

Managed Intelligence Providers: fiction or future?

Debunk the hype: a practical guide for MSPs looking to deliver effective and profitable AI services in the current landscape

Table of contents

01.

Managed Intelligence
Providers: fiction
or future?

02.

What is a real
Managed Intelligence
Provider?

03.

Why become a
Managed Intelligence
Provider now?

04.

Microsoft's marketing:
Frontier Firms

05.

The AI evolution: what's
real and what's hype?

06.

The dark side of AI

07.

The foundation of
Managed Intelligence:
security and data
governance

08.

What does good
data governance
look like?

09.

Becoming a Managed
Intelligence Provider:
how to transition your
service offering

10.

What should you
do now?

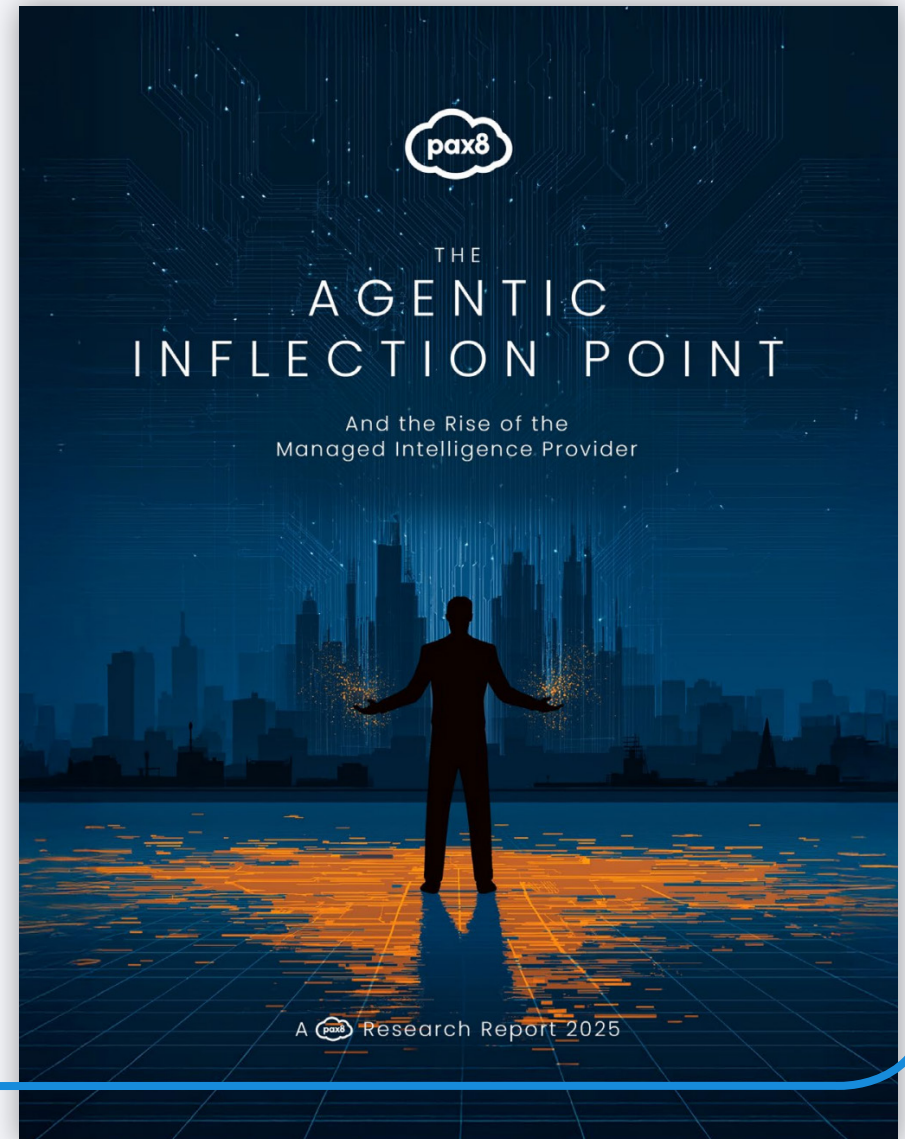
01.

**Managed Intelligence Providers:
fiction or future?**

It's no secret that in recent months the MSP community has been absolutely inundated with talk about AI. With the rate that AI is developing, it's hardly a surprise. The AI adoption rate skyrocketed in 2025, meaning that what was once considered futuristic is now practically commonplace. AI is now a day-to-day tool for many organizations, even those on the smaller side.

As the AI hype grew among SMBs, MSPs have experienced increasing pressures from customers, vendors, and fellow service providers to adapt their offerings and provide tailored support and enablement.

Almost overnight, a new term was born: the Managed Intelligence Provider. This was first coined by Pax8 in *The Agentic Inflection Point*, a highly detailed research report that looks ahead to the evolution of agentic AI and the role MSPs will play in its delivery, optimization, and ongoing development. Since the release of that report, the term 'Managed Intelligence Provider' has been thrown around widely by the IT community, but perhaps not clearly defined.



The 'Managed Intelligence Provider' remains somewhat of a nebulous concept. MSPs are being told to transition their services but are not being given the know-how or tools to actually do it. It's no wonder that many MSPs currently find the discussion around 'Managed Intelligence' more stressful than it is exciting.

It's time to break through the hype.

You don't need to completely overhaul your services to start delivering AI. You know your customers and their needs better than anyone, and with a few small adjustments you will be able to deliver highly relevant, effective, and profitable AI services.

