is designed to stop data breaches and ransomware through the use of AI; put the conversion rate in plain terms from direct observation of the MSP ecosystem: “The number of successes versus the number of false starts is probably 1 to 10. There’s just a lot of folks that have gotten very excited, but don’t have anything built out that they feel comfortable about having it out there.”[40]

This dynamic maps directly onto the vendor landscape. The vendor organizations that have been speaking confidently about agentic AI in sales conversations while deferring the internal transformation work are accumulating the same credibility risk that the channel has already paid a price for. The difference is that vendors face an additional exposure: the SMB customers they are pitching are increasingly sophisticated buyers who will demand proof, not promise.

The Channel Confidence Collapse



IDC’s research confirms the demand shift: 70% of SMBs will require clear, documented AI use cases from vendors and managed service providers before committing new investment in AI or generative AI technologies.[41] Among those providers, 61% currently struggle to move AI projects beyond proof-of-concept with existing clients, because the partner lacks the workflow redesign expertise, domain-specific data architecture knowledge and governance capability required to move from pilot to production.[42]

Vendors face the same structural gap. The provider that cannot move its own internal AI from pilot to production cannot credibly guide a customer through the same transition.

Pax8’s own primary research confirms the dynamic from the client side. In a May 2026 moderated interview study of 18 SMBs across three segments, 13 of 18 were at a similar level of AI adoption as their managed service providers, exploring but without structured deployment. Among the tethered SMBs surveyed, those currently working with an MSP, AI conversations were largely absent from the MSP relationship: one participant was actively pushing their MSP toward AI adoption, finding that the MSP was looking at what was good as a firm for all its clients, while the SMB needed what was good for their specific organization.[43] The gap between what MSPs are being asked to deliver and what they are currently positioned to provide is the current condition of many MSP-SMB relationships today.

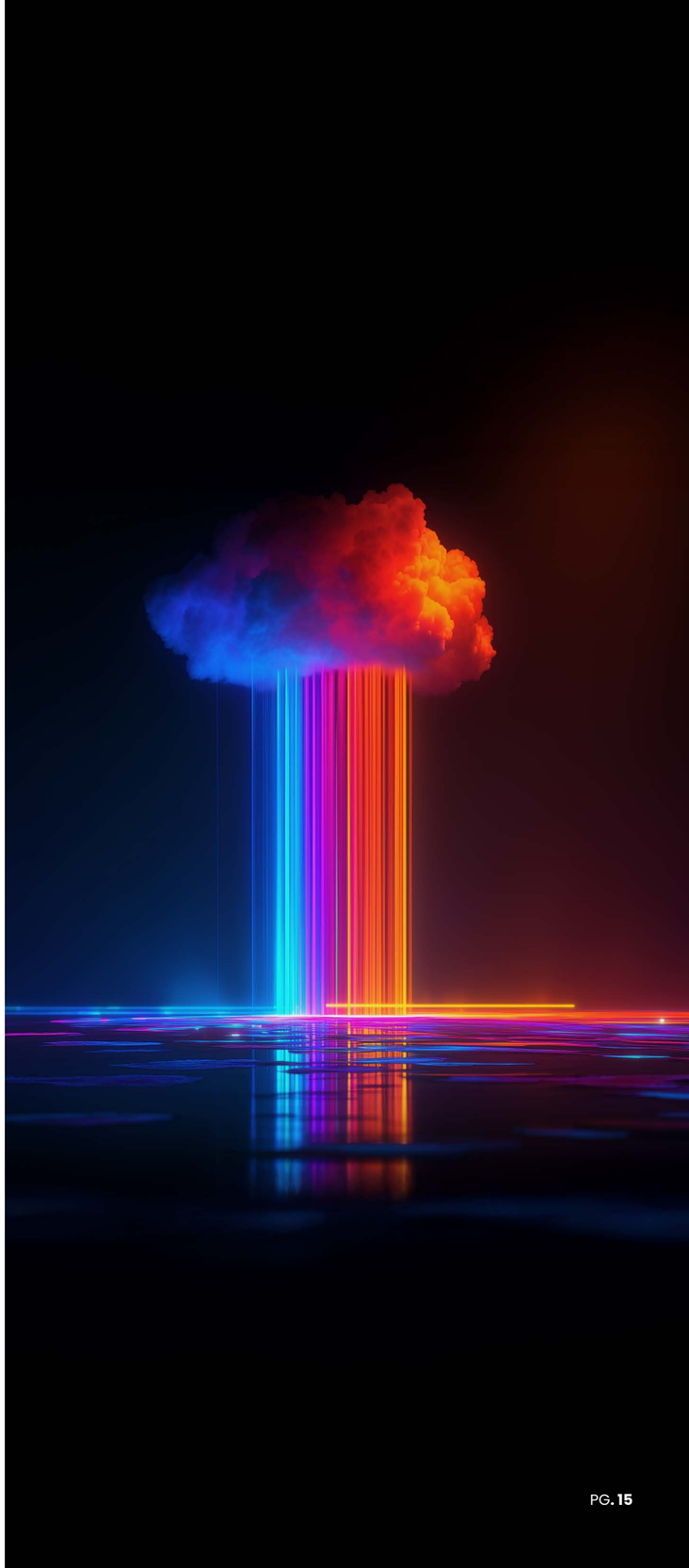
39 OpenText Cybersecurity. “OpenText Cybersecurity Finds 92% of Managed Service Providers See AI-Driven Growth, But Readiness Gap Widens.” PR Newswire, 24 Sept. 2025.

40 Bradley, Justin. Personal interview. 2026. Sr. Alliances Manager, MSSP Aggregators, CrowdStrike.

41 Evans, Katie, et al. “IDC FutureScape: Worldwide Small and Medium-Sized Business 2025 Predictions.” IDC, Oct. 2024.

42 Omdia (Canalys). “MSP Trends and Predictions 2025 — Executive Summary.” Omdia, Jan. 2025.

43 Galvan, Moriah. “SMB Discovery.” Pax8 UX Research, May 2026. Proprietary research. Data on file.



"Alot of people deploy AI for the sake of AI. That's bad because there is no metric; you don't know the impact, you don't know how much it costs, you don't know what benefit it brings. It's just automation for the sake of automation. The way we do it: define the major pain, define efficiency metrics as leading indicators, then build an EBITDA impact model. What I prioritize is what will have the largest outcome."

Gaidar Magdanurov
President, Acronis

THE CHANGE MANAGEMENT REALITY MOST VENDORS ARE UNDERESTIMATING

The most grounding insight from direct peer engagement across the SaaS vendor ecosystem is also the simplest: the primary failure mode is not technical. It is organizational. And the most common organizational failure is thinking too big.

Vendors attempting to automate entire processes as their first AI initiative stall consistently. McKinsey's analysis of nearly 2,000 organizations finds that the pilot-to-scale transition is the single most common failure point; companies launch pilots that work in controlled environments and then struggle for months to scale enterprise-wide, primarily because the organizational infrastructure to carry it doesn't exist yet.[6] What distinguishes the vendors making genuine progress is the discipline of their starting point.

Gaidar Magdanurov, President of Acronis; a unified, multi-tenant cyber protection platform delivering backup, disaster recovery, cybersecurity and endpoint management; identifies the failure mode precisely after interviewing 100 companies during his own transformation: "A lot of people deploy AI for the sake of AI. That's bad because there is no metric; you don't know the impact, you don't know how much it costs, you don't know what benefit it brings. It's just automation for the sake of automation. The way we do it: define the major pain, define efficiency metrics as leading indicators, then build an EBITDA impact model. What I prioritize is what will have the largest outcome."[44] The research confirms the pattern at scale.

McKinsey's AI high performers are consistently more likely than their peers to embed AI into specific business processes and track KPIs at the use-case level — small, measurable wins — before expanding scope.[45] In addition, McKinsey's workplace research identifies the peer adoption mechanism directly: organizations that identify employees with the highest AI expertise and elevate them as cross-functional champions generate adoption that travels peer-to-peer, rather than waiting for a top-down mandate that most organizations lack the change management infrastructure to execute.[46]

This approach is one that McKinsey identifies as characteristic of AI high performers: organizations that are 2.8 times more likely than their peers to have fundamentally redesigned their workflows around AI, driven by exactly this kind of disciplined, evidence-based internal adoption rather than aspirational deployment.[47]

"You have to be willing to experiment and not be afraid. And I think the hardest part has been encouraging others to experiment. I'm not saying go push this back to the whole company. I'm saying go spend a few hours during the week asking, 'what are the agents that I could benefit from building?' We've been really focused on giving people the confidence that one, you're going to fail a lot, but two, when you get it right, it's going to be powerful."

David Schwartz
CEO, Pia

The enablement gap compounds the change management challenge. People are not using the tools in most vendor organizations simply because many do not know how, and because no one has made it their responsibility to show them. The mandate to adopt is common. The investment in building the capability to use well is rare. Forrester's 2026 AI workforce research finds that while 68% of organizations report using generative AI in deployed production applications, only 51% offer AI training for non-technical employees; and only 23% offer training in prompt engineering, which Forrester identifies as a basic skill for employees using any AI-enabled workplace tool. Forrester's VP and Principal Analyst JP Gownder characterize this gap: "Employers aren't giving their people the skills, understanding, or ethical grounding they need to succeed with AI, and it's becoming a clear bottleneck to productivity and ROI."[48]

David Schwartz, CEO of Pia, an AI and automation platform operating in the MSP ecosystem, describes the same dynamic from his own internal transformation: "You have to be willing to experiment and not be afraid. And I think the hardest part has been encouraging others to experiment. I'm not saying go push this back to the whole company. I'm saying go spend a few hours during the week asking, 'what are the agents that I could benefit from building?' We've been really focused on giving people the confidence that one, you're going to fail a lot, but two, when you get it right, it's going to be powerful."[49]

44 Magdanurov, Gaidar. Personal interview. 2026. President, Acronis.

45 Singla, Alex, et al. "The State of AI in 2025: Agents, Innovation, and Transformation." McKinsey & Company, Nov. 2025.

46 McKinsey & Company. "Superagency in the Workplace: Empowering People to Unlock AI's Full Potential at Work." McKinsey & Company, Jan. 2025.

47 Singla, Alex, et al. "The State of AI in 2025: Agents, Innovation, and Transformation." McKinsey & Company, Nov. 2025.

48 Gownder, J.P. Quoted in: "Forrester Finds AI Training Gap Stalls Workplace Gains." IT Brief, 8 Apr. 2026.

49 Schwartz, David. Personal interview. 2026. CEO, Pia.

THE ORGANIZATIONAL MISMATCH HIDING BENEATH THE SURFACE

Within vendor organizations, there is a structural imbalance in AI adoption that is rarely discussed but consistently observable. Product and engineering teams are the most AI-forward by a significant margin: 85% of developers are already using AI tools for coding, according to analysis of Stack Overflow developer survey data,[50] and AI is now writing 70 to 80% of code at most SaaS companies. GTM teams represent the next most active adopters, leveraging generative AI heavily for content generation, sales enablement, pitch deck creation and outreach automation. The gap appears everywhere else: in legal, finance, HR and operations; where adoption remains low and enablement is sparse.

This uneven distribution creates a specific and underappreciated credibility risk. A vendor whose engineering and GTM teams are AI-forward can appear, from the outside, to be an AI-mature organization. The internal reality, that the same organization is running its legal review on manual workflows, its financial operations without AI augmentation and its HR processes without the kind of systemic AI integration that its clients will require; is typically only revealed when a sophisticated buyer asks how the vendor runs itself, or when the vendor attempts to guide a client through a functional transformation it has not completed internally.

Vendors that have gone all-in on a single large language model without building the dynamic model-switching capability that agentic AI workflows require are creating cost and performance ceilings that will become visible as deployment scale increases.

The architectural challenge compounding this mismatch is the model lock-in problem. Vendors that have gone all-in on a single large language model without building the dynamic model-switching capability that agentic AI workflows require are creating cost and performance ceilings that will become visible as deployment scale increases. The organizations building the most durable competitive positions are those treating their internal AI infrastructure as a "software factory" — with a clear separation between plan-stage and build-stage model deployment, and the organizational flexibility to shift models dynamically as tasks and costs change. This is not a technical refinement. It is a fundamental rethink of how software has been developed for the past fifteen years, and it requires the kind of deliberate architectural investment that most vendor organizations have not yet made.[51]

THE CREDIBILITY GAP THAT MATTERS MOST

The deepest consequence of the vendor readiness gap is epistemic. A vendor that has not operationally experienced the business impact of agentic AI cannot articulate that impact in the terms that matter to an SMB buyer. Not in general terms, not in case study language and certainly not in the specific, function-level vocabulary that the Harvard Business Review identifies as the "last mile" of AI transformation; the point at which technical capability meets operating model redesign, and at which the absence of firsthand experience becomes structurally apparent.[52]

This is the observation that practitioners across the vendor ecosystem return to most consistently, and it has quantitative grounding. Forrester's B2B buyer trust research finds that vendor salespeople rank among the least trusted information sources in the purchase process, while voices offering firsthand experience and insight independent of direct sales framing rank at 66-72% trust.[53] 54% of B2B buyers speak directly with current users before purchasing, and 77% read user reviews during decision-making, predominantly because they perceive it to be more credible.[54] Microsoft's own published customer zero framework arrives at the same conclusion from the vendor side: clients trust transparency over perfection, and sharing early experiments, failure modes and refinements alongside final results builds more durable relationships than presenting only successful outcomes.[55] A pitch deck built on analyst projections and vendor case studies is not the same as a conversation grounded in the specific friction points, failure modes and breakthrough moments of a real internal deployment. The former closes some deals. The latter builds the kind of trust that converts a client into an advocate.

The good news embedded in this diagnosis is that it points directly to the solution. The vendor readiness gap is an organizational gap, but organizational gaps are closable. The path from the current state to the credible agentic AI vendor runs directly through the vendor's own operations; through the legal department, the finance function, the customer support team and the engineering organization. That path is what the next section of this report examines in detail.

50 Modall. "AI in Software Development: Trends & Statistics." Modall, 2025. Citing Stack Overflow Developer Survey 2025 data.

51 Gartner. "Gartner Identifies Critical GenAI Blind Spots That CIOs Must Urgently Address." Gartner Newsroom, 19 Nov. 2025 and Perplexity. "Inside the Rise of Enterprise AI Model-Switching." Perplexity Enterprise Blog, Feb. 2026. Analysis of Fortune 500 AI usage patterns across 2025.

52 Lakhani, Karim R., Jared Spataro, and Jen Stave. "The Last-Mile Problem Slowing AI Transformation." Harvard Business Review, 9 Mar. 2026.

53 Forrester Research. "B2B Buyers Rate Their Most Trusted Information Sources." Forrester, Mar. 2025.

54 Sopro. "68 B2B Buyer Statistics for 2025." Sopro, Mar. 2026.

55 Microsoft Digital. "Inside Microsoft: Being Customer Zero in an AI-Powered World." Microsoft Inside Track Blog, Mar. 2026.

Chapter 03.

Customer Zero: From Pioneer to Baseline

There was a moment, not long ago, when a vendor could differentiate itself by simply announcing that it deployed its own solutions internally. The willingness to use your own product before selling it to others, to be, in the language that has since become standard across the enterprise AI industry, "customer zero," was itself a signal of seriousness, a point of competitive distinction in a market where most vendors were happy to pitch what they hadn't yet proven.

