Cashing in on Copilot

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Executive Summary

Terry O'Brien Giacom CEO

Innovation has always been the heartbeat of the channel. From the early days of voice, PCs and the explosion of mobile, to today's cloud and cyber security-first world, our community has been helping SMBs to make the most of their technology.

The next wave, Intelligence – led by Generative AI – has arrived. Already available to anyone, anywhere, it's the number one question SMBs are asking about, and can unlock genuine advantage such as smarter services, deeper customer value and new revenue streams.

As before, it demands new thinking and new skills, but it's moving really fast. For MSPs, the winners will be those who embrace AI early, move with ambition, and build capability for the future.

Through our relationship with Microsoft, we have access to the best answer to enabling SMBs to benefit from AI adoption – M365 Copilot. We believe that every Microsoft 365 user should have a Copilot licence. It's a no-brainer. The end user cost of a licence is £23.10 per user per month. If a customer employee is on £15 per hour you would need to find 1.5 hours per month in time saved to get a return. That's 19 hours per year or 22 minutes per week. The other day I needed to find something in my emails and files and used Copilot to find it in a few seconds – it probably would have taken me 22 minutes otherwise. That's the opportunity at its simplest and most basic level before we even start taking advantage of all the rich productivity and agentic features it offers workers and businesses.

In my opinion, every Microsoft user should have Copilot as standard. We need to be the experts that make this happen and enable all the additional value for our customers. We will make slim margins on the licences, but the managed services value will be material. And the strategic positioning this gives your business with your customer for the long term as the technology evolves and improves – invaluable.

At Giacom, we're ready to help you lead the way. Although no one has all the answers, drawing on our close partnership with Microsoft, our wider vendor partners and deep roots in the channel, we are here to provide the insight and support you need to cash in on Copilot.

Make no mistake: AI isn't a passing trend. It's a transformative force that will define the future of intelligent business — and the next big transition that the channel community needs to navigate. Those who act now, invest in internal adoption, and build managed services around AI will be the big winners — capturing new value and securing their place as indispensable partners to their customers.

So, start the journey today. Our commitment to you is to be with you every step of the way, so we can lead the adoption of this critical capability for UK SMBs and turn the promise of AI into practical, profitable reality for the channel. Let's do what we do best – make the complex simple and help UK SMBs get the most from continued innovation.

Let's Cash in on Copilot

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Cashing in on Copilot

Nathan Marke Giacom Chief Strategy Officer

AI is laying siege to SMBs. It is already difficult to buy a smartphone, tablet or laptop without AI. By the end of this year, AI will be embedded in more than half of all software. And more than 70% of employees confess to using consumer Gen AI tools in the workplace, for work purposes. Pandora's box has been opened. The genie has escaped the lamp.

Generative AI is a general technology in the broadest sense. With the tech giants throwing billions into building out supply lines, not since the birth of the internet have we seen a product so easy and ubiquitous to access. This also explains its extraordinary adoption: ChatGPT taking only two months to reach 100million users in 2023 and with an estimated 800million weekly users today.

> **"** We have a technology with endless potential — and 2 million UK SMBs with very little clue what to do next. **"**

But what does this mean for SMBs? Of course, concomitantly it's an opportunity, and a threat. According to Gartner, 2025 brings in the next Technology Supercycle – the era of Intelligence. In a recent Gartner survey, 62% of CEOs in large businesses view AI as a key competitive force for the next decade, with 80% planning significant AI deployments by the end of the year. Be under no illusion. SMBs want AI and will follow suit. In polls, alongside cybersecurity, AI is the most in-demand SMB technology, holding the potential to unlock transformational leaps in productivity and efficiency. However, without thought and care, AI also brings risk to the SMB community. These businesses generate more than 50% of the UK's GDP and rely on technology more than ever. Yet many lack the IT skills and resources needed to keep pace with tightening regulation and the relentless rise of cyber-crime.

We have a technology with endless potential — and two million UK SMBs with very little understanding of what to do next. I'm not sure I can make the case for the opportunity for our channel community any more clearly.

> **"** Our challenge is that Gen AI is a technology in a hurry. It is available to our customers at the same time as us, meaning that we must work smart, and fast, to get ahead and stay ahead of customer demand. **"**

MSPs and technology resellers are the strategic technology partners of SMBs, perfectly positioned to enable SMBs to turn AI potential into reality. Readying the infrastructure, structuring the data, delivering the cybersecurity essentials, training up the workforce, deploying the tools, building the agents, composing the managed services to enable SMBs to extract value from AI and gain a competitive advantage — while minimising the pitfalls, downsides and risks.

Our challenge is that Gen AI is a technology in a hurry. It is available to our customers at the same time as us, meaning that we must work smart, and fast, to get ahead and stay ahead of customer demand. We must remain relevant, be the experts and realise value for SMBs.

MSPs aren't immune from the disruption. Gen AI is also reshaping the landscape for MSPs. I have met very few MSPs who don't recognise AI's potential, most are exploring its potential to support automation projects internally. However, I've also only met a few who have a clear strategy to monetise it effectively.

> **"** 62% of CEOs in large businesses view AI as a key competitive force for the next decade. **"**

On Giacom's part, we want to help. To do this, we have scoured our community of 6,000 partners to find MSPs who are ahead. The pioneers. The frontiersmen who took a leap of faith two years ago — on the release of Microsoft's business-friendly flavour of Gen AI, Copilot — embedded it in their businesses and made the early forays into monetising the opportunity with SMBs. MSPs who have created a clear, actionable roadmap to move beyond simple licence resale and unlock recurring, high-value revenue streams.

We held in-depth interviews with some of these pioneers. We also sought counsel from vendors with AI at the core of their offerings — Microsoft and Acronis — and from our own Giacom Modern Workplace Copilot specialist team. This paper distils these learnings into a practical framework for MSPs to successfully monetise Copilot and Gen AI, transforming AI from a buzzword into a sustainable business opportunity.

Key Findings:

- **AI Adoption Is Inevitable:**
  AI is now embedded in most business software, and the majority of employees are already using consumer AI tools at work. The shift is already underway — MSPs must act now to stay credible and competitive.

- **Internal Adoption Is Critical:**
  The most successful MSPs become "Customer Zero," embedding AI internally before deploying it for clients. This builds credibility, expertise, and the ability to deliver real value. And it holds the key to remaining operationally competitive.

- **Business benefits are evolving:**
  Current AI implementations focus on improving the way we work today, through productivity improvements and process automation. The pace of AI innovation is relentless and the opportunity for new business models or even complete business reinvention perhaps lies just around the corner.

- **Monetisation Requires More Than Licence Sales:**
  True value comes from managed services, ongoing training, agentic automation, and business process transformation — not just reselling licences.

- **Agentic AI needs new skills:**
  The magic for MSPs lies in building and managing AI agents that automate operational processes, drive efficiency, and enable scalable growth. This is a business rather than a technology sell, with new buyers.

> **"** MSPs and technology resellers are the strategic technology partners of SMBs, perfectly positioned to enable SMBs to turn AI potential into reality. **"**

Practical Framework for building an AI Practice:

The paper presents a five-phase roadmap for Microsoft-centric MSPs to monetise Copilot both internally and in end customer deployment:

1. **Enable Copilot Chat:** deploy free, secure AI tools to address shadow IT and spot high-engagement users.

2. **Engage Customers:** use webinars and assessments to build trust and identify opportunities.

3. **Drive Adoption:** prioritise onboarding, training, and managed services for real productivity gains.

4. **Build Custom Agents:** automate business processes to unlock higher-margin consulting revenue.

5. **Expand and Optimise:** leverage analytics to measure ROI, grow use cases, and deliver ongoing services.

We have included links to reference material and a guide to the specific monetisation opportunities at each stage.

We hope you find it useful.

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Cranborne's AI Journey - From Internal Adoption to Client Transformation

Interview with Ryan Wilson CTO

Who is Cranborne Technology?

Cranborne Technology is a UK-based MSP with a strong Microsoft-first focus. The company specialises in Azure, Microsoft 365, security, and AI, serving a diverse client base that includes both large enterprises and small to medium-sized businesses. Cranborne has built a reputation for strategic innovation and technical expertise, centred on continuous learning, adaptation, and a commitment to helping clients harness the latest technology to drive productivity, security, and business growth.