We'll break down what it actually means to become a 'Managed Intelligence Provider' and offer practical steps you can implement to ensure AI readiness, properly enable your customers, and ultimately lay the foundation for agentic AI services.

02.

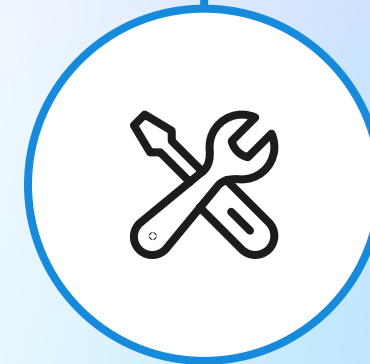
**What is a real Managed
Intelligence Provider?**

At the moment, the term 'Managed Intelligence Provider' might feel like more of a buzzword than a reality. But behind the buzzword there is the potential for real growth and impact.

MSPs have already gone through several significant evolutions in the last twenty years. Even the development of the term 'Managed Service Provider' marked a notable shift from the reactive break-fix model that most IT companies were using before. Then, with the rise of remote working and the development of more complex, mature cyber threats, came the Cloud-first MSP and the Managed Security Services Provider (MSSP).

02. What is a real Managed Intelligence Provider?

2015
Managed
Services

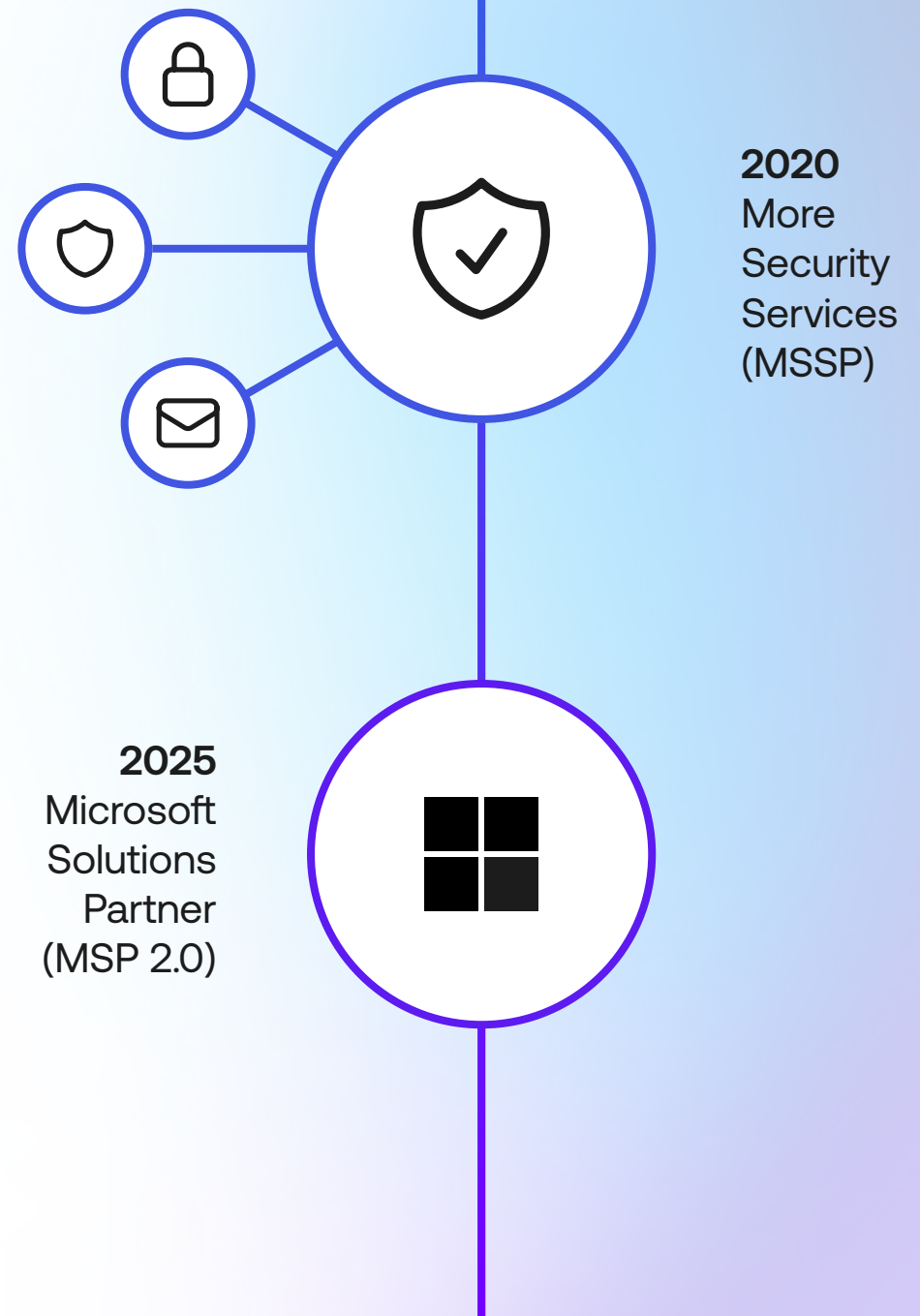


2005
Break-fix

As the market was shifting, Microsoft invested \$20 billion into their security, strengthening the capabilities of Microsoft 365 Business Premium and accelerating the emergence of the Microsoft-first MSP.