That moment is over. Customer zero is no longer a differentiating move. It is the minimum expectation. Microsoft, Salesforce and ServiceNow have all named their internal-first programs publicly, published detailed accounts of what the experience produced and built entire partner enablement frameworks around the lessons learned.[56] [57] [58] The next step for vendors is to interrogate how far along they are, what they have learned and whether their internal transformation has produced the kind of operational fluency that allows them to speak about agentic AI in terms that their customers recognize as real.

This section examines what the customer zero journey looks like in practice, as a function-by-function transformation with specific results, specific failure modes and specific lessons that can be applied across the vendor ecosystem. It draws on the published accounts of the most thoroughly documented enterprise deployments in the industry, on direct observation from practitioners across the SaaS vendor community and on the companion, research developed for this report.

56 Microsoft. "Inside Microsoft: Being Customer Zero in an AI-Powered World." Microsoft Inside Track Blog, 14 Aug. 2025.

57 Salesforce. "Why AI Pilots Fail." Salesforce News, 13 Nov. 2025. Written by Srini Tallapragada, President and Chief Engineering and Customer Success Officer, Salesforce.

58 InnoLead. "Using AI to Support Innovation (and Iteration) at ServiceNow." InnoLead, 28 Jan. 2026.

59 Microsoft. "Powering Agentic AI Adoption at Microsoft: Our 'Customer Zero' Story." Microsoft Inside Track Blog, 13 Nov. 2025.

60 Nadella, Satya. Statement made at Meta LlamaCon, 29 Apr. 2025. Reported by: Roof, Katie. "Satya Nadella Says as Much as 30% of Microsoft Code Is Written by AI." CNBC, 29 Apr. 2025.

61 Microsoft. "Customer Zero: The Competitive Edge for Partners." Microsoft Americas Partner Blog, 16 Dec. 2025.

Function-by-Function Internal Transformation Map

	Current Adoption	Primary Use Cases	Time to First ROI	Implementation Difficulty
Engineering and Product	**Highest** — Google: 75% of new code AI-generated (2026); Anthropic: 70–90% company-wide; Microsoft: 20–30% and rising; SentinelOne: 900 mundane tasks eliminated per 10 high-value ones	Code generation and review · Documentation and testing · Software factory model · Agent-to-agent review pipelines · Vulnerability discovery	**Fastest** — Gains measurable within days via output volume and cycle time	●●○○○ Low–Moderate
Customer Support	**High** — ServiceNow: 90%+ IT requests handled autonomously; Salesforce Agentforce: 83% resolution, 1% escalation; NinjaOne: significant ticket and time-per-ticket reductions	Tier-1 deflection and autonomous resolution · Knowledge synthesis · Onboarding/offboarding automation · Escalation routing · 24/7 coverage	**Fast** — ServiceNow and Salesforce each report ~$100M savings; ROI visible within one quarter	●●●○○ Moderate
Sales and Go-to-Market	**Moderate–High** — Outreach: prep time cut from 20 min to 2 min; Salesforce Agentforce: $1.7M pipeline from 43K dormant leads; 53% of teams still experimenting (GTM Strategist 2026)	Automated meeting prep · Custom pitch decks · Autonomous BDR sequences · Call-recording follow-ups · Collateral production at scale	**Fast** — Time savings in weeks; pipeline impact within one quarter (dependent on CRM data quality)	●●●○○ Moderate
Finance and Operations	**Emerging** — Acronis: PO/invoice processing automated in one week with near-zero maintenance; most orgs lack traceable financial return on AI spend	Invoice/PO processing · Reporting and reconciliation · Expense management · Headcount planning via agent capacity · ARR and pipeline modeling	**Fast when scoped** — Acronis deployed in one week with immediate savings; EBITDA model tracks return directly	●●○○○ Low–Moderate

Sources: Microsoft (Nadella/CNBC Apr 2025), Google (Pichai/OfficeChai Apr 2026), Anthropic (Cherny/Fortune Jan 2026), SentinelOne (Stone, personal interview 2026), ServiceNow (InnoLead Jan 2026), Salesforce (CIO Oct 2025 / Salesforce News Feb 2025), NinjaOne (Bretton, personal interview 2026), Outreach (Sales 2025 Data Analysis), GTM Strategist (2026 State of AI for GTM), Acronis (Magdanurov, personal interview 2026). Implementation difficulty ratings are based on practitioner observation across vendor interviews and published deployment accounts. ● = lowest difficulty; ●●●●● = highest.

THE ESTABLISHED CASES: WHAT THE MAJOR PLATFORMS HAVE BUILT AND LEARNED

The three most comprehensively documented customer zero programs in enterprise technology belong to Microsoft, Salesforce and ServiceNow. Each is worth examining as a map of the terrain; illustrating the entry points, the obstacles and the compounding returns that make internal-first transformation the prerequisite for external credibility.

Microsoft's customer zero story begins with the internal rollout of Microsoft 365 Copilot.

Microsoft's customer zero story begins with the internal rollout of Microsoft 365 Copilot across its own workforce and has since evolved into a full-scale agentic AI deployment program. The company's Inside Track organization, its internal IT function, is responsible for co-developing, deploying, governing and driving adoption of new AI services before they reach external customers, and for sharing the resulting IT blueprint so that partners and clients can learn from Microsoft's direct experience.[59] The program has produced results that have become reference points across the industry. CEO Satya Nadella publicly disclosed in April 2025 that 20 to 30% of the code across Microsoft's repositories is now generated by AI, a figure he described as "going up monotonically," making Microsoft one of the first major software organizations to translate internal AI adoption into a quantified engineering output metric.[60] In its sales organization, acting as customer zero for Copilot drove a 9.4% increase in revenue per seller and 20% more won deals among high Copilot users.[61] The program has since expanded to include agent-building capability for individual employees, with Microsoft Digital establishing governance frameworks to enable agents at every level of the organization while maintaining enterprise security standards.

What Microsoft's published account emphasizes most consistently is the process through which security was generated: real deployments, not controlled pilots; feedback gathered systematically and used to reshape both product and adoption approach; small wins documented and scaled before ambitions were expanded; and responsible AI governance built into the implementation architecture from day one rather than appended after the fact.[62] These have become the six principles Microsoft now applies to every partner-facing customer zero engagement, and they map directly onto the change management realities examined in Section 2 of this report.

Salesforce's customer zero program is the most extensively documented in the industry, in part because the company has made transparency about its own results a deliberate part of its Agentforce go-to-market strategy. CEO Marc Benioff framed the commitment explicitly when announcing Agentforce 2.0: "We have to be Customer Zero. If we can't show that we're going to do it, it's not really going to happen."[63] The deployment began with the company's customer support function on help.salesforce.com, a portal that receives over 60 million annual visits and handles approximately two million support requests per year. Within the first year, Agentforce was handling 32,000 customer conversations per week, achieving an 83% resolution rate, and reducing costly human escalations to just 1% of interactions.[64]

The expansion from support to the full business has since produced results across multiple functions. The sales development rep agent has worked on more than 43,000 leads and generated $1.7 million in new pipeline from dormant prospects. The service agent has handled more than 1.4 million conversations with a 4.6 CSAT rating. In engineering, AI agents achieved a 30% cycle time improvement, detected 91% of incidents within eight minutes and auto remediated 87% of them in under twenty minutes. Across the Agentforce deployment as a whole, Salesforce has reported over $100 million in annualized cost savings.[65] [66] These are the reported production metrics from a live enterprise deployment, which is precisely what makes them so valuable as a sales asset for Salesforce, and so instructive as a case study for vendors still in earlier stages of their own internal transformation.

The failure modes Salesforce encountered are as instructive as its results. The company's Chief Digital Officer documented two that are broadly applicable: first, the fragmentation problem; building multiple purpose-specific agents without a coordination layer, which forced employees to track which agent could perform which task across a fragmented experience. The solution was an orchestrator agent; a single point of contact for employees that could route requests to the appropriate specialized agent, restoring coherence to a system that had proliferated beyond what users could navigate.[67] Second, the governance problem; the discovery that pilots operating in controlled environments could not survive the transition to production scale because they had not been built with role-based permissions, audit trails or compliance frameworks. Legal shutdowns at scale are the result, not the exception, when governance is treated as a post-deployment concern rather than an architectural prerequisite.[68]

ServiceNow's program, conducted under its "Now on Now" banner, has produced results that are perhaps the most operationally concrete of the three. The company has automated 97% of internal software provisioning requests and reduced service desk volume by 40%. Its L1 Service Desk AI Specialist resolves cases 99% faster than human employees and now handles more than 90% of all internal IT requests.[69] [70] ServiceNow is reporting $350 million in annualized value from AI agents, and $100 million in headcount-related savings in 2025 alone; with CFO Gina Mastantuono noting that productivity gains are being redirected toward AI training and upskilling rather than simply taken as margin.[71] The "Now on Now" program functions as both a product development laboratory and a proof-of-concept factory for client conversations, with the internal deployment record serving as the primary evidence base for every enterprise pitch the company makes.

WHERE THE FRONTIER IS NOW: THE FUNCTION-BY-FUNCTION MAP

The three cases above represent the leading edge of the established tier: mature operators with resources, R&D infrastructure and years of accumulated deployment experience. For the majority of vendors, the relevant question is not how to match Microsoft or Salesforce's scale but how to reach the functional transformation milestones that most SaaS organizations have not yet completed. The following map is drawn from direct peer observation across the SaaS vendor ecosystem and represents the functions where AI adoption is most advanced, most consequential and most imitable at the organizational scales relevant to mid-market and growth-stage vendors.

Product and engineering is the most AI-forward function across virtually every SaaS company in the ecosystem, and the public disclosures from the largest platform vendors document this pace of change. At Microsoft, 20-30% of code is now AI-generated; a figure Satya Nadella described in April 2025 as "going up monotonically."[72] At Google, Sundar Pichai disclosed that 75% of all new code is now AI-generated and approved by engineers, up from 30% just one year earlier.[73] At Anthropic, the company-wide figure is between 70 and 90%.[74] The trajectory matters as much as any snapshot: what was a minority share of code output in early 2025 is becoming the primary one across the ecosystem within a single year. The more important and less discussed implication is what AI-assisted development requires organizationally: the ability to separate plan-stage reasoning from build-stage code generation, to select models dynamically based on task complexity and cost and to redesign the workflow of product management alongside the workflow of engineering. AI-generated PRDs drawn from ticketing systems and sales conversation transcripts are already in use at forward-leaning SaaS organizations, collapsing the cycle time between what customers ask for and what gets into the product roadmap. The vendors who have restructured their development workflows around these capabilities are building at a qualitatively different pace than organizations still treating AI as a coding assistant for individual engineers.

Customer support is the second most mature function and the one for which the most verifiable production data exists, largely because Salesforce and ServiceNow have published detailed outcome metrics from their own deployments. The pattern across the documented cases is consistent: knowledge base construction from institutional knowledge, ticket deflection and routing, automatic surfacing of prior resolution patterns and the progressive handoff of tier-one interactions to agents. The result in each case is not elimination of human support staff but redistribution; freeing human agents from the high-volume, lower-complexity work that agents handle reliably and concentrating human expertise on the complex, relationship-intensive interactions where it creates the most value.

Sales and go-to-market functions represent the area of most active current AI experimentation across the vendor ecosystem, and at the organizations running these workflows in production, the results are documented. Outreach's 2025 sales data found that AI-assisted outreach preparation dropped from 20 minutes to 2 minutes per rep — a 10x efficiency gain — and 100% of AI-powered SDR users reported time savings, with nearly 40% saving four to seven hours per week.[75] Among the 30 GTM leaders surveyed by GTM Strategist for its 2026 State of AI for GTM report; selected specifically because they had workflows deployed and running, not in pilot; teams reported generating millions in pipeline from AI-automated prospecting, research and sequencing.[76] Account insights and AI-powered meeting preparation have crossed 55% adoption among GTM teams tracking adoption, with measurable sales cycle compression reported.[77] Salesforce's own customer zero data puts the most specific numbers on the output: the

Agentforce sales development agent worked 43,000 leads and generated $1.7 m in new pipeline from dormant prospects.

Agentforce sales development agent worked 43,000 leads and generated $1.7 million in new pipeline from dormant prospects.[78] The distinction between GTM teams that have built these workflows and those that haven't is visible in sales productivity metrics and content output volume, but the qualifier matters: the 2026 GTM Strategist research found that 53% of GTM leaders still report little to no measurable impact from AI, because they are still in the experimentation phase the production teams have already left behind.

Legal and finance functions represent the highest-ROI, lowest-risk entry point for most vendors still in the early stages of internal transformation. Contract drafting and review, accounts receivable and payable compression, Excel-based financial workflow automation and repetitive reporting cycle compression are all well-documented use cases with proven productivity returns and low governance complexity. They require minimal model sophistication, produce immediate measurable output, and do not carry the change management weight of customer-facing or product-integrated deployments. For a vendor that has not yet started its internal AI transformation, legal and finance are where the journey begins, because they are most immediately demonstrable, and demonstration is what builds the organizational confidence to expand.

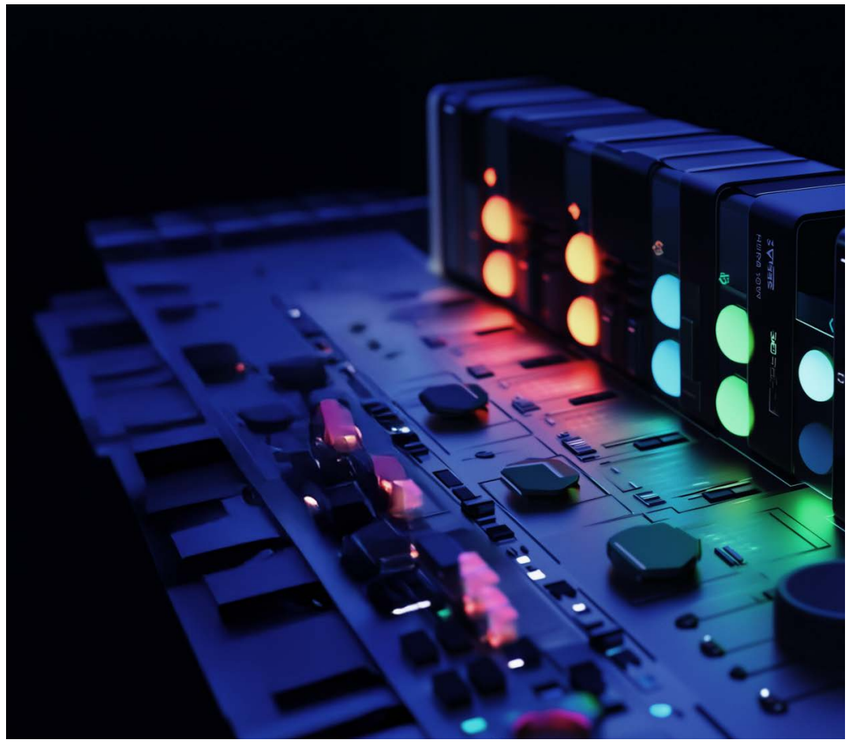
THE INTERNAL FLYWHEEL: WHY CUSTOMER ZERO IS A BUSINESS STRATEGY, NOT A HYGIENE PRACTICE

The customer zero approach is often framed as a credibility strategy: a way to build proof points for the sales conversation. That framing is accurate but incomplete. For the vendors generating the strongest outcomes from their internal AI deployments, the internal-first approach functions as a flywheel that compounds three distinct advantages simultaneously, each of which feeds the next.