Early Recognition and Market Context

Cranborne's journey into AI began with a clear understanding of the technology's transformative potential. The leadership team recognised that AI was rapidly becoming a defining force in business competition, with large enterprises leading the way in adoption. However, Cranborne also saw that SMBs lagged, missing out on opportunities to leverage AI for efficiency and innovation. This insight motivated Cranborne to proactively bridge the gap for their clients, ensuring that even smaller organisations could benefit from the latest advancements in AI.

A pivotal moment in Cranborne's AI strategy came in November 2023, when Microsoft Copilot for Microsoft 365 was released for general availability. Cranborne acted swiftly, adopting Copilot immediately and positioning itself as an early adopter. This decision enabled the company to gain firsthand experience with the platform, develop internal expertise, and offer clients guidance and support from day one.

Internal Innovation: Mastering AI Before Client Deployment

Cranborne's philosophy is to understand AI internally before deploying solutions to clients. The company believes that credibility and effectiveness come from firsthand experience, so every solution offered is tested, refined,

and proven in real-world scenarios. Internally, Cranborne has implemented AI-driven systems such as an automated phone solution that streamlines customer interactions and reduces call volume. The company is also developing agentic models to integrate disparate business tools, aiming for seamless data flow and automation across its operations. This commitment to internal innovation ensures that Cranborne remains at the forefront of AI adoption and can confidently guide clients through their own transformation journeys.

> " We want to master it in house first...if you're going to show a customer a Gen AI model, you need to ensure that the customer has full faith in you, that it's one you're deploying yourself, you know how it works and more importantly that you've run it for quite some time. "

Client Engagement: Out-of-the-Box Solutions and Assessments

Cranborne's initial client-facing initiatives focused on Microsoft Copilot for M365, which quickly became central to its offering. The company invested in educating and empowering clients through webinars, coaching sessions, and ongoing support. Rather than simply selling licences, Cranborne prioritised helping clients understand how to use Copilot safely and effectively within their organisations.

> " We're a Copilot specialist. We do a lot of webinars. We do a lot of coaching. We do quarterly promptathons for our customers to get the best out of Copilot. "

A key differentiator in Cranborne's approach was to offer free AI and security assessments to both existing and new clients. These assessments provided valuable insights into clients' environments and helped build trust, serving as a strategic entry point for deeper engagements. For new clients, the assessments were a way to demonstrate value and expertise, often leading to long-term relationships and further opportunities to support their digital transformation.

> " We didn't think it was fair as an MSP to charge clients for assessments when in theory we are already supporting them from that aspect. "

Tailored Demonstrations and Industry-Specific Solutions

Cranborne sets itself apart by delivering industry-specific AI demonstrations and workshops. Instead of generic presentations, the team conducts "day in the life" workshops, showing how AI can enhance the daily workflow of professionals in sectors such as finance and non-profit.

These tailored sessions resonate strongly with clients, leading to tangible results such as increased adoption of AI tools and expanded licensing agreements. By focusing on real-world scenarios and specific business processes, Cranborne showcases the practical benefits of AI and helps clients envision its impact on their operations.

Building Managed Services Around AI

Recognising the rapid pace of AI development, Cranborne has now evolved its engagement model to offer ongoing support as a managed service. The company established regular touchpoints with clients, including quarterly webinars to discuss new features, security updates, and best practices. This approach ensures that clients continuously optimise their AI investments and stay informed about the latest advancements.

By positioning AI as a managed service rather than a one-off professional engagement, Cranborne has fostered deeper relationships

and helped clients maximise the value of their technology investments.

Marketplace and Collaboration

Cranborne's ambition extends beyond its own operations. The company is working to package its internally focused agentic AI solutions for broader distribution, enabling other MSPs to benefit from its expertise and innovation. By creating ready-to-deploy packages, Cranborne aims to empower smaller MSPs that may lack the resources to develop their own AI solutions. This collaborative approach reflects Cranborne's commitment to driving industry-wide progress and supporting the broader technology ecosystem.

The Evolving Role of AI and MSPs

Looking ahead, Cranborne sees AI as an enabler rather than a replacement for MSPs. The company believes that AI will augment the work of service providers, helping them deliver greater value and efficiency to clients. While AI can automate certain tasks and provide valuable insights, Cranborne emphasises the ongoing need for human expertise in building, securing, and modernising infrastructure. The future, as Cranborne envisions it, is a hybrid model where AI and human intelligence work together to support clients' evolving needs.

> " Copilot is what we've always said. It's your assistant. It works alongside you. It's your buddy at work. It's not taking over your job, it is helping you with your job. "

Conclusion

Cranborne's journey into AI is defined by strategic foresight, practical innovation, and a clear focus on client outcomes. By adopting AI internally, developing tailored solutions for customers, and introducing AI enablement as part of its managed services, Cranborne is not just keeping pace with the AI revolution but strengthening its position as a strategic partner to clients, helping them harness AI more effectively to improve productivity and drive growth.

Watch the full interview

Kascade's Journey from Business-Centric MSP to AI Trailblazer

Interview with Barry Coombs CTO

Setting the Scene: Kascade's Business and Philosophy

Kascade is a UK-based, Microsoft-centric MSP with a reputation for being more than just a technology provider. Specialising in supporting professional services firms, Kascade works with a diverse range of clients, from small businesses to organisations with over a thousand users. What sets Kascade apart is its consultative, solution-focused approach: rather than simply delivering IT projects, the company positions itself as a long-term partner, an extension of its clients' IT teams. Kascade's ethos is rooted in understanding what makes each client unique — whether it's their business model, their growth ambitions, or their operational pinch points — and tailoring technology solutions to drive real business outcomes.

" You don't do technology for technology's sake when you're trying to adopt a set of tools. They are a set of tools… What makes the business special? What makes it money? Where are the pinch points? Where are the opportunities inside that business? "

Selling Solutions, Not Just Technology

From the outset, Kascade has prioritised business conversations over technical jargon. The team invests time in business discovery sessions, going beyond the server room to understand the processes and challenges that truly matter to their clients. This approach is reflected in their Microsoft 365 adoption programmes, where technology is never deployed for its own sake. Instead, Kascade helps clients identify where the myriad tools in Microsoft Modern Workplace can unlock productivity, streamline workflows, and create competitive advantage.

" We do not deploy AI for AI's sake — 'Why are you doing it?' 'Well, everyone's doing it. That's what we've got to do.' — We need to elevate our conversations as MSPs, as IT professionals, to business-level conversations. "

Their "Art of the Possible" sessions, offered free of charge, showcase real-world industry-aligned use cases, sparking imagination and helping clients visualise how new technology, including AI, can be leveraged in their own organisations.

" We offer customised sector-aligned Art of the Possible sessions to our clients free of charge. We go and show them actually how these tools are being leveraged by their competitors in the real sense of the word. And that helps allow people to imagine what they could do. "

Early Adoption: Bringing Copilot In-House

When Microsoft launched Copilot for Microsoft 365, Kascade recognised the importance of understanding the technology from the inside out. Rather than waiting for clients to ask about AI, Kascade became an early adopter, rolling out Copilot internally and inviting all employees to participate in their Copilot Academy. This six-stage programme, developed in partnership with Giacom, covered everything from prompt engineering to role-aligned use cases and security best practices. The company's own training platform, Adopt 365, became the hub for ongoing education, ensuring that every team member could experiment with Copilot and develop hands-on expertise.

Internally, Kascade's Microsoft-certified trainers quickly built agents for HR, policy management, and service catalogue queries, demonstrating the practical value of AI in streamlining operations.

" Our Microsoft certified trainer internally actually developed a number of agents very quickly when the features were available inside [Copilot] Studio that we now consume on a regular basis… We've actually built an agent around the catalogue of data that we've got for our services. Anyone in the business that needs to know about one of our services can go and ask it in real language. "

By "drinking their own champagne," Kascade has not only improved internal efficiency but also gained the confidence and credibility to guide clients through their own AI journeys.

Turning Insight into Impact: Client Conversations and Deployments

Armed with firsthand experience, Kascade has shifted its client conversations from theoretical discussions to practical, business-focused propositions. The company found that clients were eager to explore AI but often lacked clarity on how to execute their vision. Kascade's consultative style helps bridge this gap, enabling clients to move beyond IT-led evaluations and deploy Copilot where it matters most. The Copilot Academy has become a key differentiator, giving clients the skills and confidence to experiment with AI and gather real feedback from end users.