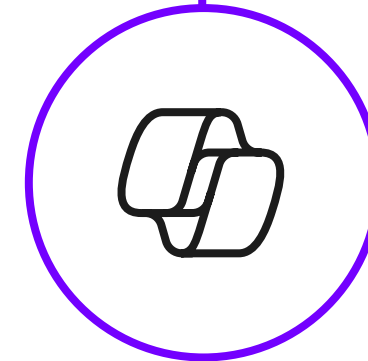
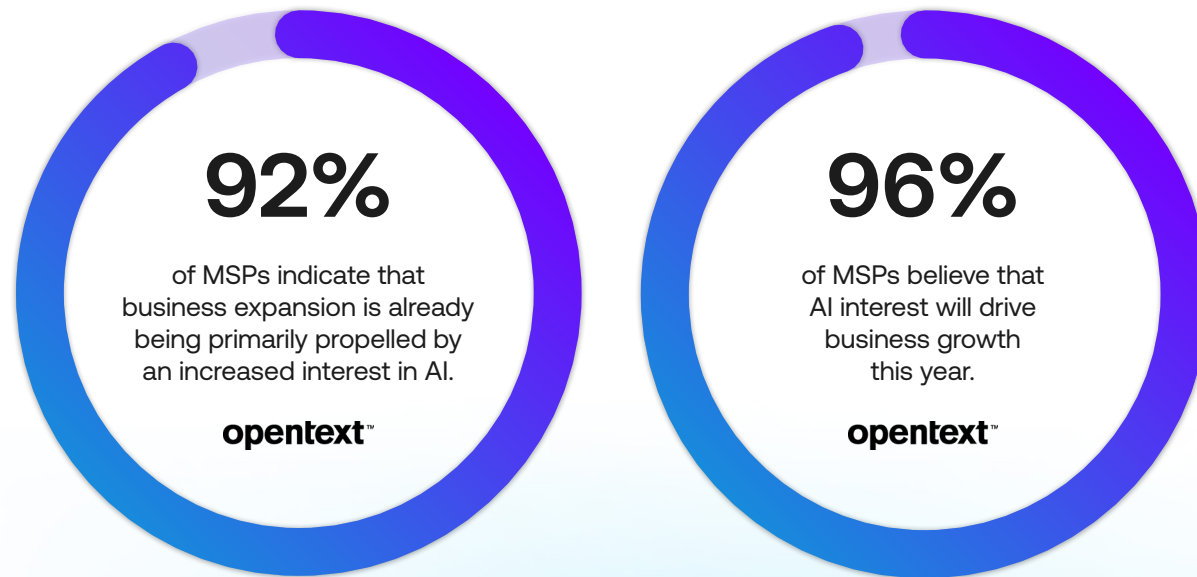
The Managed Intelligence Provider is the next stage in this evolution of the MSP. Don't be intimidated by the new title: just as with previous MSP evolutions, this simply represents that you are responding to the changing needs of the market.

In its most simplistic terms, a Managed Intelligence Provider is an MSP who is helping their customers to consider, prepare for, and use AI effectively. This includes getting customer environments ready by ensuring proper tenant security and data governance.



This evolution doesn't need to be overwhelming or intimidating. In fact, the majority MSPs are already realizing the demand for AI amongst their customers, and the potential benefits of shifting their service models to accommodate this.

Embracing 'Managed Intelligence' doesn't have to mean a drastic mindset shift or an entire overhaul of your services. You just need to consider how to unlock AI for your customers in a realistic and scalable way.



2026+
Managed
Intelligence
Provider
(MIP)

03.