The first advantage is cost-to-serve reduction. Every function that AI handles internally at scale: support ticket deflection, provisioning automation, content generation, code review, reduces the operational cost of running the vendor's own business. ServiceNow's $100 million in headcount savings and Salesforce's $100 million in annualized support cost reduction are the enterprise-scale versions of a dynamic that plays out at every size of vendor organization. The cost savings fund the next iteration of the internal program, creating a self-reinforcing investment cycle that does not require external budget approval to sustain.

The vendors that have worked through this friction internally arrive at client conversations with a map of the obstacles and a tested approach to navigating them.

The second advantage is deployment expertise. Every internal deployment produces friction that a controlled pilot does not reveal: data quality issues that block agent reasoning, integration complexity that extends timelines, governance gaps that surface at scale, workflow redesign requirements that were not visible at the pilot stage. The vendors that have worked through this friction internally arrive at client conversations with a map of the obstacles and a tested approach to navigating them. The MSPs, managed intelligence providers (MIPs) and vendors generating the strongest client outcomes from AI are those who deployed internally first, with 62% of those reporting significant operational efficiency gains using their internal deployments directly as the template for client work.[79]



The third advantage is the most durable: the proof asset. In a market where the primary barrier to SMB AI adoption is the applicability illusion, the perception that AI works for other organizations, not theirs, the most effective conversion tool is not a product demonstration but a specific account of what a real deployment produced. A vendor that can say "we built this inside our own support function, encountered this specific problem, solved it this way and achieved this measurable outcome" is not selling. It is transferring. The credibility differential between that vendor and one presenting analyst projections and third-party case studies is the difference between a conversation that builds trust and one that invites skepticism.

62 Microsoft. "Customer Zero: The Competitive Edge for Partners." Microsoft Americas Partner Blog, 16 Dec. 2025.

63 Inzerillo, Joe, as quoted in: Vanian, Jonathan. "Salesforce Airs Lessons Learned as Agentforce Customer Zero." CIO, 3 Oct. 2025.

64 Salesforce. "The World's Largest Agentic AI Deployment? Salesforce Is Running It on Itself." Salesforce News, 13 Feb. 2025.

65 Inzerillo, Joe, as quoted in: Vanian, Jonathan. "Salesforce Airs Lessons Learned as Agentforce Customer Zero." CIO, 3 Oct. 2025.

66 Tallapragada, Srini. "Why AI Pilots Fail." Salesforce News, 13 Nov. 2025.

67 Inzerillo, Joe, as quoted in: Vanian, Jonathan. "Salesforce Airs Lessons Learned as Agentforce Customer Zero." CIO, 3 Oct. 2025.

68 Salesforce. "Why AI Pilots Fail." Salesforce News, 13 Nov. 2025.

69 ServiceNow. "ServiceNow Replaces People with AI Specialists Using Autonomous Workforce." Techzine Global, 26 Feb. 2026.

70 InnoLead. "Using AI to Support Innovation (and Iteration) at ServiceNow." InnoLead, 28 Jan. 2026.

71 Computing. "ServiceNow Projects $100M Savings in AI-Driven Job Cuts." Computing, 28 July 2025.

72 Nadella, Satya. Statement made at Meta LlamaCon, 29 Apr. 2025. Reported by: Roof, Katie. "Satya Nadella Says as Much as 30% of Microsoft Code Is Written by AI." CNBC, 29 Apr. 2025.

73 Pichai, Sundar. Quoted in: "75% of Code at Google Is Now Generated by AI: CEO Sundar Pichai." OfficeChai, Apr. 2026.

74 Cherny, Boris. Quoted in: Griffith, Erin. "Top Engineers at Anthropic, OpenAI Say AI Now Writes 100% of Their Code." Fortune, 29 Jan. 2026.

75 Outreach. "Sales 2025 Data Analysis." Outreach, Dec. 2025.

76 Poyar, Kyle, and Sophie Buonassisi. "The 2026 State of AI for GTM: What's Actually Working." GTM Strategist, Jan. 2026.

77 The Digital Bloom. "2025 B2B GTM: Channel Benchmarks & Winning Motions." The Digital Bloom, Feb. 2026.

78 Vanian, Jonathan. "Salesforce Airs Lessons Learned as Agentforce Customer Zero." CIO, 3 Oct. 2025.

79 POPX. "State of the MSP Industry Survey 2025." POPX, 2025.

80 Price, Frank. Personal interview. 2026. CPO, Rewst.

THE STARTUP CONTRAST: WHY THE PLAYBOOK IS NOT THE SAME FOR EVERYONE

The customer zero journey described in this section is, in its essence, a legacy problem. The challenge of internal transformation: overcoming siloed adoption, resolving the fault line between product innovation and process optimization, managing the governance complexity of deploying agents into systems built for a different era; exists only in organizations that were not built AI-first. For the growing cohort of AI-native startups entering the technology vendor market, none of this friction exists.

AI-native startups — the founding class of the post-GPT era — are building their engineering workflows, their support infrastructure, their sales processes and their financial operations on AI from day one. They do not have legacy workflows to redesign or institutional habits to disrupt. Their customer zero journey is not a transformation program; it is simply how they operate. The compounding disadvantage for incumbent vendors is that these startups are accumulating deployment expertise and proof assets at the pace of their growth, and their growth is the fastest in the market segment they are targeting.

However, Frank Price, CPO of Rewst, a cloud-native, Robotic Process Automation (RPA) platform built for MSPs to automate repetitive workflows across their technology stack, offers a necessary qualification: "The real mistake is going to be building a product in weeks, throwing it together with no team behind it, because you still need humans in the loop. Thinking that you have a scalable business that's going to support the customer the way established infrastructure does… it's just not that simple."[80] **Speed of build is an advantage only when the operational foundation keeps pace with it.**

This matters for vendor segmentation in a specific way: the playbook for an AI-native startup entering the SMB market is fundamentally different from the playbook for a legacy SaaS vendor attempting to adapt its existing product and organization for the agentic era. The startup's challenge is distribution and trust-building; it does not have the channel relationships, the customer base or the brand recognition that incumbents carry. The incumbent's challenge is transformation and speed; it has the distribution and the customer base but must execute an organizational change program while the startup is simply building. Both challenges are real. Neither organization should be using the other's playbook.

"The real mistake is going to be building a product in weeks, throwing it together with no team behind it, because you still need humans in the loop. Thinking that you have a scalable business that's going to support the customer the way established infrastructure does…it's just not that simple."

Frank Price
CPO, Rewst

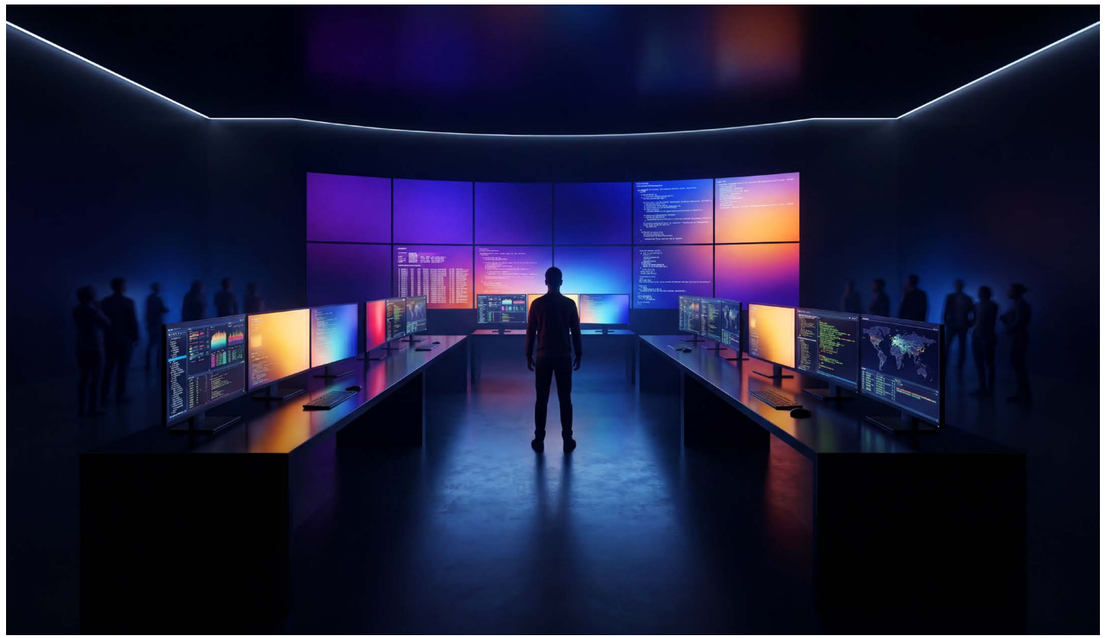
WHAT SUCCESSFUL CUSTOMER ZERO PROGRAMS NOW SHARE
Across the documented cases and the practitioner observations gathered for this report, the vendor organizations that have successfully executed the customer zero journey and translated it into external credibility share a consistent set of operating characteristics. None of these is surprising in isolation. What is notable is how consistently they appear together, and how consistently their absence correlates with the stalled deployments and credibility gaps documented in Section 2.

The first characteristic is **data unification as a prerequisite, not a parallel workstream.** The Salesforce account is explicit on this point: rollouts are most successful when all of an organization's data and metadata are unified, secured and accessible to the large language models that agents use to reason and plan.[81] Vendors that attempt to deploy agents on fragmented, inconsistently structured or insufficiently governed data inherit those limitations at machine speed. The data problem does not go away when the agent goes live. It becomes more visible, more consequential and more expensive to fix post-deployment than pre-deployment.

The second characteristic is **governance architecture built before scale, not after.** The lesson from Salesforce's governance discovery: that pilots operating in controlled environments cannot survive production scale without role-based permissions, audit trails and compliance frameworks, is not unique to Salesforce. It is the single most common reason that agentic AI deployments that work in demonstration fail in production.[82] The vendors that have solved this have done so by treating governance not as a design specification: defining what each agent can do, what data it can access, what actions require human approval and what the audit trail looks like before the first production deployment, not after.

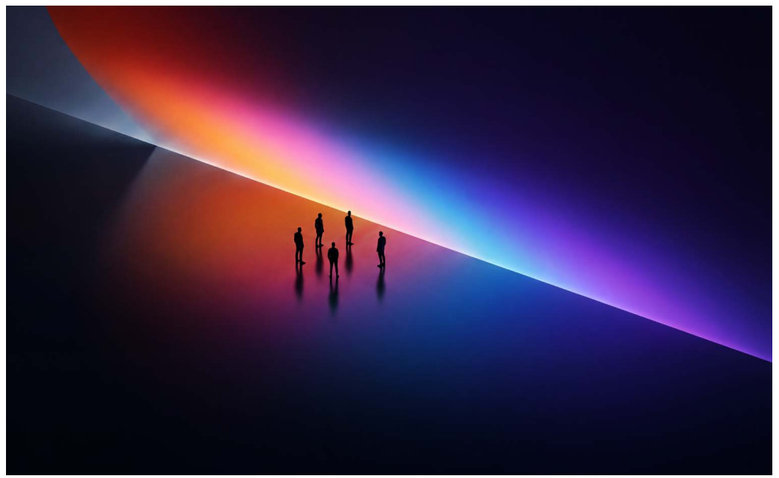
The third is the principle Microsoft has codified most explicitly: **show the full journey, not just the outcome.**[83] The vendors building the most durable client relationships from their customer zero experience are those that share early experiments, failure modes and refinements alongside the final results. Clients trust transparency over perfection, in Microsoft's framing, because they understand that the failure modes are where the real learning happened, and the real learning is what they need to avoid the same failures in their own deployments. A vendor that presents only the successful outcomes is selling a capability. A vendor that presents the full journey is offering a guide.

The vendor organizations that have successfully executed the customer zero journey and translated it into external credibility share a consistent set of operating characteristics.



"We've had a lot of AI agents that were running in our platform that we didn't call out as agentic. That's something we're working on now, so that it's not just what's behind the hood, it's actually making that visible to our partners and our customers."

David Meister
VP of MSP, Check Point



David Meister, VP of MSP at Check Point, describes the process from the inside: "We've had a lot of AI agents that were running in our platform that we didn't call out as agentic. That's something we're working on now, so that it's not just what's behind the hood, it's actually making that visible to our partners and our customers."[84]

The vendors who have completed the customer zero journey and translated it into external credibility share these three principles: they built on clean data before they deployed anything, they designed governance in rather than appending it after the fact and they showed the work, not just the results. That last principle is the hardest and the most consequential. It requires a willingness to say, as Meister does, that the capability was always there, just perhaps not visible yet. In a market where trust is the scarcest resource, that willingness is the product.

81 Salesforce. "Why AI Pilots Fail." Salesforce News, 13 Nov. 2025.

82 Tallapragada, Srini. "Why AI Pilots Fail." Salesforce News, 13 Nov. 2025.

83 Microsoft Digital. "Inside Microsoft: Being Customer Zero in an AI-Powered World." Microsoft Inside Track Blog, Mar. 2026.

84 Meister, David. Personal interview. 2026. VP of MSP, Check Point.

Chapter 04.

Customer One: Building for the SMB Market at the Agentic Inflection Point

The internal transformation documented in Chapter 3 is the prerequisite. This chapter is the purpose. Customer one, the SMB market, is where the work of internal transformation either converts into market position or doesn't. It is a large, fast-moving, and genuinely underserved opportunity. It is also a market that will reject, with remarkable efficiency, solutions that were not designed for it.

Building for the SMB market in the agentic era requires four distinct decisions that most vendor product and go-to-market teams have not yet made explicitly: knowing what kind of product you are and what that means architecturally; building the data accessibility layer that makes agents useful rather than noisy; embedding AI where work actually happens rather than where it is visible; and treating agentic capabilities as standalone products with full commercial motion rather than as features that speak for themselves. A fifth dimension runs beneath all of them: the specific psychology, economics and security reality of the SMB buyer, which differs from enterprise in ways that no amount of segmentation thinking fully prepares a vendor for until it is encountered directly.

This section addresses each in turn. It draws on practitioner insights from interviews conducted for this report, on the behavioral data from the companion SMB report and on the most current available research on SMB buyer behavior, agentic architecture standards and cybersecurity exposure. It is structured not as a market analysis but as a product and go-to-market brief, aimed at the decisions that need to be made, not the trends that need to be observed.

> Customer one, the SMB market, is where the work of internal transformation either converts into market position or doesn't.

85 Bonfire Venture Capital. "The Rise of Agentic AI for Software Building: How Systems of Action Are Replacing Systems of Record." Bonfire VC, 18 July 2025.

86 Bonfire Venture Capital. "The Rise of Agentic AI for Software Building: How Systems of Action Are Replacing Systems of Record." Bonfire VC, 18 July 2025.

KNOW WHAT KIND OF COMPANY YOU ARE: SYSTEM OF RECORD VS. SYSTEM OF ACTION

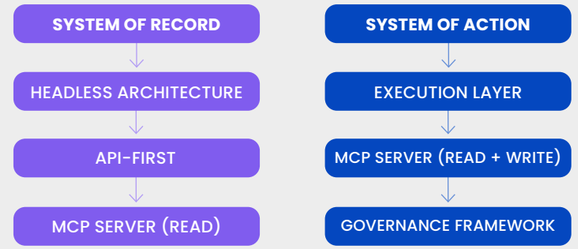
The most consequential product strategy decision a SaaS vendor can make right now is one that most vendor teams have not yet explicitly made: determining whether their product is a system of record or a system of action, and understanding what that distinction requires architecturally in a world where AI agents, not humans, are increasingly the primary interface through which software is accessed.[85]

A system of record is where business data lives. CRM platforms, productivity suites, ERP and HCM systems, data warehouses, PSA tools — these are the repositories of organizational knowledge: customer history, transaction records, employee data, financial state. A system of action is where decisions get executed. Security products, RMM tools, marketing automation platforms, workflow automation and ticketing systems — these are the surfaces through which consequential work gets done. Many products combine both characteristics. The point is not to sort neatly into one category but to be honest about which role is primary, because the architectural requirements that follow from each are meaningfully different.