As deployments have progressed, Kascade discovered that AI adoption was rarely a standalone initiative. Instead, it opened the door to broader projects in data strategy, security, and infrastructure readiness. Many clients realised that their data needed to be more accessible and accurate for AI agents to deliver value, prompting investments in data management and governance. Security also became a central concern, with Kascade guiding clients through readiness assessments and helping them strike the right balance between rapid adoption and robust protection.

Beyond Productivity: The Rise of Agentic AI

Kascade's journey hasn't stopped at productivity enhancements. As the team gained expertise, they began exploring agentic AI, building specialised agents that could tackle complex business processes and deliver trusted, actionable insights. This required a deeper understanding of each client's business, from vertical market dynamics to the competitive pressures facing professional services firms. Kascade's approach was always grounded in business outcomes: increasing billable time, scaling operations, and delivering greater value to clients without proportionally increasing costs.

The Future: Strategic Partnership in an AI-Driven World

Looking ahead, Kascade is committed to remaining a strategic partner for its clients as AI continues to reshape the business landscape. The company's focus is not on becoming an AI specialist, but on staying relevant by listening to clients, understanding their evolving needs, and ensuring that technology serves as a tool for achieving business goals. Kascade's journey demonstrates that successful AI adoption is not about chasing the latest trends, but about building trust, investing in education, and focusing on measurable value creation.

Conclusion: Lessons from Kascade's Journey

Kascade's experience offers a blueprint for MSPs and enterprises navigating the AI revolution. By starting with a deep understanding of client businesses, investing in internal expertise, and focusing on strategic outcomes, Kascade has positioned itself at the forefront of AI adoption. Their story underscores the importance of adaptability, consultative engagement, and a holistic approach to technology — one that encompasses data, security, and business transformation. As AI continues to evolve, Kascade's priority is to ensure every AI investment delivers tangible value, not just technology for its own sake.

Watch the full interview

Techcare's Journey from Copilot Adoption to Agentic Transformation

Interview with Lewis Lydiard Service Delivery Director

Introduction to Techcare

Techcare is a Staffordshire-based MSP with a reputation for forging deep, strategic partnerships with its clients. Originally established as a high street computer shop, Techcare has evolved into a specialist MSP, serving primarily the construction sector but also supporting a diverse range of businesses. The company's philosophy centres on embedding itself within client organisations, not merely as a technology supplier, but as a trusted advisor who understands each customer's unique business challenges and ambitions.

With a lean but highly skilled team, Techcare has invested in building expertise not only in infrastructure and support, but also in digital transformation, application development, and business process automation. This breadth of capability allows Techcare to deliver end-to-end solutions that address both the technical and strategic needs of its clients, making it a valued partner for organisations seeking to leverage technology for competitive advantage.

Early Adoption: The Copilot Launch

Techcare's AI journey began in 2023, coinciding with the launch of Microsoft Copilot. Recognising the disruptive potential of generative AI, Techcare positioned itself as an early adopter within the SMB market. The initial phase focused on experimentation, deploying Copilot licences to internal power users and exploring popular AI chat tools like ChatGPT and Claude. Early wins included efficiency gains in routine tasks such as email management and documentation, which validated the potential for broader AI integration.

Building Agentic Foundations

As Techcare's familiarity with Copilot grew, the team began to explore agentic building blocks — modular AI solutions designed to automate and enhance specific business processes. The first agentic prototypes were simple but impactful, such as standard operating procedure helpers (SOP Helper) and technical solution assistants (Solutions Helper). The SOP Helper provided immediate, context-sensitive guidance to engineers during high-pressure incidents like cyber breaches or ransomware attacks, reducing human error and ensuring consistent adherence to best practices.

> "We wanted something to deliver that straight to the engineer, straight to the technician. And that's where that SOP Helper really benefits. ... It puts it into a format that's really nicely accessible. A user can sit down and Copilot Chat, integrate straight into the agent and go ... and just present the information straight away. Here's the immediate steps, here's some remediation, here's some containment information, and here's some comms you can send to the client. Real nice, real simple, just interaction with the agent on that side of things."

The SOP Helper allows engineers to interact with an agent via chat, instantly surfacing the correct procedures and communications templates needed for incident response. This not only improved response times but also empowered less experienced staff to perform at a higher standard. Effectively, it "shifted left" and freed up senior talent for more complex troubleshooting.

Iterative Development and Internal Integration

Techcare's agentic solutions evolved through iterative development. The team expanded the capabilities of their agents by integrating knowledge bases, compliance policies, and technical documentation. For instance, the Solutions Helper was enhanced to reference compliance requirements (such as ISO 27001 and Cyber Essentials) and to provide contextual reminders during SOP execution. This ensured that regulatory obligations were met seamlessly within operational workflows.

> "That consistency and that continuity across the business is, you know, really why people partner with us. ... You pay for that Techcare standard really and that's what we wanted to standardise..."

Expanding to Client-Facing Solutions

Having proven the value of agentic solutions internally, Techcare began extending these capabilities to clients. The approach was consultative: Techcare facilitated workshops with business leaders to map out processes, identify inefficiencies, and co-create agentic solutions tailored to client needs. In the construction sector, for example, Techcare developed a "tender agent" that automated the translation of survey data into comprehensive legal tender documents and vice versa, streamlining a traditionally labour-intensive process.

> "It's not a technical conversation anymore. It's much more that strategic conversation, that business level conversation."

This shift from technical conversations to strategic, business-level engagements marked a new era for Techcare. The company leveraged its digital expertise to help clients reimagine workflows, automate documentation, and unlock new efficiencies — delivering tangible ROI and deepening strategic partnerships.

Monetisation and the Evolving Business Model

Monetising agentic solutions presented both opportunities and challenges. Techcare initially offered value through paid workshops and consultancy sessions, helping clients discover and prioritise AI use cases. The company adopted a no-vanity-projects rule, focusing only on initiatives with clear business value and measurable returns. As agentic adoption matured, Techcare began exploring models for continuous consultancy and managed services, recognising that the rapid pace of AI innovation required ongoing support, monitoring, and optimisation.

Internally, Techcare has invested in developing dashboards to monitor agent adoption, usage, and performance across client estates, positioning itself to offer proactive support and ensure business continuity as clients became increasingly reliant on agentic automation.

> "One of the key things for Techcare really when it comes to AI sales...before we even got to Agentic is a bit of a rule of thumb of no vanity projects...There has to be a return. There has to be some benefit to this."

Lessons Learned and Future Outlook

Techcare's journey underscores several key lessons for MSPs and technology partners:

- **Early Adoption Drives Competitive Advantage:** Embracing AI early enabled Techcare to build expertise, experiment safely, and position itself as a thought leader.

- **Agentic Solutions Require Strategic, Consultative Engagement:** Success depends on understanding client business processes, not just technical requirements.

- **Continuous Improvement Is Essential:** The agentic landscape evolves rapidly, demanding ongoing iteration, monitoring, and client education.

- **Monetisation Models Are Still Emerging:** While workshops and consultancy provide immediate value, the future likely lies in managed or continuous consultancy services.

As Techcare continues to innovate, the company remains committed to being Customer Zero — using its own operations as a testbed for new solutions and sharing those learnings with clients. This approach will ensure that Techcare stays at the forefront of AI-driven transformation, delivering measurable value in an ever-changing market.

Watch the full interview

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Becoming a Frontier Firm — A Microsoft View on How MSPs Can Monetise AI

Interview with Guy Gregory Partner Solution Architect, Microsoft

Introduction: The AI Imperative for MSPs

The managed services sector is at a pivotal moment, as AI rapidly reshapes the way businesses operate and deliver value. In our first vendor interview, Guy Gregory, Partner Solution Architect at Microsoft, shared his perspective on how MSPs can harness AI to transform themselves and their clients into "Frontier Firms" — organisations that are not only adopting AI, but fundamentally redefining their business models and competitive edge through it.

Defining the Frontier Firm

Microsoft's Work Trend Index report for 2025 introduces the Frontier Firm as a new archetype: a business that fully embraces AI, particularly generative and agentic technologies, to drive rapid growth and innovation. Guy explains that organisations typically progress through three phases on their journey to becoming a Frontier Firm.

The first phase is "humans with assistants," where employees use AI tools like Microsoft Copilot to support their daily work. The second phase is the "human-agent team," in which AI agents collaborate with people, offloading routine and repetitive tasks. The final phase is "human-led, agent-operated," where AI agents autonomously optimise and run business functions, allowing humans to focus on higher-value, creative, and strategic activities.