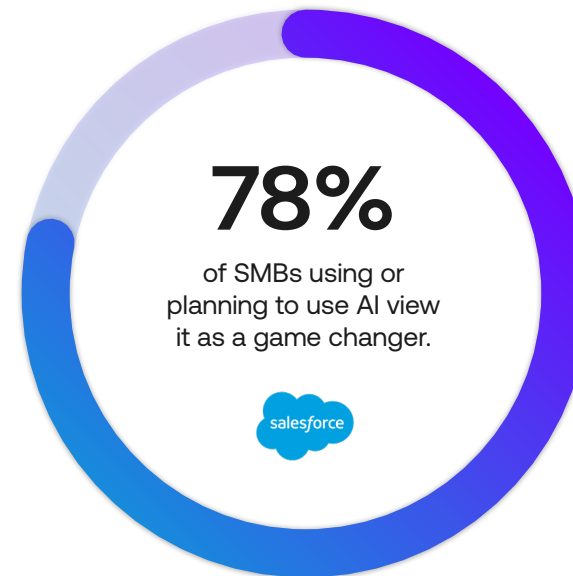
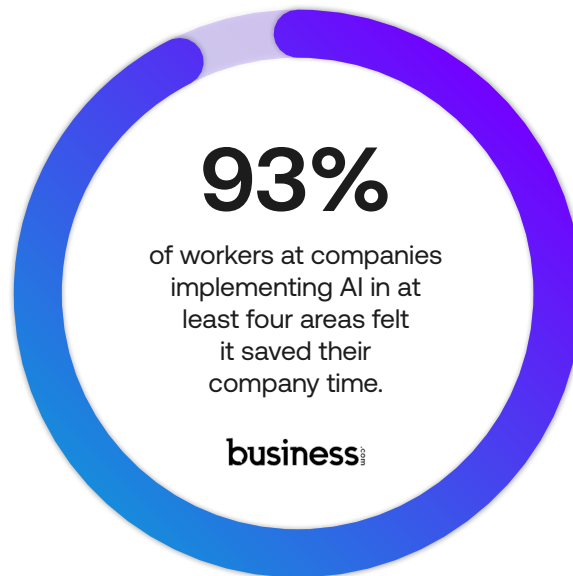
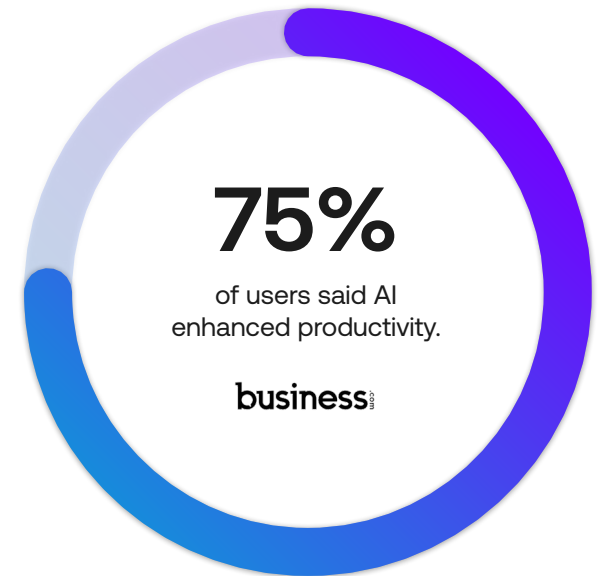
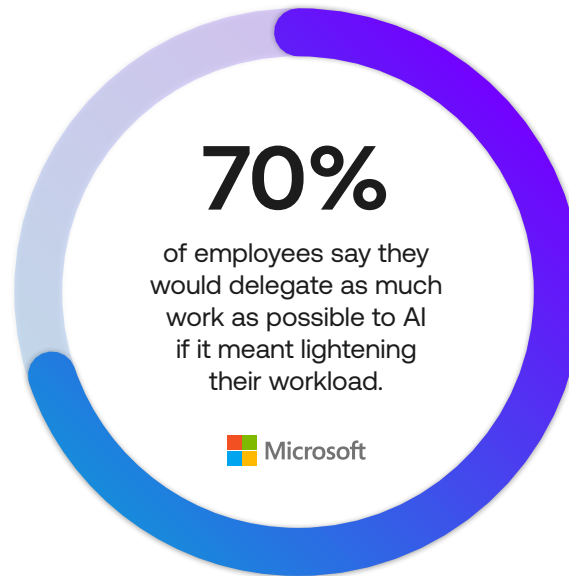
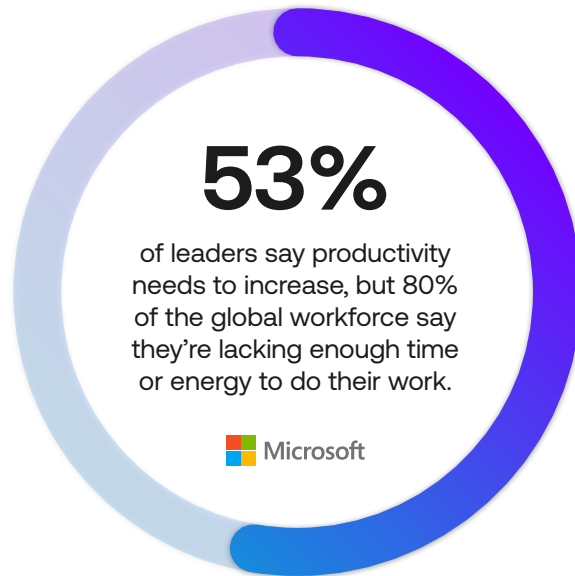
**Why become a Managed
Intelligence Provider now?**



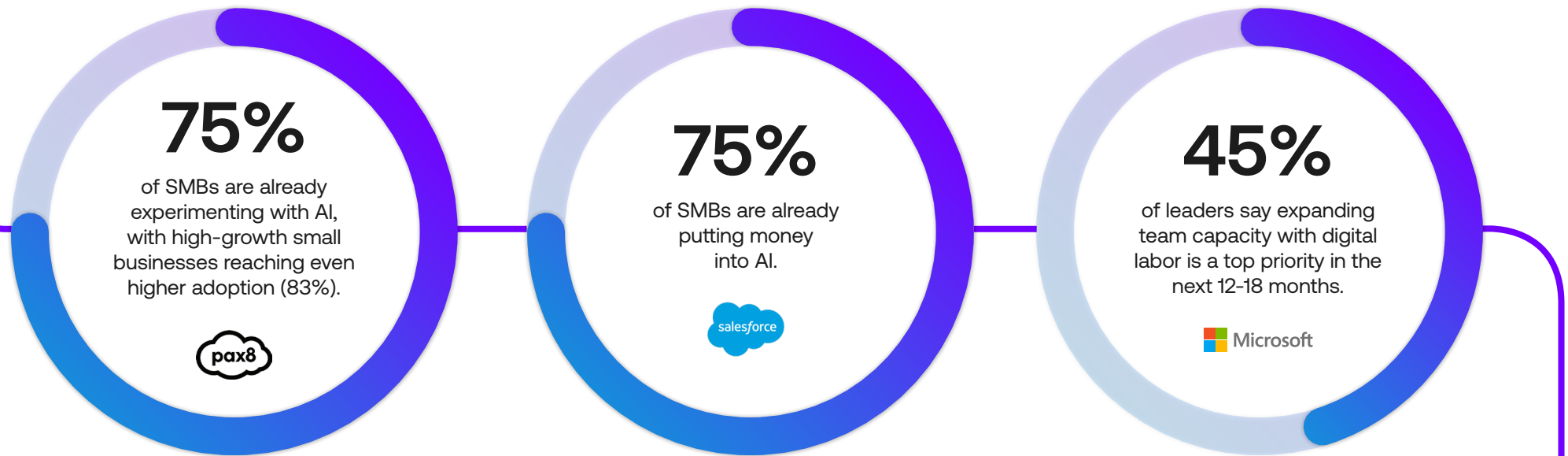
“But what’s the rush? Why do I need to start transitioning to a Managed Intelligence Provider now?”