For systems of record, the foundational challenge is accessibility: the value the product holds is organizational data, and the agentic AI opportunity lies in making that data reachable; by agents operating on behalf of users, by third-party applications, by orchestration layers that are assembling context from multiple sources simultaneously. The user interface, in this model, is becoming progressively less important. The API layer, and the quality of what it exposes, is becoming the primary product surface. For systems of action, the foundational challenge is executability: agents need not only to read from these systems but to write to them; to take action, update state, trigger workflows, close loops; and the standard for doing so securely and at scale has recently crystallized.

What has changed in the past eighteen months is that the architectural path for each category has become much clearer. The emergence of Model Context Protocol (MCP) as a universal standard for agent-to-system integration means that vendors who architect for it now are building to the emerging default, while vendors who defer are accumulating the kind of technical debt that will require expensive rebuilding later.[86]

System of Record vs. System of Action



THE HEADLESS IMPERATIVE: API-FIRST AND MCP ARE NO LONGER OPTIONAL

MCP was introduced by Anthropic in November 2024 as an open standard for connecting AI systems to external tools and data sources. Within eighteen months, it had become the closest thing the agentic AI ecosystem has to a universal integration standard, the USB-C analogy that now appears across every credible treatment of AI infrastructure. OpenAI adopted it in March 2025. Google DeepMind adopted it in April 2025. In December 2025, Anthropic donated MCP to the Agentic AI Foundation under the Linux Foundation, co-founded with OpenAI and Block, with support from Microsoft, Google, AWS, and Cloudflare; a move that formalized MCP's status as neutral infrastructure rather than a single vendor's proprietary standard.[87]

The adoption velocity is instructive for vendors evaluating the urgency of the decision. MCP began with approximately 2 million monthly software development kit (SDK) downloads at launch. By the time OpenAI adopted it in March 2025, downloads had reached 22 million. By late 2025, total monthly downloads exceeded 97 million. Enterprise team adoption reached 78%, and 92% of new agent frameworks released during 2025 and early 2026, including LangGraph, CrewAI and AutoGen, ship with built-in MCP support as a default tool layer.[88] [89]

How vendors architect that access layer has become one of the most contested product decisions of the year.

The architectural argument for MCP is predicated on integration economics. Boston Consulting Group characterizes MCP as "a deceptively simple idea with outsized implications," observing that without it, integration complexity rises quadratically as AI agents proliferate throughout an organization; each new agent requiring bespoke connections to each system it needs to access. With MCP, integration effort increases only linearly: build one MCP server for a product, and it works with every MCP-compatible client. For a mid-market SaaS vendor without a large platform engineering team, that difference is a resource constraint that determines what is buildable.[90]

The analyst projections reinforce the urgency. Forrester predicts that 30% of enterprise application vendors will launch their own MCP servers in 2026, noting that vendors adopting this standard will have a higher probability of early, enterprise-wide adoption of cross-platform agentic workflows. Similarly, Gartner projects that by the end of that same year, 75% of API gateway vendors and 50% of integration platform-as-a-service vendors will have MCP features.[91] **Here is the competitive implication: a vendor's product that does not expose an MCP server in 2026 becomes a blind spot in its customers' AI environments; an isolated data silo that agents cannot reach. That is a churn risk for existing customers and a buying objection for new prospects.**

For systems of record specifically, the MCP imperative sits alongside the broader headless architecture requirement. Fewer people are navigating software interfaces directly. Agents are doing it for them or will be in the near future. The UI is becoming less important. The value is the data the product holds and enabling agents to reach that data securely and at scale is the primary product priority. Vendors who have not yet invested in robust, well-documented API infrastructure are building their own conditions for obsolescence in a software environment that will increasingly be navigated by autonomous systems rather than human users.

The data unification problem sits beneath all of this as the most frequently underestimated obstacle. Only 27% of SMB marketers report satisfaction with their ability to unify customer data across systems,[92] and only 13% of marketers are currently using agentic AI; a gap that reflects not lack of intent but lack of the data foundation that makes agentic AI useful rather than noisy. Vendors who solve data accessibility before layering AI on top will consistently outperform those who do not, because agents are only as coherent as the data they can reach. And how vendors architect that access layer has become one of the most consequential and contested product decisions of the year.

The more insidious risk beneath the data quality problem is one that most vendor product teams are not yet designing against: what's known as "knowledge pollution."[93] This risk is difficult to overstate. As AI agents operate within a knowledge base — retrieving, synthesizing and in many architectures writing back to the systems they draw from — the outputs of those agents become inputs for the next generation of queries. A knowledge base that was clean at deployment degrades gradually as agent-generated content, which carries its own errors and gaps, enters the retrieval layer alongside the original source material. The next agent draws from both. Its outputs are slightly less reliable. Those outputs re-enter the system. The degradation compounds, invisibly, until the knowledge base has drifted so far from ground truth that the agents operating within it are confidently generating responses that are systematically wrong. Solving data unification before deployment is necessary. Governing the knowledge base against agent-generated degradation throughout the deployment lifecycle is what makes the solution durable. Vendors who build audit trails, content provenance tracking and periodic ground-truth reconciliation into their agentic architecture are the ones protecting the value of every deployment they make.

The strategic stakes of this architectural decision became acutely visible in April and May 2026, as three of the largest enterprise software vendors adopted fundamentally different postures toward agent access.

The divergence has prompted a debate that will shape buyer expectations for years. ServiceNow launched Action Fabric, an integration layer that meters and charges customers for every action an external AI agent executes within its platform; what JPMorgan analyst Mark Murphy characterized as "effectively a tax on customers using outside AI agents to interact with data they already store in ServiceNow's apps."[94] Workday's CEO has described a similar model as offering "a lot of upside" financially and Datadog has implemented hard rate limits on MCP server requests; capping third-party agent interactions at 5,000 daily or 50,000 monthly requests.[95] At the opposite extreme, SAP updated its API policy in April 2026 to prohibit the use of its APIs for any "interaction or integration with semi-autonomous or generative AI systems that plan, select or execute sequences of API calls" outside of SAP-endorsed architectures, triggering immediate pushback from DSAG, its own partner ecosystem, and vendors including Microsoft and Salesforce who had built connectors into SAP data.[96] SAP's CEO verbally walked the policy back on the Q1 investor call, but the policy text remains unchanged.[97]

For vendors building or managing systems of record, this debate defines the trust relationship with buyers. AWS CEO Matt Garman has warned publicly that incumbent software firms that "try to protect what they have" could get into trouble.[98] The vendors who win the SMB market in the agentic era will be the ones whose data access posture — whether open, metered or closed — was designed with the buyer's interests and the buyer's cost structure in mind, not retrofitted to protect a revenue model built for a different era. For the SMB segment specifically, where cost predictability is a financial constraint rather than a preference, undisclosed metering or access restrictions land with SMB buyers as a trust-ending event, full stop.

87 Imagine Works. "Model Context Protocol (MCP): A Guide for Enterprise Leaders." Imagine Works, Apr. 2026.

88 Digital Applied. "MCP Adoption Statistics 2026: Model Context Protocol." Digital Applied, Apr. 2026.

89 Gupta, Deepak. "The Complete Guide to Model Context Protocol (MCP): Enterprise Adoption, Market Trends, and Implementation Strategies." Dec. 2025.

90 Boston Consulting Group. "Put AI Agents to Work Faster Using MCP." BCG Technology Industry Report, Aug. 2025.

91 Truto. "What is MCP (Model Context Protocol)? The 2026 Guide for SaaS PMs." Truto Blog, Apr. 2026.

92 Salesforce. "3 Key Takeaways for SMBs from the State of Marketing Report." Salesforce, 2025.

93 Nerlich, Brigitte. "From Contamination to Collapse: On the Trail of a New AI Metaphor." Making Science Public, University of Nottingham, 19 Apr. 2024.

94 "ServiceNow, SAP and Workday Make AI Agents Pay to Play." PYMNTS.com, 7 May 2026.

95 ServiceNow. "ServiceNow Opens Its Full System of Action to Every AI Agent in the Enterprise." ServiceNow Newsroom, May 2026.

96 Muncaster, Phil. "AI Clause in New SAP API Policy Provokes Lock-in Concern." The Register, 29 Apr. 2026.

97 Fivetran. "SAP's Latest API Policy Raises the Stakes for Your AI Strategy." Fivetran Blog, Apr. 2026.

98 Garman, Matt. Quoted in: "ServiceNow, SAP and Workday Make AI Agents Pay to Play." PYMNTS.com, 7 May 2026.

EMBED AI WHERE THE WORK HAPPENS

The most common product mistake in the current wave of AI feature development is also the most visible one: embedding AI capability in a generic interface: a chat window, a text field, a floating assistant panel; without connecting it to the specific workflow where users spend their time, the data that would make it contextually intelligent or the outcomes the user are actually trying to achieve. Microsoft CEO Satya Nadella has been direct about why this fails. Speaking at Davos in January 2026, he argued that AI value only materializes when the workflow itself is redesigned around the technology, not when technology is layered on top of an unchanged process: "The mindset we as leaders should have is, we need to think about changing the work — the workflow — with the technology. If you don't translate that with a new production function, then you really will be stuck."[99] The consequence of ignoring this is measurable: at the time of Nadella's remarks, PwC's Global CEO Survey found that 56% of companies reported getting nothing out of AI, and 95% of generative AI pilots were failing. Salesforce's President of Engineering, Srini Tallapragada, describes the architectural principle at stake in terms that every product team building AI features should internalize: "If your sales team lives in Salesforce, your agents need to work there. If your engineering team lives in Slack, that's where agents belong. That context can't be assembled at prompt time — it must be native in the place where work is happening."[100] The feature fails because it was built for where AI is visible rather than where work actually gets done. The feature does not fail because AI is incapable, but instead because the product team embedded AI where it was visible rather than where it was useful.

Peter Bretton, VP of Product Strategy at NinjaOne, makes the architectural case plainly: "It is our job as a vendor to help enable our customers and partners to use AI effectively, and in many cases, that is probably embedding it into our products rather than just giving you a generic interface to do what you want. It's our job to make it accessible and usable and put the right guardrails in place."[101]

The use cases that succeed are the ones in which AI is being directly integrated into the workflow where the product's value is already realized. For example: a network monitoring tool that surfaces natural language query capability within the log analysis workflow, where users are already spending time and where the AI has access to the specific data that makes its responses useful. A contract management platform that embeds AI within the obligation extraction view rather than as a generic chat interface. A CRM that surfaces AI-generated meeting preparation in the account record rather than as a standalone AI tab.

For the SMB market specifically, this principle connects to a behavioral reality that vendor teams need to internalize. The functions where SMBs are already most digitally active, and therefore most receptive to AI augmentation, are the transactional core: payment collection, billing and invoicing and client information management.[102] These AI use cases are the foundational operational functions where data is cleanest, processes are most defined and outcomes are most measurable. Vendors who embed AI in these functions are building into the workflow where SMBs spend their working hours. In contrast, those vendors who build AI for the aspirational use cases: marketing personalization, strategic forecasting, predictive analytics, are building for the data maturity most SMBs have not yet reached.

The same operations-first pattern holds for SMBs with managed service relationships. Pax8's 2026 SMB Discovery research found that tethered SMBs predominantly rely on their MSPs for help desk support, identity management (onboarding and offboarding), network monitoring, and disaster recovery; routine, repetitive, high-volume functions with clearly defined inputs and outputs.[103] These are precisely the functions most amenable to agentic automation. Vendors whose products can embed AI capability into these specific workflows — rather than offering generalized AI assistants — are building into the actual service layer that SMBs are already paying for and already relying on.

Ease of use consistently ranks as the primary factor in SMB technology purchasing decisions, outranking both price and feature depth.[104] Among SMBs hesitant about AI automation, the dominant concern is not cost or security but unfamiliarity; they want to experience AI before permitting it to take autonomous action. The activation energy problem is real, and it is solved by meeting users inside the workflows they already navigate, not by asking them to adopt new ones.

The corollary to workflow-embedded AI is the design of prompt suggestions and prompt starters; the entry points through which users first engage with AI capability within a given context. Embedding a natural language interface without curating the prompts that launch it is the equivalent of handing someone a blank page and calling it a productivity tool. Vendors must invest in identifying the most common, highest-value outcomes their customers are trying to achieve within their specific product; and surface those as use-case-specific prompt starters directly within the relevant workflow. Not generic suggestions like "summarize this" or "draft a reply," but specific entry points tied to the jobs users are doing inside that product. A ticket management system should surface prompts around resolution pattern matching and escalation routing. A financial operations tool should surface prompts around reconciliation exceptions and collections prioritization. Done well, prompt starters lower the activation energy for non-technical users, reduce time-to-first-value, and significantly improve sustained adoption, all of which matter more in the SMB market, where there is no IT team coaching users through new tools, than in any other segment.

> "It is our job as a vendor to help enable our customers and partners to use AI effectively, and in many cases, that is probably embedding it into our products rather than just giving you a generic interface to do what you want. It's our job to make it accessible and usable and put the right guardrails in place."
>
> **Peter Bretton**
> VP of Product Strategy, NinjaOne

99 Nadella, Satya, as quoted in: Haas, Benjamin. "Satya Nadella's Biggest AI Bubble Warning Yet Is a Challenge to the Fortune 500." Fortune, 20 Jan. 2026.

100 Tallapragada, Srini. "Why AI Pilots Fail." Salesforce News, 13 Nov. 2025.

101 Bretton, Peter. Personal interview. 2026. VP of Product Strategy, NinjaOne.

102 The Agentic Workforce Economy: How Digital Labor Is Reshaping SMB Growth and Redefining the Role of IT Providers. Pax8, 2026.

103 Galvan, Moriah. "SMB Discovery." Pax8 UX Research, May 2026. Proprietary research. Data on file.

104 The Agentic Workforce Economy: How Digital Labor Is Reshaping SMB Growth and Redefining the Role of IT Providers. Pax8, 2026.

"AI isn't going to be who deploys agents or even who sets up an MCP protocol for external calls. It's going to be who can do all that sitting on a foundation of real logic and operational excellence at scale."

Frank Price
CPO, Rewst

PRODUCTIZE, DON'T FEATURIZE

A consistent pattern across the SaaS vendor ecosystem has a number attached to it: only 16% of providers had monetized AI as a standalone product by late 2025, yet those that did saw two to three times higher user traction than those who didn't; a gap that quantifies the cost of shipping genuine AI value without treating it as a product.[105] The AI capability exists. It saves meaningful time for the users who find it. But there is no dedicated marketing collateral, no demonstration video, no defined sales motion, no channel enablement for the capability. It exists in a feature footnote in the release notes, or as a tooltip in the product, or as a slide buried mid-deck in the product overview. It is not a product. It is a feature. And features do not sell.