Guy emphasises that while most organisations are still in the early stages, the direction is clear: AI agents will become integral to business operations, enabling individuals to orchestrate teams of AI agents. This shift promises not only greater productivity and efficiency, but also a more fulfilling work experience, as repetitive tasks are delegated to AI.

Microsoft's Technology: Accelerating the AI Journey

The pace of AI innovation is extraordinary, with Microsoft Copilot alone receiving hundreds of updates in the past year.

> **"** The AI space is changing so rapidly that it's important to keep up to date with the latest technology. **"**

Guy highlights that Microsoft's technology stack — including Copilot, Copilot Studio, Azure AI Foundry, and the newly launched Microsoft Agent Framework — provides MSPs with the tools to build, deploy, and integrate AI agents into their own operations and those of their clients. These advancements make it easier for MSPs to leverage large language models (LLMs) and agentic frameworks, enabling AI to interact with APIs, perform complex reasoning, and even run for extended periods to handle ongoing business processes.

Guy notes that these capabilities are not just theoretical. AI agents are already being used to automate a wide range of MSP tasks, from triaging and summarising support tickets to automating escalation and analysing backup logs.

> **"** There are so many areas where MSPs can adopt AI to make their own processes more efficient. **"**

For example, AI can review logs to determine whether a backup succeeded or failed, diagnose issues, and recommend remediation steps — all without manual intervention. This automation frees up valuable human resources, allowing MSPs to focus on more strategic and customer-facing activities.

Practical Impact: Efficiency, Profitability, and Service Quality

The adoption of AI agents is having a tangible impact on MSP efficiency, profitability, and service quality. Guy recalls his own experience in the MSP sector, where limited resources and increasing customer demands made it challenging to keep up. AI now offers solutions that were previously out of reach, such as automating and standardising documentation — a traditionally time-consuming but critical task. By streamlining documentation and other routine processes, AI not only boosts productivity but also ensures consistency and accuracy.

Leadership teams also benefit from AI-powered assistants, which can help prepare for client meetings by summarising relevant information and surfacing key insights. This ensures that every customer interaction is informed and impactful, further enhancing the value MSPs deliver.

Skills and Challenges: Navigating the AI Transition for MSPs

As MSPs look to capitalise on the AI opportunity, Guy highlights that the journey is as much about people and culture as it is about technology. The transition to delivering AI-powered solutions — both internally and for customers — demands a new set of skills, a willingness to experiment, and a recognition of the human factors that underpin successful adoption.

The Evolving Skills Landscape

Guy emphasises that the rapid acceleration of AI capabilities must be matched by a parallel investment in human skills. For MSPs, this means dedicating time to experiment with new tools, investing in continuous learning, and actively seeking to understand how to extract the most value from AI. He describes his own approach: carving out time to prototype solutions,

> **"** By using these tools and building the solutions yourself, and treating yourself as a Customer Zero... it's a great way to get better. **"**

using AI to accelerate personal learning, and encouraging a culture where learning is ongoing and hands-on.

He advises MSPs to start small — identifying a single business process that could benefit from AI, building a prototype, and iterating based on real-world feedback. This agile, experimental mindset is crucial for building confidence and competence with AI technologies.

Importantly, Guy notes that the barriers to entry are falling. With the advent of low-code and no-code platforms like Copilot Studio and GitHub Spark, even those without deep technical backgrounds can now build and deploy AI solutions. This democratisation of technology opens the door for a broader range of MSPs and SMBs to participate in the AI revolution.

Human Skills Remain Essential

While technical skills are important, Guy is clear that certain human abilities remain indispensable. Delegation, for example, is a core managerial skill that translates naturally to orchestrating AI agents. Managers who are adept at describing tasks and delegating them, whether to people or to AI, are particularly well-positioned to lead in this new era. Other essential traits include judgement, empathy, creativity, and strategic thinking. These human qualities are vital for ensuring that AI is used thoughtfully and effectively, and for unlocking the full potential of both technology and teams.

Overcoming Challenges

Guy acknowledges that the transition to AI is not without its challenges. Many SMBs, and even some MSPs, face a skills gap when it comes to adopting and deploying AI solutions. The need for experimentation and a willingness to fail and iterate may be unfamiliar to organisations accustomed to more traditional, linear approaches.

Additionally, as AI takes on more routine and repetitive tasks, roles within MSPs will inevitably shift. Staff and managers alike must adapt to working alongside AI co-workers, focusing more on creative, strategic, and customer-facing activities.

" As AI offloads more and more of the repetitive work... that frees [people] up to focus on areas where they can unlock that creativity, that innovation. **"**

Guy stresses that while technology is advancing rapidly, the human element — ensuring fulfilment, work-life balance, and job satisfaction — remains a key consideration. AI should be seen as a tool to enhance human work, not simply to replace it.

Building a Culture of Continuous Learning

Ultimately, Guy's advice to MSPs is to foster a culture of continuous learning and experimentation. By treating themselves as Customer Zero, MSPs can build internal expertise, develop practical solutions, and gain the confidence needed to guide their customers through the AI transition. The most successful MSPs will be those who combine technical adoption with strong human skills and a willingness to evolve their business processes.

The Human Benefit: Fulfilment and Work-Life Balance

Beyond productivity and profitability, Guy underscores the human benefits of AI adoption. By offloading repetitive and non-value-adding tasks to AI, individuals can focus on creative, strategic, and fulfilling work. This not only enhances job satisfaction but also supports better work-life balance — a critical consideration in an industry facing increasing complexity and demand.

Conclusion: The Path Forward

Guy's insights make it clear that the journey to becoming a Frontier Firm is both an opportunity and a necessity for MSPs and SMBs. By leveraging Microsoft's technology and adopting a culture of experimentation and continuous learning, MSPs can unlock new levels of innovation, efficiency, and human fulfilment. The tools, examples, and vision are already in place for those ready to seize the opportunity and lead in the new era of AI-powered managed services.

Watch the full interview

Acronis on AI, Cybersecurity and Monetisation

Interview with Gaidar Magdanurov President

Setting the Scene: The AI Opportunity and Shadow IT

Acronis recognises AI as a powerful driver of business productivity, but also a source of new challenges for MSPs and their clients. UK employees are saving billions of hours annually through AI tools, translating into significant economic value. However, alongside these benefits, a major concern emerges: the widespread use of "shadow AI" — unapproved consumer AI tools being used for work purposes by employees — which introduces substantial security risks for organisations of all sizes.

" Shadow IT is something that corporations were trying to fight with for years and years, and it's unavoidable... Now with AI it becomes an even bigger problem because you can find a tool that solves a specific problem for you. **"**

Gaidar explains that shadow IT is a persistent challenge, exacerbated by the proliferation of AI tools. Employees are drawn to specialised solutions that boost productivity, often bypassing corporate IT controls. The risks are twofold: potential data leakage and vulnerability to attacks on these unvetted tools. Blocking access to all external AI tools is impractical, as new options constantly emerge. Instead, Gaidar advocates for robust education and security awareness training for end users, emphasising the importance of using approved, verified tools and internal AI models that safeguard corporate data.

" You may disclose some private data. It may leak just because you are interacting with a tool that may not be as secure as the tools that were approved. **"**

The Role of MSPs: Education, Enablement, and Secure AI Adoption

Gaidar highlights that MSPs play a critical role in guiding customers toward secure AI adoption. He stresses that education is the most effective defence against shadow IT, recommending that MSPs provide clear guidance on which tools are safe and how to use them responsibly. He also points out the value of internal AI solutions and models, which offer the features of consumer AI tools within a secure organisational environment.

" The only real tool that helps here, based on the experience of most of the MSPs I'm talking to, is education for the end customer. **"**

Security awareness training should go beyond a compliance checkbox; it must empower users to recognise risks, validate sources, and understand the implications of their actions. Gaidar underscores that the human element remains the weakest link in cybersecurity, as illustrated by real-world incidents where professionals relied on AI-generated content without verifying its accuracy, leading to reputational damage.

" Proper security awareness training actually starts with explaining the sources of information, where it's coming from, how to validate the source of an email... It shouldn't be a checkbox... It should be proper training, so people need to realise when they're at risk versus when they're not at risk. **"**

AI as a Double-Edged Sword: Threats and Defences

The conversation shifts to the ways in which malicious actors are leveraging AI to enhance cyberattacks. While advanced techniques such as AI-driven vulnerability discovery and malware creation exist, Gaidar notes that most breaches still occur through traditional phishing methods — now made more convincing and scalable by AI. Attackers can automate the creation of realistic emails and websites, increasing the likelihood of successful credential theft and data breaches.