You might be asking yourself these questions.
And the answer is simple: the market is ready.

SMB demand for AI services is already strong,
both at a leadership and an employee level.
AI tools like Microsoft Copilot have incredible
potential to improve the efficiency and
productivity of the workforce – and workers
want to harness this power.



This is one of the rare occasions where demand for a tool is coming both from the top down and the bottom up, and SMBs are already putting their money where their mouths are. Your customers are going to leverage AI, with or without your input.



If you don't respond to this demand now, you are going to risk losing business to an MSP (or should we say, MIP) who will.

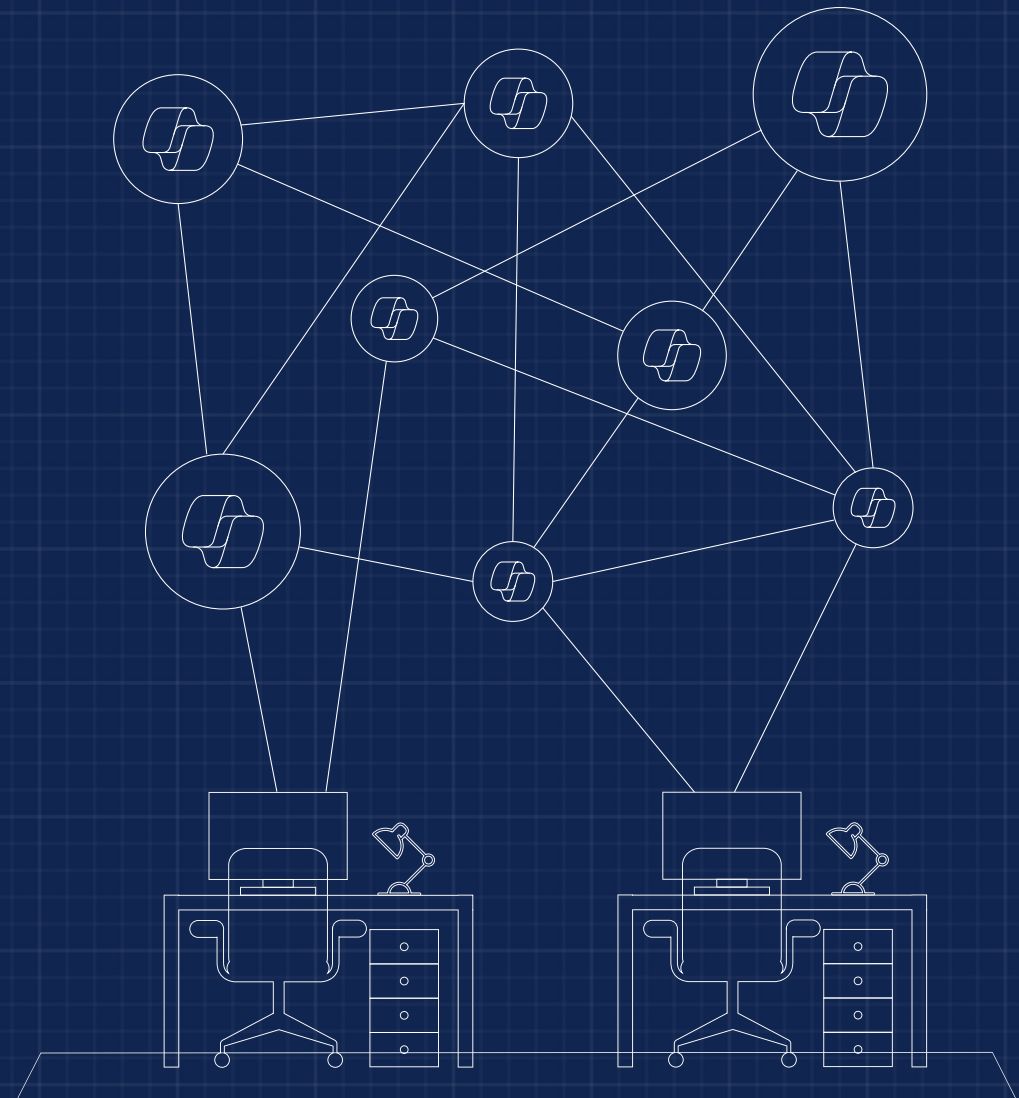
04.

Microsoft's marketing: Frontier Firms

Microsoft are already pushing the idea of 'Frontier Firms' directly to SMBs. They are positioning a Frontier Firm as an emerging kind of organization: fast growing, agile, and highly profitable. These businesses are leveraging AI in the most intelligent ways, building 'hybrid teams' of human workers and AI agents. Microsoft argue that in the next two to five years every organization will be on their way to becoming one.