The distinction matters because of what happens downstream. A vendor that has genuinely solved a problem: reduced the time to close a support ticket, automated a financial reconciliation workflow, generated a first draft of a contract that previously required a paralegal; and then fails to market that solution as a product is leaving two things on the table simultaneously: revenue and proof. The proof asset is in some ways the more damaging loss, because in the SMB market, proof travels faster than pitch decks, and the vendor that can demonstrate a specific, quantified outcome from a real deployment is the vendor that closes the deal.

The "agent washing" dynamic that Gartner has documented across the broader vendor landscape; the rebranding of existing chatbots, RPA tools and basic automation as agentic AI without genuine capability backing the claim;[106] makes the productize-don't-featurize discipline more important, not less. Frank Price, CPO of Rewst, names the competitive reality directly: "One of the differentiators that's going to come about in AI isn't going to be who deploys agents or even who sets up an MCP protocol for external calls. It's going to be who can do all that sitting on a foundation of real logic and operational excellence at scale. Because if they don't have the underlying strategy and those kind of operational scale elements, they're just going to make messy go faster."[107] Buyers have seen enough messy to know it when they see it, and operational foundation has become what the GTM conversation is ultimately about.

In a market where buyers are increasingly skeptical of AI claims and increasingly demanding proof before investment,[108] the vendor that leads with a clearly defined product, a specific use case, a measurable outcome and a demonstration that shows the capability working, will consistently outperform the one that does not. The product motion required is not complex: dedicated marketing collateral, a short demonstration video showing the specific use case, clear outcome-linked positioning and a defined channel and sales enablement motion that equips partners and sellers to have the product conversation rather than the feature conversation.

That product motion extends to pricing. How a vendor structures access to its agentic capability is as visible a positioning decision as the capability itself, and buyers are watching. The debate playing out in real time between ServiceNow's metered Action Fabric, Datadog's rate-limited MCP server and SAP's access-restriction policy demonstrates that how a vendor prices agent access is as visible and as consequential as the capability itself.

Pax8's 2026 SMB Discovery research makes the vendor behavior stakes concrete. Among the 18 SMB participants interviewed, the vendors described as valuable were those that brought ideas and resources proactively, communicated reliably, and designed their products and pricing for SMB scale. The vendors described as problematic were those that responded slowly, limited support availability, and — in several cases — communicated explicitly that the SMB's revenue or size was below the threshold required for full access.[109] The gap between a vendor that treats the SMB as a real customer and one that treats it as a scaled-down enterprise account is not experienced by the SMB as a service quality difference, but as ignorance. And SMBs, who are making discretionary decisions about where to spend constrained budgets, respond to ignorance by leaving.

THE SMB DESIGN MANDATE: BUILDING FOR A MARKET THAT IS DIFFERENT, NOT SMALLER

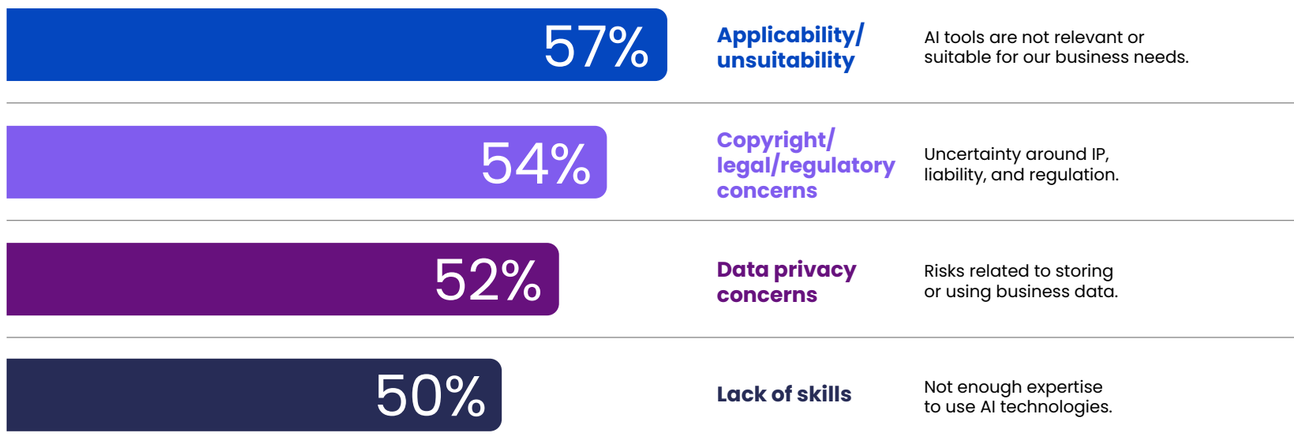
The most persistent strategic error in vendor thinking about the SMB market is treating it as a scaled-down version of enterprise. It is not. The SMB market has different psychology, different economics, different security exposure and a different relationship to technology adoption than the enterprise segment from which most vendor product and go-to-market teams have built their intuitions. Each of these differences has direct implications for product design.

David Schwartz, CEO of Pia, draws the distinction from direct observation of the MSP community: "I don't think you can treat [the SMB market] the same as the enterprise segment. They're drastically different because of the skills they keep in-house and the capacity and time to do any of these initiatives. The five- or ten- or fifteen-person shop where the admin answering the phone is also one of the co-owners. They're not going to have time to drive an initiative."[110]

The psychological difference is the one most commonly missed. Enterprise buyers have been hearing about AI's transformative potential for years, and their primary response is a form of sophisticated fatigue; skepticism hardened by repeated experience of pilots that did not scale. More than half of senior enterprise leaders reported that companywide AI enthusiasm was declining, worn down by years of investment that outpaced results.[111] The MIT NANDA initiative's study of 300 enterprise AI deployments found that 95% of pilot programs stall without delivering measurable P&L impact,[112] and McKinsey confirms that only 39% of organizations report any enterprise-level financial return from AI at all, despite 88% claiming to use it.[113] These results are the lived enterprise knowledge of AI's track record. SMB buyers are in a different place entirely. Their primary response is trepidation; a pre-experiential apprehension rather than post-experiential disillusionment. Thryv's longitudinal data provides the clearest evidence of the distinction: SMB concern about AI fell 40% year-over-year as hands-on experience replaced abstract fear; businesses that started using AI, even cautiously, consistently reported lower anxiety than those that hadn't tried it yet.[114] **Enterprise skepticism is built from experience. SMB trepidation dissolves on contact with it. The vendor pitch that works for one will fail with the other.**

What stops SMBs is not cost, access, or capability gaps, but what is known as the "applicability illusion:" the deeply held perception that AI works for other businesses, not for theirs. The OECD's survey of over 5,000 SMEs across seven countries found that 57% of non-adopters cite unsuitability to their work as the primary barrier to adoption; ranking above cost, regulatory concern and skills gaps.[115] Among the smallest SMBs in the U.S., those with under five employees, 82% cite this as their primary reason for non-adoption.[116] The illusion is self-reinforcing: businesses that haven't tried AI believe it doesn't apply to them, which means they don't try it, which means they never encounter the evidence that would dispel the belief.

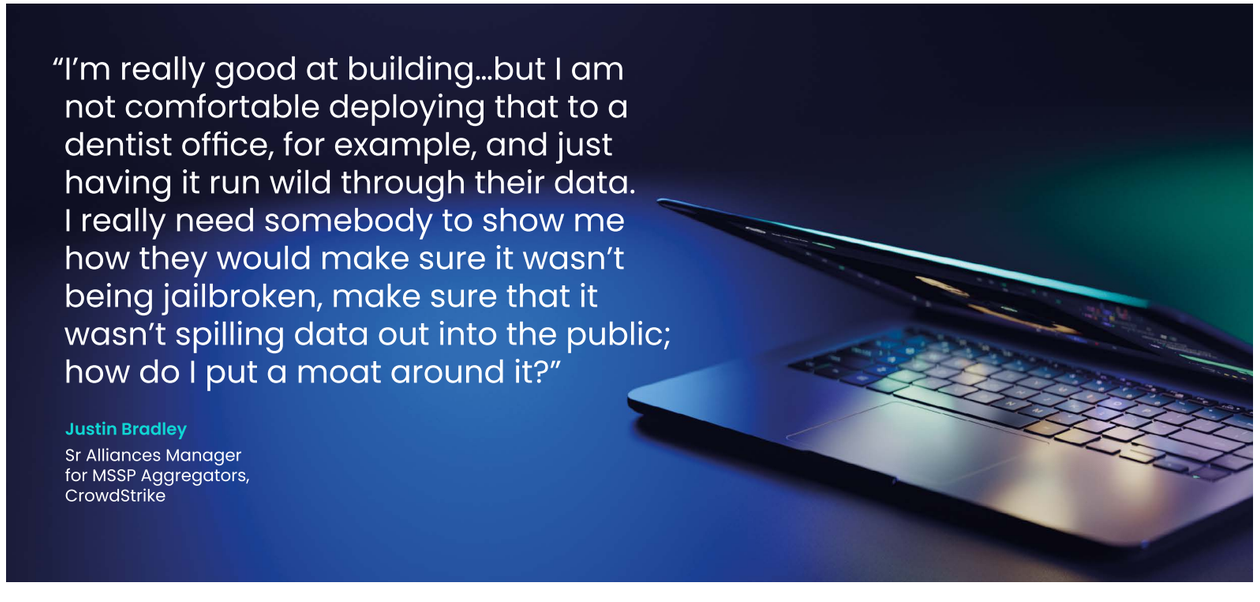
The OECD SMB Adoption Barrier Ranking



The vendor implication is precise. General AI capability arguments do not penetrate the applicability illusion. The only thing that does is peer evidence: specific, granular proof from a business that is recognizably similar to the prospect's own.[117] A restaurant operator is not moved by an enterprise professional services case study. A four-person accounting firm does not see itself in a Fortune 500 deployment. Which is why vendors who build their go-to-market motion around this insight will find a dramatically larger addressable market in the non-adopter segment than any feature or pricing improvement could unlock.

The economic difference is the one most underestimated. SMBs are not simply enterprises with smaller budgets. They are organizations operating at a different margin profile, with a different tolerance for implementation timelines, a different relationship to upfront investment and a fundamentally different ROI calculus. Reimagine Main Street's national survey of 947 small businesses found that 74% of non-adopters would move forward with AI if presented with clearer proof of ROI from a business like their own; their hesitation is not skepticism but financial caution.[118] Industry analysis of SMB technology adoption finds that payback periods under 12 months qualify as near-automatic approvals for SMB decision-makers, while periods over 36 months are rarely approved at all.[119] What this means in practice is that a solution requiring six months to demonstrate value is simply too slow a solution for an SMB. Intuit's product research captures the daily operational reality directly: small business owners need AI tools that make a meaningful impact immediately; they are making quick decisions across multiple simultaneous tasks, and tools that require heavy setup or user-initiated prompting before delivering value will not survive contact with the SMB workday.[120] Low-code deployment, embedded in platforms SMBs already use, producing measurable outcomes in weeks; these are the economic minimum specifications for a product this market will actually adopt.

Pax8's own research into SMB technology behavior confirms the structural nature of the budget constraint: untethered SMBs remain without managed services not by preference but because the cost is prohibitive, while tethered SMBs remain in unsatisfying MSP relationships primarily because switching costs, not service quality, keep them in place.[121] The financial calculus for an SMB technology decision come down to the question: "can we afford this and still absorb the cost of getting it wrong?"



105 McKinsey & Company. "Upgrading Software Business Models to Thrive in the AI Era." McKinsey Technology, Media & Telecommunications, 22 Sept. 2025.

106 Gartner. "Gartner Predicts Over 40% of Agentic AI Projects Will Be Canceled by End of 2027." Gartner Newsroom, 25 June 2025.

107 Price, Frank. Personal interview. 2026. CPO, Rewst.

108 Evans, Katie, et al. "IDC FutureScape: Worldwide Small and Medium-Sized Business 2025 Predictions." IDC, Oct. 2024.

109 Galvan, Moriah. "SMB Discovery." Pax8 UX Research, May 2026. Proprietary research. Data on file.

110 Schwartz, David. Personal interview. 2026. CEO, Pia.

111 EY. "AI Fatigue, Leader Burnout Stifle Enterprise Enthusiasm." Reported in: CIO Dive, 10 Dec. 2024.

112 MIT NANDA Initiative. "The GenAI Divide: State of AI in Business 2025." MIT, 2025. Reported in: Haas, Benjamin. "MIT Report: 95% of Generative AI Pilots at Companies Are Failing." Fortune, 18 Aug. 2025.

113 Singla, Alex, et al. "The State of AI in 2025: Agents, Innovation, and Transformation." McKinsey & Company, Nov. 2025.

114 Thryv. "AI Adoption Among Small Businesses Surges 41% in 2025." Business Wire, 17 July 2025.

115 OECD. "Generative AI and the SME Workforce." OECD Publishing, 2024.

116 US Systems. "Small Business AI Adoption Statistics 2025." US Systems, Dec. 2025.

117 The Agentic Workforce Economy: How Digital Labor Is Reshaping SMB Growth and Redefining the Role of IT Providers. Pax8, 2026.

118 Reimagine Main Street / PayPal. "Beyond Efficiency: Small Businesses Look to AI for Competitive Edge." PayPal Newsroom, 10 June 2025.

119 Compass App. "SMB Financial Planning Technology Adoption Report 2025." Compass, 2025.

120 Hamstra, Mark. "Salesforce, Intuit, and ADP Execs on AI-Powered Solutions Designed to Fuel SMB Growth in 2025 by U.S. Chamber of Commerce, 22 Dec. 2025.

121 Galvan, Moriah. "SMB Discovery." Pax8 UX Research, May 2026. Proprietary research. Data on file.

122 Verizon. "2025 Data Breach Investigations Report." Verizon Business, 2025.

123 StationX. "Small Business Cybersecurity Statistics and Trends [2026]." StationX, 2026.

124 StationX. "Small Business Cybersecurity Statistics and Trends [2026]." StationX, 2026.

125 NinjaOne. "7 SMB Cybersecurity Statistics for 2026." NinjaOne, Mar. 2026. The 78% of SMBs fearing a major incident could put them out of business figure is drawn from this source, citing ConnectWise data.

126 Stone, Steve. Personal interview. 2026. Chief Customer Officer, SentinelOne.

127 Bradley, Justin. Personal interview. 2026. Sr. Alliances Manager, MSSP Aggregators, CrowdStrike.

128 Salesforce. "New Research Reveals SMBs with AI Adoption See Stronger Revenue Growth." Salesforce News, Dec. 2024.

The security difference is the one with the most severe consequences. For an enterprise organization, a security incident is painful, expensive and reputationally damaging. For an SMB, it can be existential. The data on this is unambiguous: 88% of SMB breaches in 2025 involved ransomware, compared to just 39% at larger organizations; a more than twofold gap that reflects the systematic targeting of SMBs by threat actors who understand that small businesses hold real data and real money but typically lack the security infrastructure to defend against sophisticated attacks.[122] The average ransomware recovery cost for an SMB, excluding the ransom payment itself, reached $1.53 million in 2025.[123] Forty percent of SMBs say that an attack costing $100,000 or less could put them out of business.[124] Among SMBs surveyed by ConnectWise, 78% say they fear a major incident could end their organization entirely.[125]

Steve Stone, Chief Customer Officer at SentinelOne; an AI-native autonomous cybersecurity platform providing endpoint protection, extended detection and response, and managed threat services; offers the counterpoint that thirty years in cybersecurity has earned him the authority to make: "I genuinely think this is the first technology I've seen in my career where the benefits for defenders outweigh the benefits for attackers. The insurmountable problems we have had as defenders are just custom-built problems for agentic AI. I can't name one other technology where I thought that was true."[126]

The implication for vendors pitching agentic AI into this market is precise: any agentic deployment expands the attack surface. Every new agent, every new API connection, every new data flow is a potential vector. Vendors whose products do not treat security as a first-order design constraint; with governance built in, data permissions defined explicitly and audit trails maintained; are pitching into an existential fear without addressing it. The vendors who close that gap, making the security architecture of their agentic deployment as clear and as visible as the productivity benefit, are the ones who convert trepidation into trust.