"Most of the attacks in reality are coming through phishing... Phishing emails are getting better and better just because AI can provide a good template for you."

AI also accelerates the processing and analysis of stolen data, making it easier for attackers to exploit compromised systems. In response, Gaidar recommends that MSPs deploy integrated security tools capable of blocking, preventing, and rolling back attacks, as well as maintaining reliable backups for forensic analysis. He emphasises that understanding how an attack occurred is as important as stopping it, to prevent recurrence and improve resilience.

"AI makes the bad guys more productive in the same way AI is making MSPs more productive...The one thing we can do about it is to continue to deploy the tools that would allow us to block the attacks, prevent the attacks, roll back to the previous state..."

Evolving MSP Capabilities: Automation, Integration, and Scalability

Gaidar addresses the evolution of MSP business models in the face of growing threats and customer demands. He observes that while specialist MSSPs (Managed Security Service Providers) serve larger enterprises, most SMBs rely on MSPs for their cybersecurity needs. The

key for MSPs is to use the right tools to deliver essential protections cost-effectively, even as customers seek to minimise IT spend. Integrated platforms that combine endpoint protection, backup, and disaster recovery are increasingly vital, enabling MSPs to offer comprehensive services without the complexity of managing multiple vendors.

"It's just a matter of using the right tool... The reason MSSPs or MDR services are not prevalent in the smaller businesses... is because it's just extra cost and customers... try to reduce their IT bill."

AI-driven automation is democratising advanced capabilities, allowing MSPs to deliver services that were once the domain of MSSPs. Gaidar describes how AI can generate natural language explanations of incidents, recommend remediation steps, and even automate ticket resolution. This not only improves efficiency but also helps technicians develop new skills and focus on higher-value activities.

"Now with AI, we can automate it in a way that you don't have to be a security expert and go through everything in there... you will get the natural language explanation for what has happened and suggestion of the next steps and next action to take."

Practical AI Adoption: Internal Use and Customer Value

Drawing from daily conversations with MSPs, Gaidar notes that nearly all are now using AI in some form, from chatbots to integrated workflow automation. Common applications include summarising support tickets, automating customer communications, and generating reports for client meetings.

"I talk to MSPs every day... I have maybe seen one or two MSPs that are not using AI... Everybody has AI in one way or the other implemented in their workflows."

"Summary of tickets is number one thing... The second thing that people really hate is customer communication. So, they use AI and predefined templates to create emails explaining what has happened... The third most useful scenario is creating reports for monthly meetings, QBRs, weekly meetings..."

These efficiencies reduce errors, save time, and enhance customer service.

The next frontier is autonomous cyber protection, where AI not only summarises and recommends actions but can execute remediation steps, subject to MSP approval and rollback safeguards.

The Imperative for MSPs: Innovate or Fall Behind

Gaidar concludes with a clear message: MSPs that fail to embrace AI and automation risk becoming irrelevant. The competitive landscape is intensifying, with more efficient MSPs able to offer lower prices and better service. Technician burnout is a real concern, and automation is essential to maintain quality and

"Technicians with AI will replace technicians without AI, and MSPs using AI will replace those who are not using AI."

profitability. AI is not about replacing people, but about enabling MSPs to scale, onboard more customers, and empower technicians to become strategic advisers. Ultimately, MSPs using AI will outpace those who do not.

Vision for the Future: Productivity and Reliability

Acronis's vision is to dramatically improve MSP productivity and service reliability through autonomous cyber protection. The goal is to free technicians from repetitive tasks, allowing them to focus on delivering greater value to customers. As the talent pool for MSPs shrinks and competition grows, adopting AI-driven tools is not just an advantage — it's a necessity for survival and growth.

"Our vision is simple. We want to help MSPs to increase their productivity. So this autonomous cyber protection is the continuation of the same story we had for the last 10 plus years. It is all about making people more productive."

Watch the full interview

Bringing It All Together: A Giacom Framework for Copilot Success

Interview with Angela Pawar

Introduction

To close our interview series, we turned internally to Giacom's own Angela Pawar, Copilot Sales Specialist in our Modern Workplace practice. Angela has worked hands-on with hundreds of MSP partners, guiding them through the deployment and adoption of Microsoft Copilot across a diverse range of customer environments. Through this extensive engagement, Angela has observed first-hand the key themes, lessons learned, and emerging trends that define successful AI monetisation strategies for MSPs. Her insights, distilled from real-world partner journeys, form the backbone of the practical framework presented in this paper — designed to help decision makers in MSPs navigate the evolving AI landscape and unlock new revenue streams with Copilot.

The Current Landscape: Three Types of MSPs

" There are a spectrum of partners' approaches when it comes to implementing AI to customers and themselves. I would typically put them in three different categories... cautious adopters, the middle ground, and the forward thinkers. "

MSPs today find themselves at different stages of AI adoption. Some are cautious adopters, responding reactively to customer requests and selling a handful of Copilot licences, but often seeing limited return on investment. Their engagement tends to stall due to uncertainty about technical requirements and a lack of clarity on next steps.

The majority of MSPs occupy a middle ground, showing interest in Copilot and investing in upskilling through resources from Microsoft and distributors. These MSPs may run webinars or events to spark sales, but momentum often fades after the initial engagement, with no clear follow-up or ongoing customer journey.

The most successful MSPs are forward thinkers — those who have implemented Copilot internally, deeply understand the product, and proactively guide customers through adoption, training, and managed services. .

The Urgency for Action

AI is not a passing trend. The pace of innovation is relentless, with Copilot alone seeing over 300 updates in the past year, introducing new productivity capabilities across Teams, Excel, PowerPoint and more as well as a swathe of agentic capability. Customers increasingly expect their MSPs to be AI advocates and trusted advisers. Those who lag risk losing business to more forward-thinking competitors. Early adoption is critical — not just for technical readiness, but to build credibility and trust with clients.

" Generative AI is advancing rapidly. There are so many companies that are implementing AI within their software as well. So it's becoming very competitive. "

A Five-Phase Roadmap for Monetising Copilot

Angela's framework, validated by the experiences of successful partners, outlines a five-phase journey for MSPs to monetise Copilot and AI.

Phase 1: Begin by enabling Copilot Chat for all Microsoft 365 users, regardless of licence type. This step provides a secure, enterprise-grade alternative to consumer AI tools, addressing shadow IT and data protection concerns. By leveraging analytics, MSPs can identify high-engagement users who are prime candidates for paid Copilot adoption.

" The first phase would be Copilot Chat, which is actually a free licence. As long as you have a Microsoft licence, you can have access to free Copilot Chat. Once they start getting used to generative AI as an organisation, then the partner can start talking about... the paid version. "

Phase 2: This focuses on customer engagement and readiness. MSPs should run targeted webinars, workshops, or one-on-one consultations to educate and engage customers. These activities are often incentivised by vendors and serve as a platform to conduct readiness assessments, evaluating data governance, cybersecurity concerns and technical prerequisites. This positions the MSP as a trusted advisor, rather than just a reseller.

Phase 3: Once readiness is established, the third phase involves deploying Copilot licences and supporting adoption. The emphasis here is not just on selling licences, but on ensuring customers realise productivity gains through training, prompt-a-thons, knowledge hubs, and ongoing support. This approach enables MSPs to charge for onboarding, training, and managed adoption services, ensuring that customers derive real value from their investment and become more "sticky" over time.

" Where you're going to get more money, which is the adoption piece... is that library of knowledge. Adoption is really important to that nurturing stage. "

Phase 4: This is where MSPs can truly differentiate themselves, helping customers build custom Copilot agents to automate repetitive tasks and workflows. This moves the conversation from IT enablement to business process transformation, unlocking higher-margin consulting revenue..

" Agents would be phase four where we're getting closer to becoming a Frontier Firm... the end user can actually build an agent themselves if they want to, but they're going to need some training on how to do that and the MSP can charge the customers. We will train you on how to build your own agent. "

Phase 5: This is about expanding business use cases and driving continuous improvement. By using analytics to measure ROI, identify new opportunities, and expand Copilot adoption across the organisation, MSPs can provide ongoing training, usage reporting, and optimisation as part of a managed service. This establishes recurring revenue streams and deepens customer relationships, ensuring that AI remains a core part of the client's business strategy.