Now, is this the reality for most businesses? Not today. Most organizations, particularly SMBs, are currently using AI in quite limited ways. Currently, AI is being used to improve employee productivity and augment existing processes, rather than to design processes from the ground up that help to achieve business goals. Primarily, SMBs are inputting prompts into generative chatbots to carry out fairly simplistic tasks such as drafting emails, summarizing meetings, or answering questions.

So why should you worry about Frontier Firms at all? Well, because of perception.





Microsoft is marketing both Copilot and the idea of Frontier Firms directly to SMBs. As a result, it's only a matter of time until your customers start asking you about it. Microsoft is feeding into SMBs' existing demand for AI services, promising profitability and growth for those who can use it most effectively.

You want to position yourself as a proactive leader in the space. Waiting for your customers to come to you to ask about Frontier Firms or AI makes you look reactive. Don't risk your reputation or your profitability by waiting. The time to act is now.

Start considering AI services that will actually benefit your customers and their needs. This doesn't mean just regurgitating Microsoft's marketing materials. You know your customers better than anyone. You are best placed to form scalable and achievable AI roadmaps that will help them reach their business goals. That's what a real Managed Intelligence Provider does.

05.

**The AI evolution: what's real
and what's hype?**

Pax8's report, *The Agentic Inflection Point*, splits AI into four evolutionary phases:



1

Chatbots

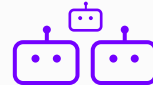
Generative tools that respond to direct human prompts (like Copilot or ChatGPT).



2

Assistants

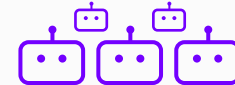
Agents that can make decisions based on contextual information and execute multiple operations in order. These are beginning to show autonomy but operate within human-defined boundaries and require human intervention for exceptions.



3

Digital Labour

Largely autonomous agents that can operate independently across multiple systems with minimal human oversight and can automate entire business processes end-to-end.



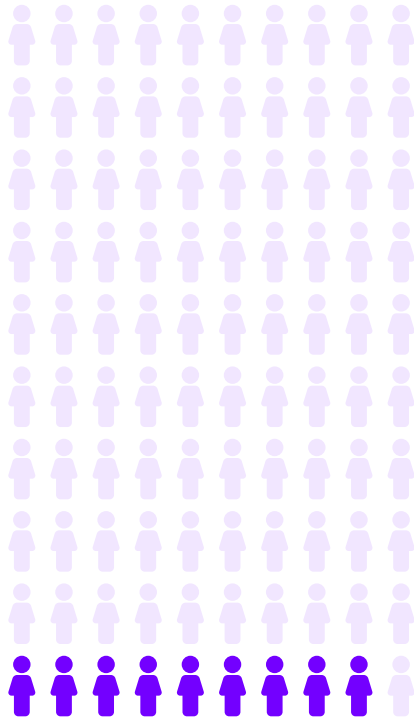
4

Digital Workforce

Multiple agents working together to automate entire business functions and achieve objectives at scale.

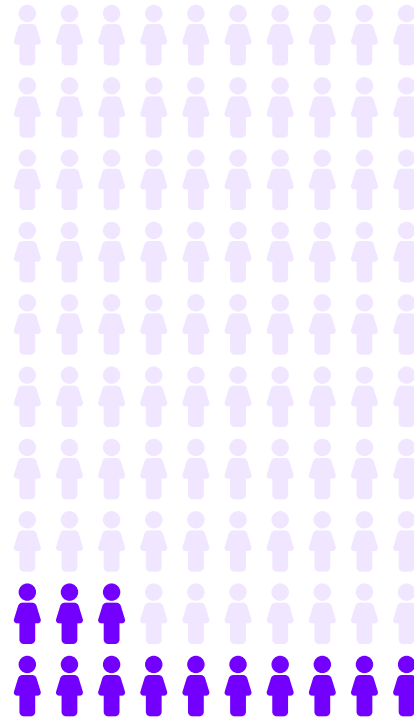
As the name of their report might suggest, Pax8's argument is that we stand at an 'agentic inflection point', meaning that SMBs will navigate through the stages of AI very quickly, and begin utilizing the Digital Workforce, the final stage of the AI evolution, within 12-18 months.

But just how realistic is this? The truth is, most SMBs are only just starting to adopt AI tools, and the majority of these tools are chatbots (including LLMs like ChatGPT). Only very few MSPs are even broaching agentic AI at this stage.



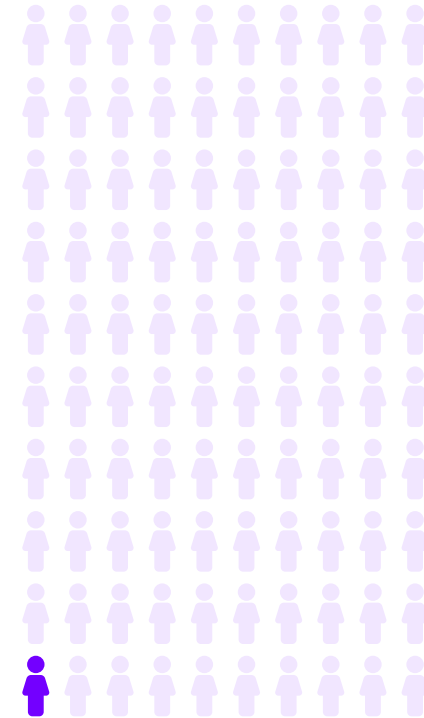
Only **9%** of businesses already using AI are currently using agents.