Justin Bradley from CrowdStrike names the precise barrier an MSP or MIP must clear to earn deployment trust at the SMB level: "I'm really good at building...but I am not comfortable deploying that to a dentist office, for example, and just having it run wild through their data. I really need somebody to show me how they would make sure it wasn't being jailbroken, make sure that it wasn't spilling data out into the public; how do I put a moat around it?"[127]

The full SMB design mandate, synthesized across these dimensions: high-impact, low-friction, deployable in weeks, priced for the SMB wallet through consumption-based or outcome-based models rather than per-seat fees, embedded in the operational tools SMBs already use and built with security-first architecture visible from the first sales conversation. This is a different product, entirely, built with a different buyer in mind, and the vendors who build it from that starting point, rather than retrofitting from enterprise, will find it is not a smaller market than enterprise. It is a larger one.[128]

Chapter 05.

The Value Chain: Why Vendors Need the Channel More Than Ever

There is a version of the agentic AI opportunity that looks, to the vendor strategy team, like a direct-to-SMB play. The market is large, the data on ROI is compelling and the tools to reach small business buyers digitally are more accessible than at any point in the history of enterprise software. Why involve the channel at all?

This section examines why that is true; what the channel provides that the vendor cannot replicate, what the channel must become to fulfill that role in the agentic era and what the specific opportunity looks like for the vendors, distributors, managed service providers (MSPs) and managed intelligence providers (MIPs) who understand both sides of this value chain.

The SMB market is not simply large, but fragmented across hundreds of verticals.

The answer is structural. The SMB market is not simply large, but fragmented across hundreds of verticals, thousands of geographies and wildly different technology maturity levels, compliance environments and buying behaviors. No vendor has, or can afford to build, the last-mile deployment capability, the local trust relationships, the change management expertise and the ongoing support infrastructure that SMB agentic AI deployment requires in every context for every client. The channel exists because the economics of reaching SMBs directly, at scale, do not work for the vendor. And the agentic era has made the channel's role not less important, but more so.

The SMB market's complexity is now defined by how they will manage the resulting friction, and that challenge is beyond what most SMBs can navigate without guided external support.

THE CHANNEL-FIRST REALITY OF SMB: WHY VENDORS DON'T GO DIRECT

The economics are precise. SMB churn runs at approximately 8.2 times the rate of enterprise, a finding drawn from analysis of more than 2,000 SaaS companies, because SMB customers on month-to-month plans can leave anytime with minimal friction, while enterprise customers with multi-year contracts and deep integrations rarely do.[129] High churn compresses lifetime value, and compressed lifetime value makes the economics of a direct acquisition motion difficult to sustain at the scale required to matter.

The average customer acquisition cost (CAC) payback period across SaaS has already stretched to 39 months.[130] Against the smaller deal sizes and higher churn rates of the SMB segment, direct sales becomes a structural cost problem. Techaisle's annual survey of over 5,000 SMBs and midmarket firms confirms the structural argument: the SMB market's complexity is now defined by how they will manage the resulting friction, and that challenge is beyond what most SMBs can navigate without guided external support.[131] GTIA's 2025 research of 720 SMB technology professionals is equally direct: SMBs' need for trusted technology partners has "never been greater."[132] The channel exists because the economics of direct sales to SMBs, at scale, do not work for the vendor.

129 We Are Founders. "SaaS Churn Rates and Customer Acquisition Costs by Industry: 2026 Benchmarks." We Are Founders, 2026.

130 HelloMrLead. "CAC in B2B SaaS 2025: Benchmarks." HelloMrLead, 2025.

131 Agrawal, Anurag. "Top 10 SMB & Mid-Market Predictions for 2026 and Beyond: The Autonomous Business." Techaisle, 7 Dec. 2025.

132 GTIA. "SMB Technology and Buying Trends 2025." GTIA, 2025. Survey of 720 SMB technology professionals.

THE LAST-MILE PROBLEM: WHERE VENDOR CAPABILITY ENDS AND CHANNEL CAPABILITY BEGINS

The transition from agentic AI capability to agentic AI value is primarily a deployment challenge, and deployment is where the vendor's reach ends and the channel's begins. The Harvard Business Review identifies this explicitly as the defining obstacle slowing AI transformation across the economy: the "last mile" at which technical capability meets operating model redesign, change management and the ongoing human judgment that determines whether a deployment succeeds or stalls.[133] The technology can be ready. The vendor cannot be everywhere the technology needs to be applied.

The data on how frequently AI deployments stall before reaching this last mile is unambiguous. Canalys found that 61% of channel partners still struggle to move AI projects beyond proof-of-concept with existing clients, largely because translating a pilot into a production deployment requires workflow redesign expertise, domain-specific data architecture knowledge and governance capability that most organizations; including many of the channel partners themselves, have not yet built.[134] The implication for vendors is structural: if 61% of their best-positioned channel partners are stalling at the pilot stage, the last-mile problem is not a customer sophistication issue. It is a channel capability gap that the vendor has a direct interest in closing.

Jessica Davis, Principal Analyst covering MSPs at Canalys, frames this competitive consequence: "AI is already changing the economics of being an MSP by enabling these businesses to automate some Tier 1 support. That makes MSPs who leverage AI more operationally efficient. Those MSPs who do not leverage AI will struggle to compete."[135] This represents the dual pathways playing out in real time across the channel. The partners who have made the internal transformation, who have become, in the language of this report, customer zero, are building compounding advantages in cost structure, service quality and client retention. The partners who have not are accumulating a deficit that will be difficult to close once the market has sorted itself.

Forrester's analysis of the structural difficulty of building agentic architectures independently provides the clearest rationale for why SMBs will need the channel to make this transition. Three out of four firms that attempt to build advanced agentic AI architectures on their own will fail, Forrester predicts, because the complexity is genuinely beyond what most organizations can manage without external expertise: multiple AI models, sophisticated retrieval-augmented generation infrastructure, advanced data architectures and niche implementation knowledge that takes time to accumulate.[136] For SMBs, where there is no in-house architecture team or dedicated AI capability, which indicates that SMBs who attempt the agentic transition without guided support are structurally positioned to fail.

133 Lakhani, Karim R., Jared Spataro, and Jen Stave. "The Last-Mile Problem Slowing AI Transformation." Harvard Business Review, 9 Mar. 2026.

134 Omdia (Canalys). "MSP Trends and Predictions 2025 — Executive Summary." Canalys, Jan. 2025.

135 Davis, Jessica C., as quoted in: "Channel Market Trends: Expert Predictions for MSPs, MSSPs Through 2026." ChannelE2E, 1 July 2025. Davis is Principal Analyst covering MSPs at Canalys (part of Omdia).

136 Forrester Research. "Predictions 2025: An AI Reality Check Paves the Path for Long-Term Success." Forrester, 2024.

137 McBain, Jay, as reported in: "Managed Services to Add $608B to B2B Tech and Telco Growth: Omdia." Channel Dive, 18 Dec. 2025.

138 McBain, Jay, as quoted in: Geffner, Barney. "AI, Platforms, and the Future of MSPs: Exclusive Look Inside Channel Program's 2025 IT Management Software Report." ChannelPro Network, 26 June 2025.

139 Insider, ELG. "AI, Channels and Marketplaces: 2025 Recap and the Trends Redefining 2026." Crossbeam ELG Insider, 22 Dec. 2025.

140 The Agentic Workforce Economy: How Digital Labor Is Reshaping SMB Growth and Redefining the Role of IT Providers. Pax8, 2026.

141 McBain, Jay. LinkedIn post, Mar. 2025. As quoted in: Hutton, Christopher. "Partners Less Confident in Channel Revenue Growth." Channel Futures (rebranded as Channel Dive, Oct. 2025), 5 Mar. 2025.

142 Google Cloud. "Google Cloud Commits $750 Million to Accelerate Partners' Agentic AI Development." PR Newswire, 22 Apr. 2026.

143 Microsoft. "Accelerating Frontier Transformation with Microsoft Partners." The Official Microsoft Blog, 21 Apr. 2026.

THE SCALE OF THE OPPORTUNITY: WHAT THE CHANNEL STANDS TO CAPTURE

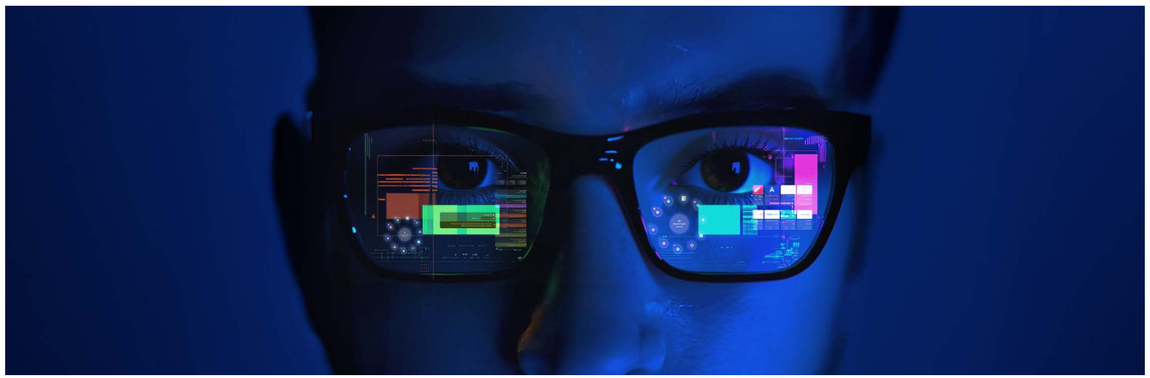
The channel opportunity in the agentic AI transition is one of the largest services market expansions in the history of the technology industry, and the timeline for capturing it is compressed.

Google Cloud has committed $750 million to a fund specifically for partner-led agentic AI services, aimed at helping consulting firms, systems integrators, software partners, and channel partners identify AI value, prototype and deploy agents, and accelerate customer adoption.

Canalys projects $158 billion in partner-delivered agentic AI IT services revenue by 2028, driven by 59.3% growth in partner-delivered AI services over the next three years.[137] [138] Omdia extends the forecast further: $267 billion in channel AI services opportunity by 2030.[139] These are the projections specifically for the services revenue that flows through the channel; the deployment, integration, governance, training and managed services layer that vendors need the channel to deliver. Through 2029, service providers are expected to account for 80% of all infrastructure spending as organizations build out the platforms required to support growing agentic workloads,[140] confirming that the channel is not adjacent to this transition. It is structurally central to it.

The differential in AI services growth versus traditional managed services is the most important number for any vendor evaluating its channel investment strategy. AI services are growing at 59% annually while traditional managed services are growing at 13%.[141] A channel partner growing its AI services practice is growing at more than four times the rate of a partner growing its traditional managed services practice. The vendors who enable and invest in that shift in their channel partners are compounding their own SMB market opportunity at the same rate. The vendors who do not are building a growing dependency on a channel that is falling behind the market.

The strategic response from the largest technology platforms confirms that they understand the scale of what is at stake. Google Cloud has committed $750 million to a fund specifically for partner-led agentic AI services, aimed at helping consulting firms, systems integrators, software partners, and channel partners identify AI value, prototype and deploy agents, and accelerate customer adoption.[142] Microsoft has announced its Frontier Partner specialization and Agent 365 channel positioning explicitly framing agentic AI as a services-led partner opportunity built around building and delivering production-ready agents, with governance, security and scaled deployment as the defining capabilities.[143] When two of the largest technology companies in the world are each committing hundreds of millions of dollars to partner-led AI services investment, the signal about where the value in this transition lies is plain.



"With AI, customers are hiring fewer people. SMBs are growing by adding AI agents instead of adding people. And for the MSP, it means they will have fewer users. If they charge per user, they will be losing in this game. They need to refocus towards the outcomes."

Gaidar Magdanurov
President, Acronis

WHAT THE CHANNEL MUST BECOME: THE TSIA FRAMEWORK FOR AI-ERA PARTNER VALUE

The channel that captures the opportunity described above is not the channel that exists today for most vendors. TSIA's State of Channel Partnerships 2026 report is among the most direct available assessments of the gap between where the channel is and where it needs to be in the agentic era.[144]

The first finding: **partners are no longer just a route to market.** In the AI era, TSIA argues, they are essential to adoption, integration, optimization and long-term customer outcomes across the entire customer lifecycle. The transaction-based partner model, where the channel sells the product and the vendor handles everything downstream, is structurally incompatible with the agentic AI deployment model, which requires ongoing involvement across implementation, workflow redesign, governance and continuous improvement. The partner who delivers value only at the point of sale delivers insufficient value for the deployment to succeed.

The second finding: **outdated partner programs are now a growth constraint.** Enablement built around product knowledge, transaction-based incentives and metrics focused on bookings leaves partners unprepared to deliver post-sale value in AI-driven business models. The vendors running these programs are inadvertently creating a predictable failure mode at the last mile that will manifest as churn, poor deployment outcomes and reputational damage in the SMB market they are trying to win.

The third finding is the most commercially significant: **partner profitability is shifting from resale to services.** As agentic AI introduces new layers of operational complexity, the primary source of partner value and margin is moving toward high-impact services that help customers operationalize AI and achieve sustained outcomes. Vendors using AI for partner training and enablement report double-digit increases in partner-sold revenue compared to companies without those capabilities. The investment in channel enablement is not a cost of doing business in the SMB market. It is the primary lever for revenue generation in it.

Gaidar Magdanurov, President of Acronis, names the demand-side mechanism driving that shift: "With AI, customers are hiring fewer people. SMBs are growing by adding AI agents instead of adding people. And for the MSP, it means they will have fewer users. If they charge per user, they will be losing in this game. They need to refocus towards the outcomes."[145]

Pax8's own primary research underscores the urgency of this transition from the client side. Among tethered SMBs currently working with an MSP, most would consider switching providers if a better-priced or more proactive alternative materialized; and half would move for a partner who brought stronger AI capability and more forward-looking advisory.[146] The managed services relationship is not as sticky as churn data might suggest. What retains tethered SMBs is switching cost friction, not satisfaction. The managed intelligence provider who earns the relationship through genuine AI leadership is not competing against a loyal incumbent, but rather, competing against inertia.

144 TSIA. "The State of Channel Partnerships 2026: How AI Is Reshaping Partner-Led Growth and Retention." TSIA, 29 Jan. 2026.

145 Magdanurov, Gaidar. Personal interview. 2026. President, Acronis.

146 Galvan, Moriah. "SMB Discovery." Pax8 UX Research, May 2026. Proprietary research. Data on file.

147 Microsoft. "Microsoft 365 Copilot Business: The Future of Work for Small Businesses." Microsoft 365 Blog, 2 Dec. 2025.

148 Microsoft. "Accelerating Frontier Transformation with Microsoft Partners." The Official Microsoft Blog, 21 Apr. 2026.