Key Success Factors

The most successful MSPs are those who become Customer Zero — adopting Copilot internally and building authentic expertise. This internal adoption not only delivers real-world efficiency to the MSP, but it also builds credibility with clients and enables MSPs to have more meaningful, practical conversations about AI's value.

GIACOM. **Imagine** what we can do together

"Those partners that have adopted Copilot internally for their sales team, their marketing team, their technical team… are more successful with selling Copilot to their customers and on an incremental stage month on month, year on year."

An always-on mindset is essential, as AI is evolving rapidly and requires continuous learning, regular customer touchpoints, and proactive updates. The real opportunity lies in wrapping AI into managed services, embedding Copilot enablement, training, agent creation, and analytics into ongoing offerings. Leveraging vendor support for training and incentives can accelerate both internal upskilling and customer adoption.

Practical Advice for Decision Makers

For MSP decision makers, the advice is clear: start now, even if the path isn't perfect. Begin by enabling Copilot Chat and building internal expertise. Invest in upskilling your team, not only in technical deployment but also in business process consulting. Engage customers proactively through events, assessments, and analytics-driven conversations to uncover new opportunities. Most importantly, design services that deliver ongoing value — through training, optimisation, and business insights — rather than relying on one-off projects.

Angela's closing advice is direct and actionable:

"Don't be afraid to adopt Copilot and be Customer Zero. You might feel like you don't know where to start. So join our webinars. We can help you with that journey and help you with that roadmap. Build your Copilot as a service."

Conclusion

AI is fundamentally reshaping the MSP landscape. Those who act now — adopting Copilot internally, engaging customers with a structured roadmap, and building managed services around AI — will capture the lion's share of new value. The opportunity is clear: move beyond licences to become your customers' indispensable AI partner. By following this framework, MSPs can turn the promise of AI into a practical, profitable reality.
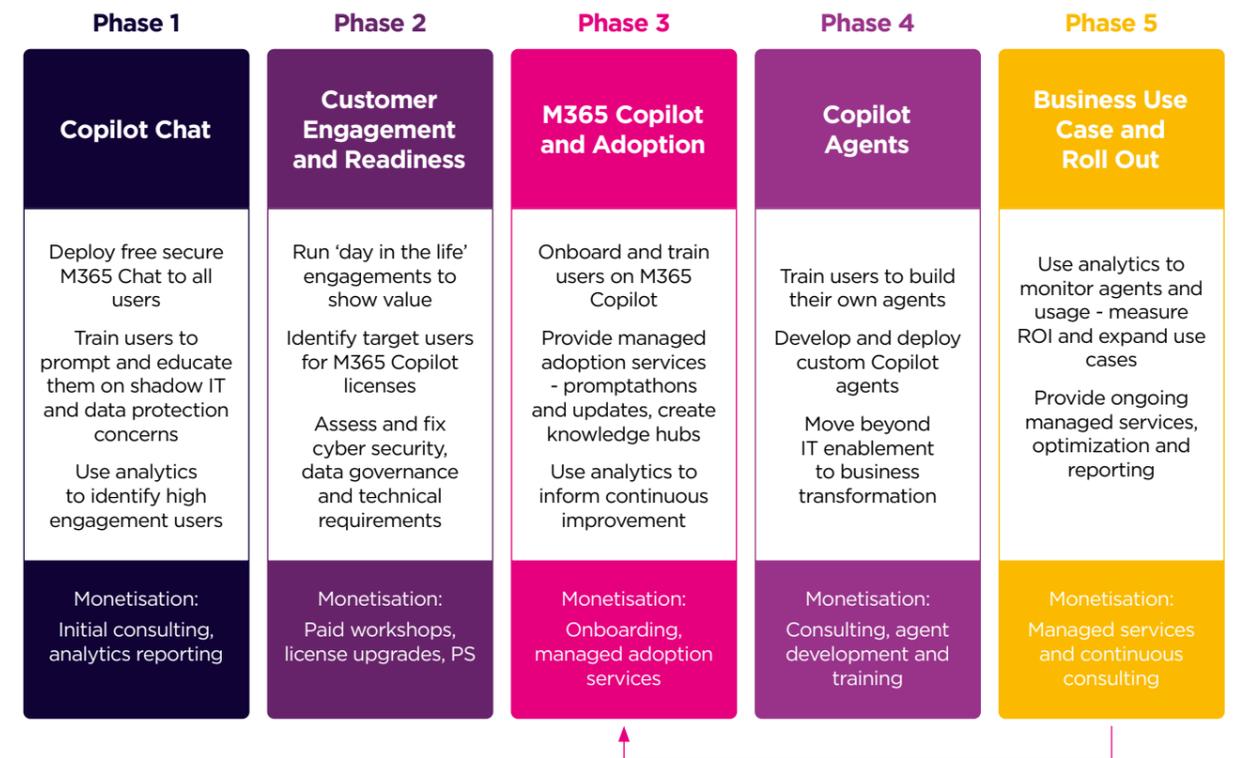
Cashing in on Copilot

So where are the money-making opportunities? The diagram below summarises the Giacom framework for building out your own AI Practice in your MSP, enabling Copilot as a Service.

The framework has been built around Giacom's engagement with many of our MSP Copilot customers, who have engaged with our Copilot Practice for support and guidance. And although every MSP is different, our interviewed MSPs — Cranborne, Kascade and Techcare — all broadly followed this same sequencing to build their experience to where they have progressed today, with each now active in phase 4 and working with customers to build out agentic solutions.

"The pace of change is accelerating, and those who act decisively today will shape the future."

Watch the full interview

AI Practice in a Box 'Copilot as a Service'

Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Copilot Chat	**Customer Engagement and Readiness**	**M365 Copilot and Adoption**	**Copilot Agents**	**Business Use Case and Roll Out**
Deploy free secure M365 Chat to all users Train users to prompt and educate them on shadow IT and data protection concerns Use analytics to identify high engagement users	Run 'day in the life' engagements to show value Identify target users for M365 Copilot licenses Assess and fix cyber security, data governance and technical requirements	Onboard and train users on M365 Copilot Provide managed adoption services - promptathons and updates, create knowledge hubs Use analytics to inform continuous improvement	Train users to build their own agents Develop and deploy custom Copilot agents Move beyond IT enablement to business transformation	Use analytics to monitor agents and usage - measure ROI and expand use cases Provide ongoing managed services, optimization and reporting
Monetisation: Initial consulting, analytics reporting	Monetisation: Paid workshops, license upgrades, PS	Monetisation: Onboarding, managed adoption services	Monetisation: Consulting, agent development and training	Monetisation: Managed services and continuous consulting

Phase 1 Copilot Chat

What
- Give everyone a business-safe AI chat tool
- Train everyone on effective prompting
- Raise awareness about usage and security

Monetisation
- PS to support time spent

- Analyse usage
- Identify AI champions
- Sell the potential of full CoPilot

Assets
- Turn on M365 Co-pilot Chat for all users.
  Resource 1
- Provide basic training on prompt engineering and AI security awareness.
  Resource 1 Resource 2
- Viewing usage analytics to identify high use candidates.
  Resource 1
- Use tools like Secure AI Solutions Assessment and Cloud App Discovery to identify shadow AI risks in larger opportunities.
  Resource 1 Resource 2

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Phase 2 **Customer Engagement and Readiness**

What

Base
- Scan your customer base to find opportunities
- Free assessments to open opportunities
- Engage the base running briefings to upgrade to Business Premium

Individual customers
- Run 'day in the life' role aligned engagements to show value of Copilot
- Assess readiness for Copilot
- Address infrastructure, security and data issues
- Agree success metrics
- Prepare for deployment

Assets
- Use M365 Lighthouse for security and compliance checks across all customers.
  Resource 1
- Host webinars or events to engage and educate high-potential users.
  Resource 1 Resource 2
- Run readiness and solutions assessments to check data location, security, and cloud readiness.
  Resource 1 Resource 2 Resource 3 Resource 4
  Resource 5

Monetisation
- Data and security upgrade work
- Upgrade to M365 Business Premium (EntraID, Purview, Defender, InTune) + other SKUs

Phase 3 **M365 Copilot and Adoption**

What
- Deploy Copilot licenses
- Drive user adoption through training and support
- Build out coaching programme – quarterly prompting teach-ins; quarterly feature updates