Entrepreneur
MAGAZINE



Only **13%** of companies globally are ready to leverage AI and AI-powered technologies to their full potential.


CISCO



Only **1%** of C-suite respondents describe their gen AI rollouts as mature.

McKinsey
&Company

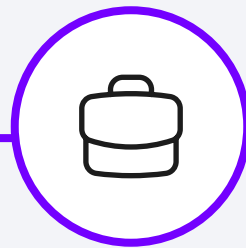
In short, *don't panic*.

The pressure to deliver agentic AI services immediately is causing a lot of the push back against the Managed Intelligence Provider model. But we are still in the very early stages of the AI evolution.

The MSPs who see success with AI services, and ultimately become the most effective Managed Intelligence Providers, won't be those who rush to rollout subpar agentic enablement services. They will be the ones who take their time to assess:



their customers'
AI maturity,



their business
needs,



and what will actually
drive business value.

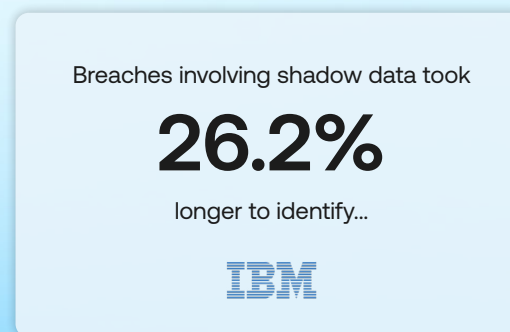
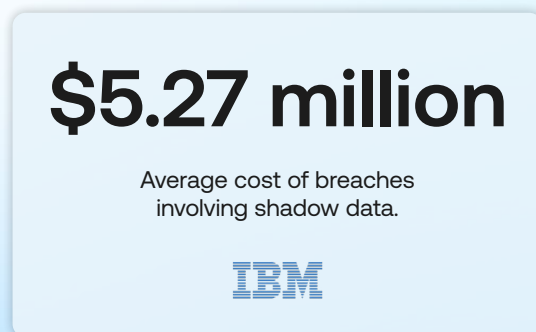
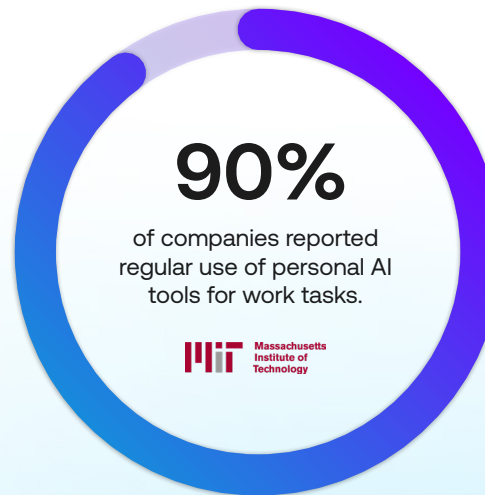
They will be the ones who properly consider security and data governance, laying the foundations now for agentic success later. In short, they will be the ones who move slower, but more intentionally.

06.

The dark side of AI

Shadow AI, the unregulated, unauthorized use of AI tools within an organization, is one of the greatest risks associated with AI adoption. As a result of shadow AI, sensitive data could be submitted into AI platforms without your customers' consent or knowledge, with potentially catastrophic results.

Shadow AI is already extremely widespread – and is a serious risk.



That's why we recommend that you encourage your customers to use Microsoft Copilot as it is an isolated instance of AI per business and so prevents data being leaked to shadow AI.

However, there are also risks associated with Copilot as it draws upon a company's internal data to form its answers. Without proper data hygiene and controls in place, anyone within an organization could access sensitive company data. If the company then faced a breach, this data could be exploited for blackmail.

That's exactly why robust tenant security and comprehensive data governance must underpin the delivery of any AI services.

07.