149 Techaisle. "The SMB Market in 2025 and Beyond: Navigating the AI-Driven Transformation." Techaisle, 2025.

THE CASE FOR THE MANAGED INTELLIGENCE PROVIDER

Against this backdrop, the Pax8 position in the value chain is the position of the organization that understands both ends of the chain in a way that neither the vendor nor the SMB-facing partner can replicate independently.

Vendors who are strong on product are often nascent on SMB market architecture. The granular intelligence about what SMBs actually need; the specific use cases where they are already spending money, the fears that block adoption, the vertical nuances that make a solution relevant or irrelevant to a specific business type, the buying behaviors that differ from enterprise in ways that no amount of segmentation analysis fully anticipates; is precisely the information that exists in the relationship layer between the channel and the SMB.

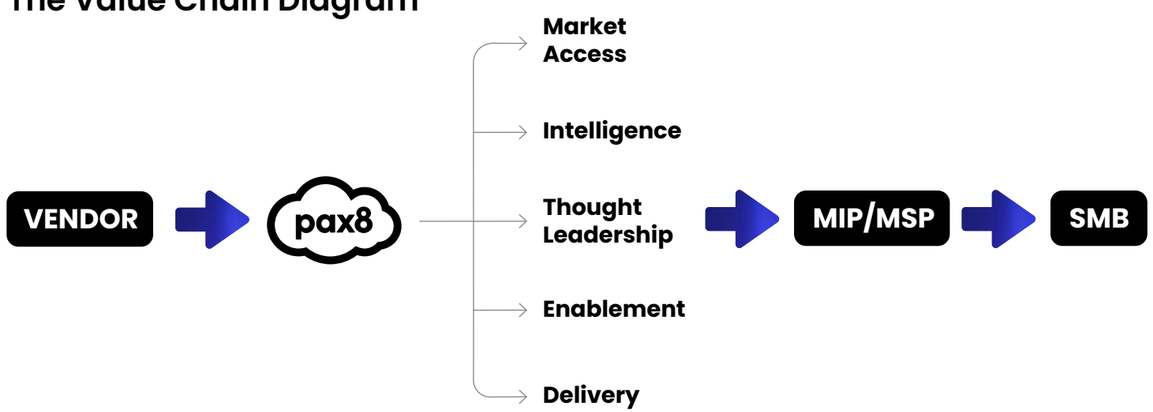
Microsoft has invested more in SMB channel development than any other platform vendor in the world, and it is actively building toward the SMB agentic market, with Copilot Business launched in December 2025 as its first SMB-targeted agentic offering.[147] Yet by Microsoft's own channel positioning, its agentic architecture: Agent 365, Frontier Transformation, the Frontier Partner specialization; is designed primarily for enterprise governance complexity that most SMBs cannot absorb without significant channel-mediated translation.[148] The distance between what Microsoft has built and what the SMB market can independently deploy reflects two distinct realities operating simultaneously: the SMB market's diversity and fragmentation cannot be fully understood from the vendor's position in the value chain, and the SMB agentic opportunity, however large, competes for roadmap priority against an enterprise business of considerably greater immediate scale. The gap is part comprehension, part deliberate prioritization; which makes the channel's role in bridging it more consequential, and the vendors who invest in that channel more strategically positioned than those waiting for the platforms to close it themselves.

Vendors who are strong on product are often nascent on SMB market architecture.

Techaisle's analysis of the SMB vendor market arrives at the same conclusion from the research side: for technology vendors, the directive is to simplify, verticalize, embed and to enable their partners to do the same.[149] The vendor who attempts to build SMB market intelligence from scratch rather than leveraging the channel organizations that already possess it is not taking a shortcut to the SMB market. It is taking the long way around.

What Pax8 uniquely provides vendors at this inflection point can be organized around five functions, each addressing a specific gap in the vendor's ability to capture the SMB agentic opportunity independently:

The Value Chain Diagram



The first is market access. Pax8 provides entry to the SMB ecosystem at a scale that no vendor can replicate through a direct motion without the cost structure that makes the SMB market unattractive. The channel is the market infrastructure through which the SMB opportunity is accessed.

The second is market intelligence. The granular understanding of SMB needs, fears, vertical nuances and buying behaviors that Pax8 has accumulated through its relationship with the managed services community is not available from any other source at comparable depth and specificity. This is the intelligence that makes the difference between a product built for an idealized SMB and a product that an actual SMB will adopt.

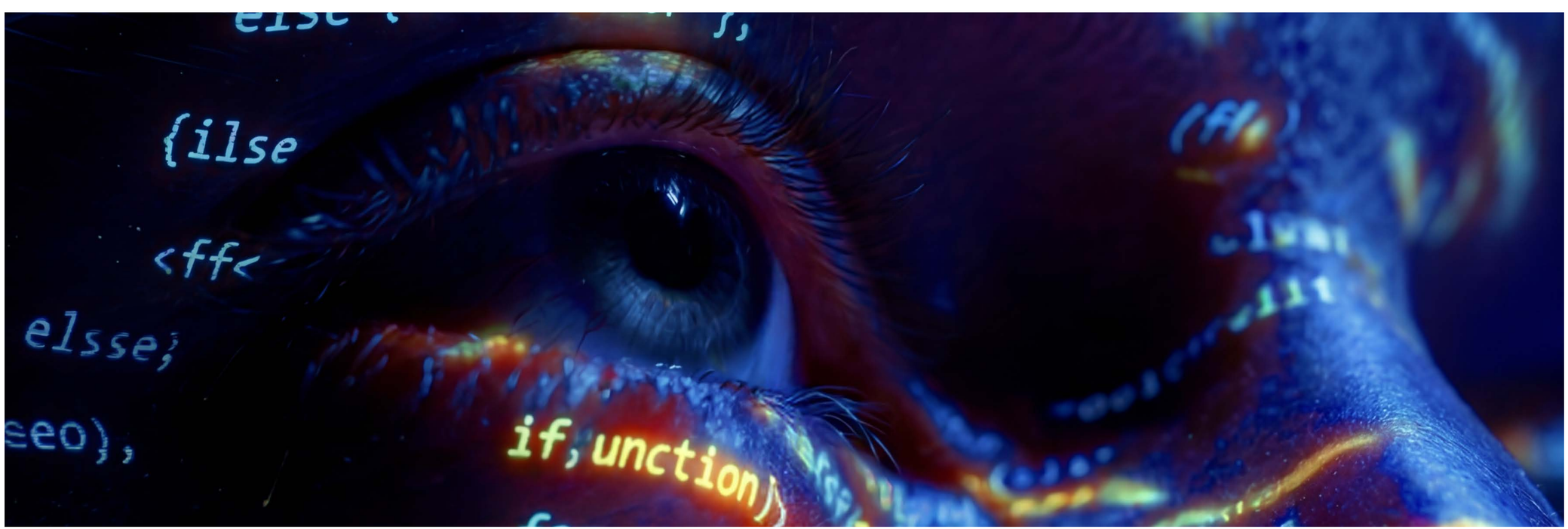
The third is thought leadership and co-innovation. For vendors who are strong on product architecture but nascent on SMB-specific agentic strategy, Pax8 offers the capability to co-develop the SMB agentic strategy that the vendor cannot build alone. This is the position of strategic partner rather than distribution channel, and it is the position that generates the most durable vendor relationships.

The fourth is channel enablement at scale. The transition from tool-selling MSP to outcome-delivering Managed Intelligence Provider is a curriculum-based organizational transformation that requires sustained investment in training, tools and business model redesign. Pax8's position in the middle of the value chain makes it the natural owner of this transformation program. The vendors who invest in enabling their Pax8 channel partners to make this transition are building the last-mile delivery capability that protects their SMB strategy from the channel quality risk that, as noted earlier, is the condition on which vendors go direct.

The fifth is last-mile execution. The deployment, governance, ongoing management and continuous improvement that agentic AI deployments require at the SMB level cannot be delivered by the vendor. It is delivered by the MIP, the Managed Intelligence Provider, who has made the internal transformation, built the deployment expertise, and can carry the vendor's solution the final distance from sale to sustained business outcome. **The quality of that last mile is the quality of the vendor's product in the eyes of the SMB customer.**

151 Wynter. "The B2B Buyer Journey Research: How B2B SaaS Marketing Leaders Buy Software in 2024." As cited in: Corporate Visions. "B2B Buying Behavior in 2026: 57 Stats and Five Hard Truths That Sales Can't Ignore." Corporate Visions, 23 Mar. 2026.

152 Galvan, Moriah. "SMB Discovery." Pax8 UX Research, May 2026. Proprietary research. Data on file.



PEER INFLUENCE AND THE TESTIMONIAL AS A STRATEGIC ASSET

One final dimension of the channel's role in the SMB agentic transition deserves specific attention, because it is the one most frequently treated as a marketing concern rather than a strategic one. Vendors respond to what their peers are doing. The decision to invest in an agentic strategy, to commit to a specific architecture, to prioritize the SMB market or to deepen a distribution relationship is not made in isolation from what other vendors of similar size and maturity are doing. The evidence supports this assertion: 73% of B2B technology decision-makers rank word-of-mouth and peer recommendations as the most influential factor in deciding which vendors to consider; above analyst reports, vendor content and brand recognition.[151] The peer influence dynamic that shapes SMB buyer behavior, documented extensively in Chapter 4, operates with equal force in the vendor community.

The behavioral pattern also holds in Pax8's own primary SMB research. Across all three SMB segments studied: untethered SMBs who want to stay untethered, untethered SMBs seeking an MSP and tethered SMBs, word of mouth and peer recommendations were the most common first instinct for finding a technology provider or marketplace, named organically before any prompted channel was suggested.[152] Google, Reddit, G2 and AI tools all appeared as secondary discovery channels. The peer referral came first. The implication for vendors building their SMB go-to-market motion is precise: the channel through which SMBs find and trust new providers is the same channel through which vendor peer influence operates.

This creates a specific implication for how this report and the vendor engagement program it supports should be structured. The research matters. The analyst data matters. But the single most persuasive content in any vendor-facing communication is a specific, credible account from a vendor of comparable size and market position who has made the journey from customer zero to customer one and can describe what it produced. 84% of B2B decision-makers base their buying decisions on peer recommendations and social proof, and peer validation is more important for the final decision-maker than for any other member of the buying team. What this paints in sharp relief is that peer testimonial is the primary conversion mechanism.

Chapter 06.

The Playbook: A Practical Four-Stage Framework

The preceding five sections of this report have established the scale of the agentic AI opportunity, named the vendor readiness gap precisely, examined what internal transformation requires, outlined what SMB-native product design demands and made the structural case for the channel's role in delivering it all. This section synthesizes that analysis into a practical framework: four stages, in sequence, that give vendor organizations a specific path from where most of them are today to where the market is heading.

The framework is not a checklist. The decisions within each stage interact with and depend on the decisions in the others, and the sequence matters. Vendors who attempt Stage 3 — the go-to-market motion — without completing Stage 1 are trying to sell a transformation they haven't experienced. Vendors who attempt Stage 4 — channel activation — without building the product architecture in Stage 2 are asking partners to deliver value the product cannot yet provide. The stages are presented in order because they are meant to be executed in order.

A note on scope: this framework is designed for the broad middle of the vendor landscape — the Active Builders and Mature Operators described in Section 2, the organizations that have made genuine investments in AI but have not yet completed the full transformation. AI-native startups will find Stage 1 mostly behind them. Early-stage vendors may find Stage 3 premature. The framework is not one-size-fits-all, but it provides the directional architecture that every vendor in this market will eventually need to navigate.

The framework is not a checklist. The decisions within each stage interact with and depend on the decisions in the others, and the sequence matters.

153 Boston Consulting Group. "AI Adoption in 2024: 74% of Companies Struggle to Achieve and Scale Value." BCG Press Release, 24 Oct. 2024.

154 Stone, Steve. Personal interview. 2026. Chief Customer Officer, SentinelOne.

155 Singla, Alex, et al. "The State of AI in 2025: Agents, Innovation, and Transformation." McKinsey & Company, Nov. 2025.

156 BCG. "How Agents Are Accelerating the Next Wave of AI Value Creation." Boston Consulting Group, Dec. 2025.

STAGE 1: INTERNAL TRANSFORMATION — BECOME CUSTOMER ZERO

The first stage is the one most vendors are tempted to skip or abbreviate. It produces no external revenue, it is organizationally disruptive and its benefits are not immediately visible in the metrics most vendor leadership teams track. It is also, as Section 3 documented in detail, the non-negotiable prerequisite for everything that follows.

The starting point is an honest maturity audit. BCG's research on AI high performers versus laggards consistently identifies the same differentiator: high performers have fundamentally redesigned workflows around AI rather than adding AI to workflows that were designed for a different era.[153] The audit question is therefore not "how much are we spending on AI?" but "how much of our actual work has been redesigned around AI capability?" Most vendor organizations will find the answer uncomfortably small. That gap is the work.

Steve Stone, Chief Customer Officer at SentinelOne, describes what closing that gap produces inside an organization that has done it: "We are not replacing our experts with AI. What we are doing is replacing the lower-level tasks that were being done by high-end experts, so those experts can focus on almost exclusively high-end tasks. Our employees are advancing through their careers much faster than I've ever seen…and we've had to radically redesign how we train and equip our people because of it."[154] The organizational infrastructure required to capture that outcome is the subject McKinsey's research addresses most directly.

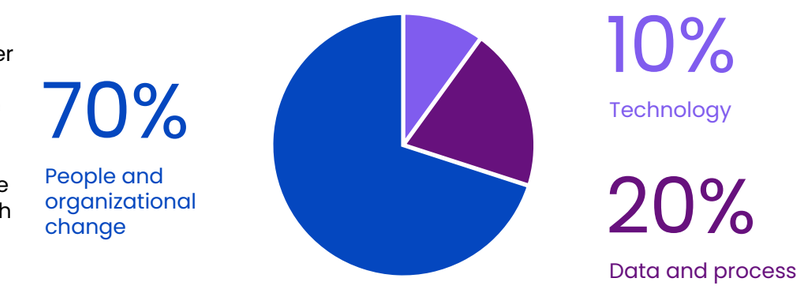
"We are not replacing our experts with AI. What we are doing is replacing the lower-level tasks that were being done by high-end experts, so those experts can focus on almost exclusively high-end tasks."

Steve Stone,
Chief Customer Officer, SentinelOne

This analysis of AI high performers by McKinsey finds they are 2.8 times more likely than their peers to have redesigned core workflows around AI, and that this redesign is driven by a disciplined, evidence-based approach to adoption rather than aspirational deployment.[155] The mechanism that works in practice, documented across the SaaS vendor community through direct peer observation, is the internal champion model: identify power users through AI usage analytics, elevate them as cross-functional evangelists and let proof travel peer-to-peer rather than cascading down from a top-down mandate. Those who are not using the tools aren't doing so because them simply do not know how to use them well. Enablement, not mandate, is the unlock.

BCG's 10/20/70 framework provides the investment allocation guidance that most vendor organizations need to hear: 10% of the transformation investment should go to technology, 20% to data and process redesign and 70% to people and organizational change.[156] The ratio is counterintuitive only until you consider that the technology is increasingly commoditized and accessible, while the organizational capability to use it well is the genuinely scarce resource. Vendors who invert this ratio, who spend 70% on model selection and infrastructure while underinvesting in training, change management and workflow redesign, will produce the same result that 74% of companies have already produced: investment without return.