Monetisation
- Copilot licenses
- Adoption and training packages
- Analytics reporting
- Managed services – features, security updates, best practise, role aligned use cases

Assets
- Sell and assign Copilot licenses; solutions partner (Modern Work) gets extra rebates.
- Deliver adoption and training packages (e.g. events, promptathons, newsletters, marketing materials).
  Resource 1 Resource 2 Resource 3
- Use the Copilot Dashboard for advanced analytics on usage.
  Resource 1

Phase 4 **Copilot Agents**

What
- Enable agent creation and automation
- Publish agents in M365 chat

Monetisation
- Role aligned 'day in the life' use case demos
- Training in agent self-build
- Agent creation consulting and delivery
- Analytics and maintenance of agents
- Vertical or horizontally aligned agent store

Assets
- Train users to create their own agents (Lite version) or offer full agent creation/management. (request for training or use agent webinar training
  Resource 1
- Use Power Automate and Copilot Studio (premium license for advanced features) – request for support
- Manage agent security and compliance through analytics.
  Resource 1 Resource 2 Resource 3

Phase 5 **Business Use Case and Roll Out**

What
- Scale solutions across the organisation
- Continuous improvement through ongoing training and management

Monetisation
- Copilot as a Service
- Agent as a Service – continuous consulting

Assets
- Expand deployment to more users based on ROI and business cases. Use the Copilot Dashboard for advanced analytics on usage.
  Resource 1
- Provide ongoing managed services: continuous training, onboarding, regular updates, and agent maintenance.
- Encourage participation in regular webinars and updates.
  Resource 1
- Support: Webinars, learning resources, and managed service offerings.

The Copilot Upsell opportunity

The diagram below extracts the monetisable activities from the Giacom AI Practice in a Box framework into an MRR 'walk'.

It takes a suitably motivated 50 employee SMB business and illustrates how, with a carefully planned consultative approach to the engagement, it is possible to move that customer from a basic £18 per user Service Desk and M365 Standard offering along a journey that could yield up to £98 per user per month of sticky, valuable, margin rich recurring revenue to your MSP, driving secure a Copilot and Agentic solution across the business.

The prices are all Retail to the partner and based on a combination of direct feedback from partners and wider research into MSP pricing in the public domain.

Persuading a cost-sensitive business to spend 5x on its current licensing and services is not an insignificant task, however the solution directly address the two most in demand requirements of SMBs, cyber security and AI.

Opportunities like this will only be won with a consultative, ROI based engagement. But the productivity and efficiency gains are there. For an average SMB worker, that investment would pay back if you saved them 20 minutes per day that they could spend on more productive, customer facing work. That's the return, at its most basic level, without even exploring the opportunities for the wider business to transform how it operates.

The AI Upsell Opportunity
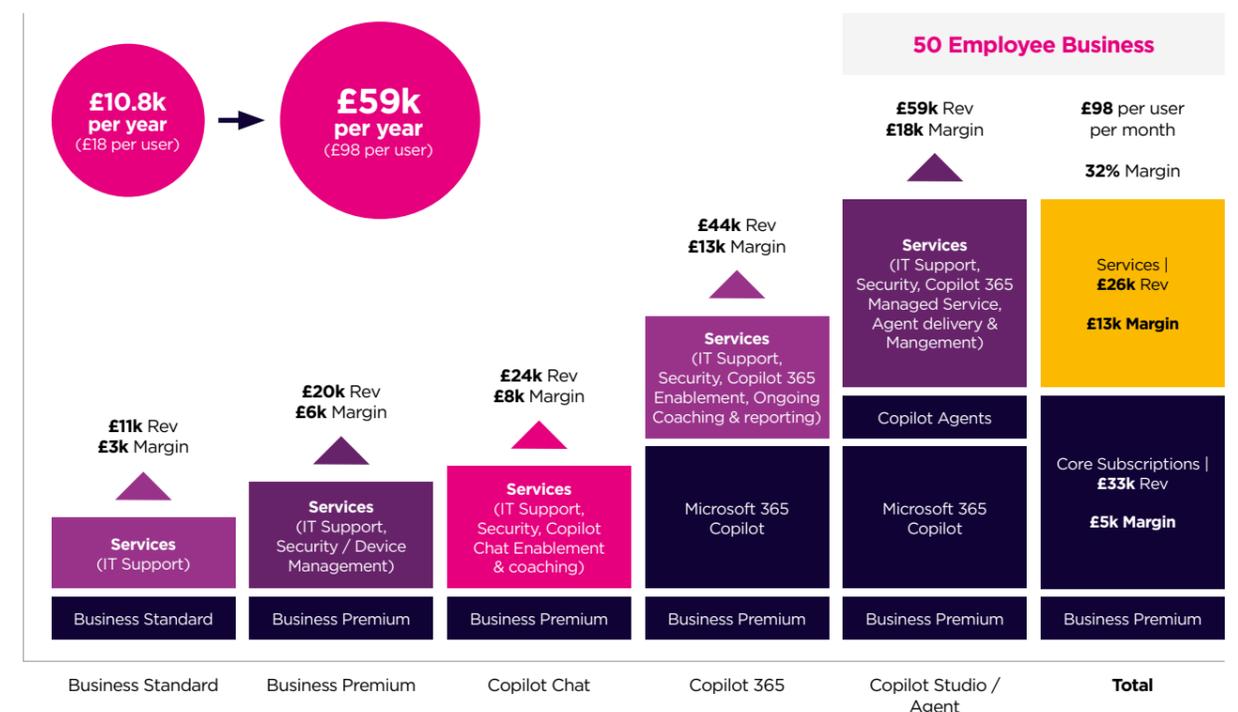
Summary

What are the salient lessons and conclusions we can draw from these interviews?

AI is a top priority for SMBs

All of our MSP interviewees said that SMBs were asking about AI. Indeed, some had very clear strategic views about what they wanted to do with AI. However, very few knew how to get from theory to practice, creating an opening for MSPs who can create a roadmap and prove value. Latest global market data from Analysys Mason shows 40% of SMBs now actively using AI and over 75% of them paying for it. Giacom is seeing rapid acceleration in the number of partners selling Copilot and in licence revenues. Two years after the first release of Microsoft Copilot, and many improvements and advances later, we are starting to see adoption accelerate through MSPs into SMBs.

AI Is a Journey, Not a Destination

Traditionally, deploying solutions for customers has often been a one-off exercise. The shift to cloud computing introduced continuous development, where solutions evolved as ISVs rolled out new features — so long as you maintained your subscription. AI takes this evolution even further: it's always on, and the pace of change is relentless. No one can claim expertise for long. Even as a confident Copilot for M365 user, I thought I had mastered the technology — until a recent refresher course revealed that over 300 updates had been added to Copilot in just the past year. Staying current is now a continuous process, not a milestone, and helps explain why an always-on managed service approach to packaging Copilot for customers works.

> **"**Our channel has made an industry out of selling customers technology that we don't use ourselves. This changes with AI.**"**

In the AI Revolution, the Cobbler Needs the Best Pair of Shoes.

Every one of our interviewees urged listeners to act as their own 'Customer Zero'.
Let's be honest. Our channel has made an industry out of selling customers technology that we don't use ourselves. This changes with AI. Generative AI is a general technology whose opportunities and threats apply just as much to the inner workings of our channel businesses as they do to our SMB customers.

For a start, you haven't got a hope of persuading a customer to invest in a strategic AI journey with you unless you are going on that journey yourself. You simply won't be credible.

But it is perhaps more than this. A determination to equip your teams with productivity tools to make them more effective, alongside a commitment to automate as much of the operation as possible, is going to be critical. This is how MSPs will maintain culture, skills retention and development, service quality and remain cost competitive moving forward. In turn, it strengthens EBITDA margins and ultimately drives a stronger valuation for your business.

The survive or die threat has long been overused, but it feels apposite here. This isn't a race you can watch from the sidelines. The adage 'your job won't be replaced by AI, but by someone using AI' is often used to encourage us, as individuals, to self-learn with AI. This metaphor applies equally in a whole-business context. Get on the AI journey internally and act as your own Customer Zero — or, as Gaidar from Acronis put it, 'your MSP won't be replaced by AI, but by an MSP using AI'.

The initial business benefits from Gen AI are not revolutionary

Gartner groups the benefits of Gen AI into three buckets:

1. Straight-line thinking – doing the same thing but with new technology
2. Extension thinking – enabling business models that were uneconomical previously
3. Re-invention – brand new business models based on data and insight

In our interviews, we saw great examples of Straight-line thinking. M365 Copilot is all about personal productivity; and I meet very few MSPs today who aren't actively using AI to support automation programmes to drive process efficiency.

> **"**Real profitability comes not from cutting hardware or software costs, but from investing in automation.**"**

Gaidar from Acronis gave a great example of Extension Thinking. Their vision for autonomous cyber protection seeks to automate complex security processes to enable MSPs to deliver what was previously only the domain of specialist MSSPs.

Although there were some examples in our MSP interviews of agents acting autonomously and managing other agents, we are yet to see a clear example of an MSP that has fundamentally rewritten their business model.

The 'straight line' opportunity for MSPs Is in Agentic Automation

MSPs are not opportunity constrained. In their search for strategic technology partners, tech-savvy SMBs are increasingly switching to MSPs. Average MSP topline growth across Europe of 10–11% outstrips other SMB buying routes (VARs, Telcos, Retailers and Vendors direct) by 2–3x. In fact, MSPs are the only route to market currently gaining market share.

While MSPs are experiencing strong top-line growth, the complexity of delivering comprehensive services to SMBs requires significant staffing and operational resources.

> **"**A key trait among the MSPs we interviewed is their proactive approach — they are not waiting for external solutions.**"**

This increased overhead steadily erodes profitability, with average EBITDA margins dropping to just 7–8%. As a result, MSPs face challenges in scaling their businesses and achieving the valuations they deserve. Without addressing these operational inefficiencies, it will be difficult for MSPs to maintain their momentum and continue capturing market share — especially in a UK economy that relies on SMBs to fully realise the benefits of technology.

Gaidar from Acronis noted that while only 20% of MSP overhead is spent on technology, a staggering 80% goes to staffing. Real profitability comes not from cutting hardware or software costs, but from investing in automation. By streamlining operations, MSPs can serve more customers with fewer resources — empowering Tier 1 engineers, reducing reliance on higher-cost experts, and driving efficiency. A single investment in automation can yield up to fivefold profit improvements through overhead savings — which, given the skills shortages in MSPs, is unlikely to lead to staff headcount reductions, rather enabling skilled staff to focus on higher-value work and the business to scale.

> **"**Having first implemented AI solutions within their own organisations, our interviewees found that developing a go-to-market strategy for customers became much more straightforward.**"**

Our Pioneer MSP interviewees all focused on this opportunity. Of course, they were deploying M365 Copilot for productivity gains, but much more significantly the magic came when implementing agents to gain efficiency through the automation of operational processes. Ryan, Barry and Lewis all gave examples of agentic deployment inside their business that were already paying dividends — from automating Standard Operating Procedures, to helping sales with solution building, to improving

documentation. All had also progressed rapidly towards the 'frontier' vision by shifting attention from hyper-focused single agent use cases to agents that coordinate teams of agents and deliver thought-through, multi-step outputs for engineers and end customers.

> **"** Human qualities are vital for ensuring that AI is used thoughtfully and effectively, and for unlocking the full potential of both technology and teams. **"**

While Copilot's democratised, employee-driven automation is a powerful catalyst, it is not a complete solution for automating MSP operations. The broader automation landscape spans RMM, ITSM, PSA, and security platforms, and using Robotic Process Automation platforms to create automation in Structured Data within operational systems. These sit alongside a fast-growing wave of software start-ups, all developing automation, integration, and agentic solutions to further enhance MSP efficiency and customer service. A key trait among the MSPs we interviewed is their proactive approach — they are not waiting for external solutions. Instead, by acting as their own Customer Zero, they are actively developing the skills, knowledge, data structures, and security controls needed to accelerate their own automation journeys.

> **"** A key trait among the MSPs we interviewed is their proactive approach - they are not waiting for external solutions. **"**

The blunt conclusion is that MSPs and VARs who fail to automate will, quite simply, find it difficult to compete against businesses whose overhead is lower, service delivery is better and whose teams have freed up time to get closer to their customers.

Getting Started with Customers

Having first implemented AI solutions within their own organisations, our interviewees found that developing a go-to-market strategy for customers became much more straightforward. The process of delivering AI to clients often mirrors the internal deployment journey, though each business will differ in terms of data maturity, systems, and culture.

The framework described by Guy from Microsoft and Angela from Giacom offers a practical template: start with the "humans with assistance" phase, where employees use tools like Microsoft Copilot to support daily work; progress to building personal agents for team members, creating "human-agent teams" that automate routine tasks; and ultimately evolve to "human-led, agent-operated" models, where AI agents autonomously optimise business functions, freeing people to focus on higher-value, creative, and strategic activities.

Moving from 'Tech' to 'Tech Plus Business' Consulting

Our very modest Copilot Pioneer MSPs all emphasised that they were 'learning on the job', just a little ahead of customer demand. They shared that while technical skills remain important in AI engagements, delivering agentic solutions requires new skills in the MSP and the customer.

For the MSP, step one is having a solution mindset. Pre-existing skills in software development, application delivery, data analytics and business consulting clearly lend advantage here, given the need to work closely with a customer to understand business processes and propose improvements. It is no surprise that, in the past six months, we have seen a flurry of M&A activity where infrastructure-focused MSPs are acquiring channel businesses with business applications, consulting and data skillsets, as these align most closely to agentic. Specialists in areas such as CCaaS (Contact Centre as a Service) will also find themselves at an advantage, given the skills here are largely devoted to rethinking business processes.

> **"** We have seen a flurry of M&A activity where infrastructure-focused MSPs are acquiring channel businesses with business applications, consulting and data skillsets, as these align most closely to agentic. **"**

From an end-customer perspective, Guy Gregory from Microsoft was clear that certain human abilities remain indispensable. Delegation, for example, is a core managerial skill that translates naturally to orchestrating AI agents. Managers who are adept at describing tasks and delegating them — whether to people or to AI — are particularly well positioned to lead in this new era. Other essential traits include judgement, empathy, creativity, and strategic thinking. These human qualities are vital for ensuring that AI is used thoughtfully and effectively, and for unlocking the full potential of both technology and teams.

New Skills and Old Skills Are Needed for the Journey

It's not out with the old and in with the new. Alongside a solutions mindset, the skills you have built over time — understanding your customers' infrastructure, data and security environments, while ensuring it works reliably and can recover when things go wrong — are essential foundational skills for helping your customers advance with AI.

And these skills are highly valuable and eminently monetisable in AI engagements with customers.

When SMBs are selecting a technology partner, they are increasingly looking for one that can demonstrate a strong vision for the future. Our pioneer MSPs all testified that being their own Customer Zero — and being able to present a clear framework for deploying Copilot, Gen AI and agentic solutions, grounded in real-world deployment experience — is setting them apart in client engagements. It's helping them win significant deals in their core MSP business (infrastructure, modern work, Power Platform and cybersecurity), as well as in Copilot engagements.

> **"** When SMBs are selecting a technology partner, they are increasingly looking for one that can demonstrate a strong vision for the future. **"**

Given the pace of innovation and change, they're also embedding AI and agentic services into their managed services offerings. They're embracing the concept of continuous consulting as an integral part of their relationship to support and deliver value to customers over time.

You Haven't Missed the Boat — But It Is Leaving Very Soon

The AI-powered transformation of managed services is unfolding right now, and the window of opportunity is wide open for those ready to seize it. The experiences of our pioneering MSPs show that you don't need to have every answer before you begin. What matters is your willingness to start, to experiment and to learn as you go. The pace of change is accelerating, and those who act decisively today will shape the future and unlock new value for themselves and their clients.

This is your moment to move from planning to action. Embrace the journey of discovery, get hands-on with Copilot, equip your teams and begin applying AI to your own operations. Empower your teams to grow alongside the technology. Don't wait for the perfect roadmap — create it as you go. And remember, you're not doing this alone. Giacom is here to support you with guidance, expertise, resources, and a vibrant community to help you succeed.

To all MSP leaders: the time to act is now. Step up, lead your teams into this new era, and let Giacom support you in setting the pace. The Copilot opportunity is real and within reach — but the boat is leaving soon. Get on board, and together we'll ensure you don't just catch the wave, but ride it to lasting success.

Discover how Giacom can help you accelerate your Copilot journey

Imagine
what we can
do together

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