The 10/20/70 Investment Rule



Two architectural decisions within Stage 1 have implications that extend beyond the internal transformation and directly shape the product and go-to-market work in subsequent stages. The first is establishing LLM-agnostic infrastructure from the start, building the model-switching capability that allows the organization to select models based on task complexity and cost rather than being locked into a single provider's API economics.[157] The second architectural decision is establishing what practitioners and enterprise technology researchers now describe as the "software factory" model: a clear separation between plan-stage reasoning and build-stage code generation, with explicit workflow design for how agents participate at each stage.

HCLTech's 2026 analysis documents the core distinction, generative AI operating as "Prompt-In, Content-Out" versus agentic AI operating as "Goal-In, Outcome-Out," with agents managing the full development lifecycle rather than responding to individual prompts.[158] StrongDM's AI team has documented the model in production: specs and scenarios drive agents that write, test and converge without human review, with the human role shifting from writing code to setting specification quality and making final architectural decisions.[159] Satya Nadella frames it plainly: "every engineer becomes a manager of agents. The human is the architect. The agents are the workers."[160] These are the architectural choices that determine what is buildable in Stage 2.

STAGE 2: PRODUCT ARCHITECTURE — BUILD FOR THE AGENT ERA

Stage 2 begins with the product strategy question that Section 4 established as the most consequential a SaaS vendor can currently ask: is this product a system of record or a system of action? The answer determines the architectural priorities, and both paths lead to the same foundational requirement; the product must be reachable by agents operating on behalf of users, not just usable by humans navigating an interface.

For systems of record, the primary investment is in headless architecture: robust, well-documented API infrastructure that allows agents to retrieve data and trigger workflows without interface interaction. The emergence of MCP as the de facto universal integration standard means that building an MCP server is now the baseline expectation for systems of record that want to be part of an agent-orchestrated enterprise environment. BCG's characterization of MCP as a transformation from quadratic to linear integration complexity makes the business case without requiring a technology argument: one MCP server, every compatible client.[161] For systems of action, the requirement is MCP capability with write access; the ability for agents not only to read from the system but to execute within it, closing loops and updating state autonomously.

For systems of record, the primary investment is in headless architecture.

Data unification is the prerequisite that most vendor product teams underestimate until a deployment fails because of it. Salesforce's published account of its own Agentforce deployment is explicit: the rollouts that succeed are the ones where all of an organization's data and metadata are unified, secured and accessible to the models before deployment begins.[162] The market data confirms how far most SMBs are from this baseline: only 27% of SMB marketers report satisfaction with their ability to unify customer data across systems, and only 13% are currently using agentic AI.[163] The gap between those two numbers is the data problem masquerading as an adoption problem. Agents inherit the quality of whatever data they can reach, at machine speed and at machine scale.

The product design principle that follows from all of this is deceptively simple: embed AI where the work happens, not where it is visible. The use cases that succeed are the ones where AI is native to the workflow and native to the data. The behavioral evidence from the SMB market is specific: the functions where SMBs are already most digitally active are payment collection, billing and invoicing, and client information management.[164] These are the foundational operational functions where data is cleanest, processes are most defined and outcomes are most measurable. Vendors who embed AI here are building into the workflow where SMBs spend their working hours. The aspirational use cases come later, when the data maturity is there to support them.

STAGE 3: GO-TO-MARKET — PRODUCTIZE THE VALUE

Stage 3 is where the internal transformation and product architecture work converts into market position…or doesn't. The failure mode documented consistently across the vendor ecosystem is vendors shipping genuine AI capability and then treating it as a feature: no marketing collateral, no demonstration video, no defined sales motion, no channel enablement. If the capability saves meaningful hours for users of the product, it is not a feature. It is a product, and it requires the full commercial motion of a product launch to reach the market.

The pricing decision is the most structurally significant go-to-market choice in Stage 3, because it signals to the market what the vendor believes its AI capability is worth and how it intends to be accountable for that value. BCG's analysis of B2B software pricing in the agentic AI era identifies a clear directional shift away from seat-based licensing toward consumption-based and outcome-based models, noting that most incumbent vendors will need hybrid approaches that blend established subscription structures with emerging agentic models to manage revenue risk through the transition.[165] Gartner projects that by 2025, over 30% of enterprise SaaS solutions will incorporate outcome-based pricing components, up from approximately 15% in 2022.[166] The strategic implication for vendors is not to abandon seat-based pricing overnight, but to begin designing the outcome metrics that will eventually replace it. Vendors who do not make this transition proactively will be forced into it reactively, as AI-enabled customers consolidate seats and negotiate from a position of demonstrated agent capacity.

The go-to-market design for the SMB segment requires a specific discipline that most vendor GTM teams have not yet internalized.

The go-to-market design for the SMB segment requires a specific discipline that most vendor GTM teams have not yet internalized. Because the primary barrier to SMB AI adoption is the applicability illusion — the perception that AI works for other businesses, not theirs — the most effective sales motion is not capability demonstration but peer evidence.[167] The best way to pierce the applicability illusion is by providing granular proof from a business recognizably like the prospect's own. This means the most important asset in a vendor's SMB go-to-market motion is the documented customer zero story, with named outcomes, from a deployment that a prospective SMB customer can see themselves in. That proof can come from the vendor's own internal deployment, from early-stage beta customers and design partners who have lived the transition and are willing to name what it produced, or from the co-design relationships with channel partners, marketplaces and SMBs that generate deployment evidence before a product reaches general availability. Building those proof assets, however they are sourced, is the work of Stages 1 and 2. Deploying it is the work of Stage 3.

Security-first design is the final non-negotiable in Stage 3's SMB product design. The ConnectWise 2025 State of SMB Cybersecurity report found that 83% of SMBs believe AI raises their cybersecurity threat exposure, yet only 51% have implemented AI security policies.[168] That gap between perceived risk and governance infrastructure is not an oversight. It is a market vacuum. The vendors who make the security architecture of their agentic deployment as visible and as clearly articulated as the productivity benefit will convert trepidation into trust faster than any feature comparison or pricing concession can.

157 Gartner. "Gartner Identifies Critical GenAI Blind Spots That CIOs Must Urgently Address." Gartner Newsroom, 19 Nov. 2025.

158 HCLTech. "The Evolution of the Autonomous Software Factory." HCLTech Trends and Insights, 16 Feb. 2026.

159 McCarthy, Justin. "Software Factories and the Agentic Moment." StrongDM AI, Feb. 2026. As reported in: Willison, Simon. "How StrongDM's AI Team Build Serious Software Without Even Looking at the Code." Simon Willison's Weblog, 7 Feb. 2026.

160 Nadella, Satya. Remarks at Microsoft Build 2025. As reported in: Mager, Derek. "Software Factory: The End Goal of Agentic Engineering." Mager.co, 19 Mar. 2026.

161 Gupta, Deepak. "The Complete Guide to Model Context Protocol (MCP): Enterprise Adoption, Market Trends, and Implementation Strategies." Dec. 2025.

162 Salesforce. "Why AI Pilots Fail." Salesforce News, 13 Nov. 2025.

163 Salesforce. "How SMBs Can Gain an Edge with Agentic AI: Key Takeaways from Our Marketing Report." Salesforce Blog, 2025.

164 The Agentic Workforce Economy: How Digital Labor Is Reshaping SMB Growth and Redefining the Role of IT Providers. Pax8, 2026.

165 Dharani, Naila, et al. "Rethinking B2B Software Pricing in the Agentic AI Era." Boston Consulting Group, 13 Aug. 2025.

166 Monetizely. "The 2026 Guide to SaaS, AI, and Agentic Pricing Models." Monetizely, Jan. 2026.

167 OECD. "Generative AI and the SME Workforce." OECD Publishing, 2024.

168 ConnectWise and Vanson Bourne. "State of SMB Cybersecurity 2025." ConnectWise, 2025.

STAGE 4: CHANNEL ACTIVATION — DELIVER THE LAST MILE

Stage 4 is where the value chain argument of Chapter 5 becomes operational. The vendor has completed its internal transformation, built a product that agents can reach and work within and developed a go-to-market motion built on proof rather than promise. The final stage is delivering all of that to the SMB market through the channel partners who have the local relationships, the deployment expertise, and the ongoing managed services capability that the vendor cannot replicate at scale.

The first imperative of channel activation is equipping partners to have a different conversation than the one they have been trained to have. The feature-and-pricing conversation that characterized the prior generation of managed services is not the conversation that moves an SMB from trepidation to adoption. The conversation that works is built around business outcomes: what specifically changes in the SMB's daily operations, what it costs now not to change it and what a deployment from a business like theirs has produced. TSIA's research finds that vendors using AI for partner training and enablement report double-digit increases in partner-sold revenue compared to companies without those capabilities.[169] The investment in partner enablement is not a cost of channel management. It is the primary lever for converting the channel's reach into revenue.

The second imperative is co-developing the SMB use cases and vertical deployment playbooks that partners need to move from general AI conversations to specific, repeatable deployments. The partners generating the strongest client outcomes from AI are those who deployed internally first; who became customer zero before attempting to guide a customer through the same transition; with 62% of those partners reporting significant operational efficiency gains from their internal AI adoption.[170] The vendor who has completed Stage 1 of this framework has the deployment experience and the failure mode documentation that makes this co-development possible. The vendor who skipped Stage 1 has a product roadmap and an analyst deck. In the SMB market, the former closes deals. The latter raises questions.

169 TSIA. "The State of Channel Partnerships 2026: How AI Is Reshaping Partner-Led Growth and Retention." TSIA, 29 Jan. 2026.

170 POPX. "State of the MSP Industry Survey 2025." POPX, 2025.

171 The Agentic Workforce Economy: How Digital Labor Is Reshaping SMB Growth and Redefining the Role of IT Providers. Pax8, 2026.

The governance audit is the most underutilized channel activation tool available to vendors in the current market. Only 51% of SMBs have implemented AI-specific security policies, despite the majority believing AI has raised their threat exposure.[171] A channel partner who enters the client relationship by mapping the governance gap; identifying where AI is already operating without policy, where data is flowing without oversight, where the organization's existing AI deployments are creating exposure it has not yet measured; is leading with a business risk conversation, at the highest-trust entry point available in any SMB relationship. The vendors whose products integrate cleanly into governed, audited environments are the ones partners will lead with, because those are the products that survive the governance conversation rather than creating new anxiety within it.

The closing principle of Stage 4 is also the closing principle of this report: the vendor's customer zero story is its most powerful sales asset. Every internal deployment that was documented, every failure mode that was named, every outcome that was quantified; all of it becomes transferable proof when the vendor's channel partners carry it to the SMB market. Proof travels faster than pitch decks.

There is one qualification that does deserve to be named. Most, although certainly not all, of the vendors in this report's audience are substantially larger than the SMB customers they are trying to reach. Their internal deployments happen at a different scale, with different data infrastructure, different governance capacity and different implementation resources than an SMB can access. A vendor that presents its own customer zero story without acknowledging that translation gap is offering aspiration dressed as evidence, and SMB buyers, who are already skeptical of AI claims, will feel the distance. The customer zero story earns its persuasive power only when it is accompanied by the honest acknowledgment of what had to be adapted, simplified or rebuilt to work at SMB scale. That translation layer: what changed between the vendor's internal deployment and the SMB-ready version of it, is often the most valuable content in the GTM conversation. It is also where the channel partner's expertise becomes indispensable: the MIP who has made the transition themselves, in a real deployment with a real SMB client, is the one who can close the distance between the vendor's proof and the prospect's reality. In a market where the primary barrier to adoption is the belief that AI works for other, larger businesses and not for the SMB specifically, the most persuasive account is the one from a business that does.

A vendor that presents its own customer zero story without acknowledging that translation gap is offering aspiration dressed as evidence, and SMB buyers, who are already skeptical of AI claims, will feel the distance.

Conclusion:

The Window Is Open, But Not for Long

Schedule a Pax8 demo

Gartner has identified a three-to-six-month window in which technology vendors can define their agentic AI product strategy before the competitive landscape hardens around the organizations that moved first.[172] That window opened in late 2025. And it will inevitably close as the vendors who built early accumulate the deployment expertise, the proof assets, the channel relationships and the pricing architecture that latecomers will find increasingly expensive to replicate.

The argument this report has made is not that agentic AI is an opportunity vendors should pursue. That case has already been made, comprehensively, by analysts, platform vendors and the performance data of the SMBs already using it. The argument here is more specific: that the gap between knowing the opportunity is real and being positioned to capture it runs directly through the vendor's own organization. The internal transformation is not the precursor to the strategy. It is the strategy. And most vendors have not yet started it in earnest.

What the preceding sections have documented is a consistent pattern across the vendor ecosystem. The organizations generating real value from agentic AI share a set of characteristics that have nothing to do with which models they chose or how much they spent: they redesigned workflows rather than adding AI to workflows designed for a different era; they tracked small wins before scaling ambitions; they built governance in rather than appending it after the fact; they treated their internal deployments as the primary evidence asset for every external conversation that followed. And these decisions are available to every vendor in this market regardless of size, maturity, or existing infrastructure.

The SMB market adds urgency to this pattern that the enterprise market does not. Among the 440 million small and medium businesses operating globally, the adoption curve is steeper than any previous technology cycle, the performance gap between AI adopters and non-adopters is already compounding and the trust layer is being claimed right now by SMB-native platforms that are not waiting for enterprise vendors to figure out their small business strategy. The vendors who build for the SMB agentic market now will define its standards; its architecture, its pricing, its trust frameworks; before someone else does it for them.

The pricing model shift that BCG has documented; from seat-based licensing toward consumption and outcome-based models that price AI capability the way contractors are priced, on performance;[173] is a structural change in the economics of software that will eventually reach every vendor in this market. The vendors who design for it now, building the outcome metrics and the deployment evidence that outcome-based pricing requires, will make that transition from a position of demonstrated value. The ones who defer will make it under pressure, in response to customers who have already done the math.

The $6 trillion digital labor market is market evidence of what is already forming, which is the aggregate value of the work that AI agents will perform, are beginning to perform and will be expected to perform at scale within the planning horizon of every vendor strategy team reading this report.[174]

The path is clear. Fix your house. Know what kind of product you are. Design for the SMB from the ground up.

The organizations that define the infrastructure of that market: the architecture standards, the trust frameworks, the channel delivery models, the pricing precedents; will be the ones who started their internal transformation before the window closed.

The path is clear. Fix your house. Know what kind of product you are. Design for the SMB from the ground up. Protect your last mile. And let your customer zero story; the specific, honest account of what your internal transformation produced, including the friction and the failure modes alongside the results; become the most powerful sales asset you have. In a market where the primary barrier to adoption is the belief that this transformation works for other organizations and not for yours, proof is not a supporting argument. It is the argument.

Note: For a full analysis of how SMBs are experiencing this transition, including the J-curve economics of AI adoption, the three-hour productivity dividend, the leapfrog advantage of AI native businesses and the governance obligations of responsible deployment, see the companion report, The Agentic Workforce Economy: How Digital Labor Is Reshaping SMB Growth and Redefining the Role of IT Providers (Pax8, 2026).

172 Gartner. "Gartner Predicts 40% of Enterprise Apps Will Feature Task-Specific AI Agents by 2026, Up from Less Than 5% in 2025." Gartner Newsroom, 26 Aug. 2025.

173 Dharani, Naila, et al. "Rethinking B2B Software Pricing in the Agentic AI Era." Boston Consulting Group, 13 Aug. 2025.

174 Salesforce. "Unlocking the $6 Trillion Digital Labor Opportunity." Salesforce News, 2025.

Thank you