**The foundation of Managed
Intelligence: security and
data governance**

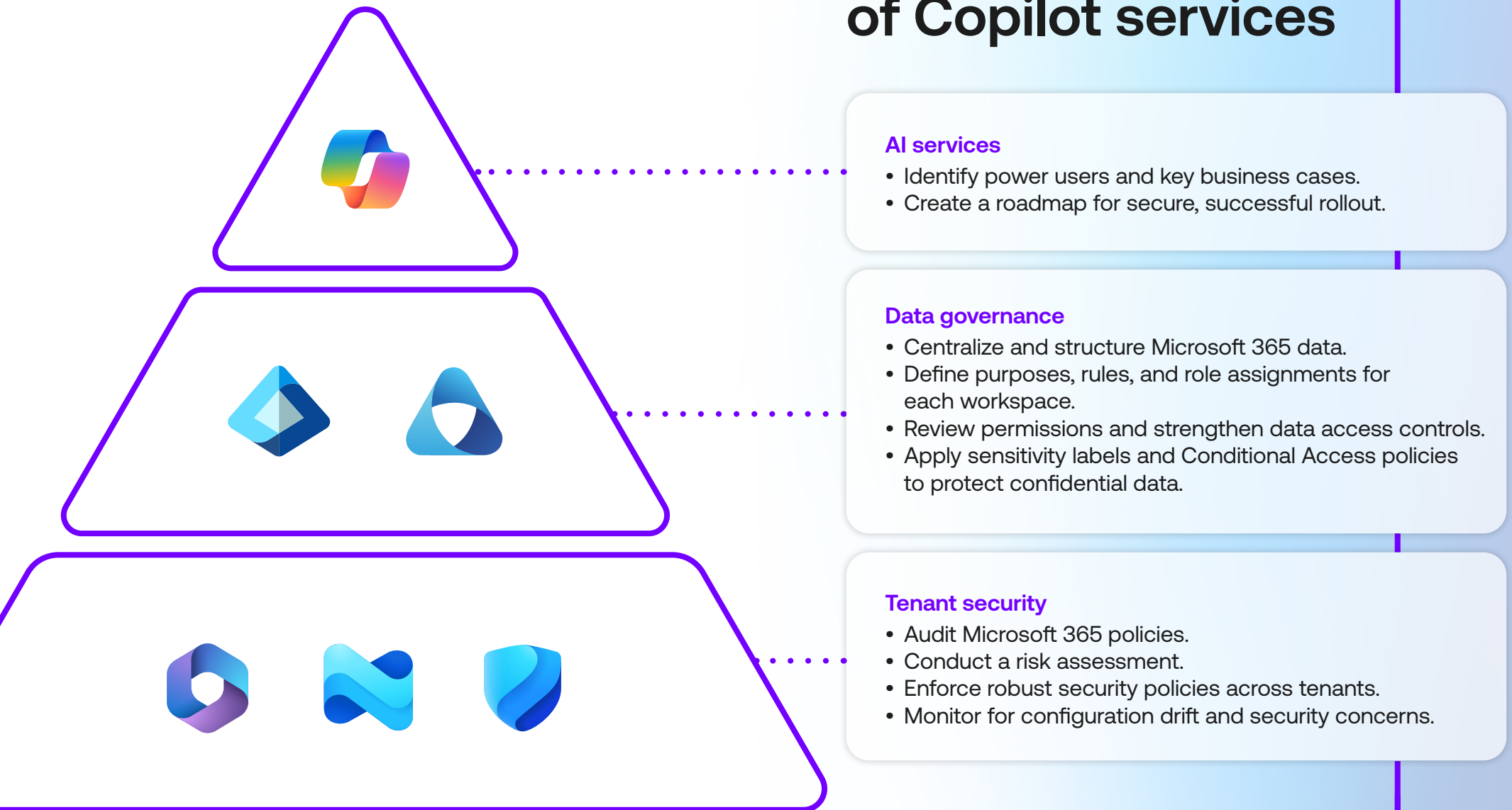
Tenant security and data governance are the foundation of any successful Managed Intelligence initiative.

As Copilot uses Microsoft 365 data to inform its answers, without centralized, organized, and structured data, your customers risk receiving inaccurate answers. More concerning than this, if you don't strengthen data access controls and review permissions, Copilot could share sensitive data stored in your customers' ecosystem with unauthorized users. And then, if a customer was to face a security breach, this sensitive information could be maliciously exploited.

Before rolling out Copilot with customers, you first need to ensure that your customers' Microsoft 365 tenants are properly configured, secured, and strong data governance practices are enforced.



The foundations of Copilot services



08.

**What does good data
governance look like?**

Security is actually the first step in becoming a Managed Intelligence Provider. Good news! This is something you already offer.

So, before getting carried away with Copilot rollouts and AI enablement projects, get started by ensuring strong data governance for all your customers. You're not deflecting, you're protecting; security and data governance are essential to any good AI strategy.

Prioritizing data governance as the basis of Copilot adoption will position you as a leader in the AI space, one who helps their customers introduce AI safely, responsibly, and effectively.

Data governance checklist



Organize and centralize Microsoft 365 data

- ☐ Audit company data landscape.
- ☐ Migrate all relevant content to Microsoft 365.
- ☐ Identify and remove outdated, redundant or inaccurate data.
- ☐ Establish an archiving and deletion process to automatically remove unnecessary data from the Microsoft 365 environment.
- ☐ Ensure data is properly classified and labelled.



Define Microsoft 365 workspaces

- ☐ Define the purpose of each workspace within Microsoft 365.
- ☐ Separate data into different workspaces based on data type and sensitivity.
- ☐ Configure site access for internal and external users to control who has access to workspaces.
- ☐ Define who can create new workspaces and who can create content within them.
- ☐ Automate regular data back-ups to protect against accidental or malicious deletion.



Strengthen data access

- ☐ Audit company permissions and identify and remediate any existing issues as a priority.
- ☐ Apply sensitivity labels and Conditional Access policies to protect confidential data.
- ☐ Encourage customers to upgrade to Microsoft 365 Business Premium if they haven't already to take advantage of Entra ID for identity access management and Purview for data security.

09.

**Becoming a Managed
Intelligence Provider: how to
transition your service offering**

Let's be honest, you're not going to become a fully fledged provider of agentic AI services overnight – and you don't need to. Your main selling point as an MSP is the trust you have built with your customers over time. Your priority should be maintaining this trust, not rushing out new, expensive services that don't add much immediate value.

At this stage, most MSPs haven't rolled out an AI offering. By laying the foundation now with AI readiness and enablement services, you'll be ahead of the curve when demand for agentic AI really begins to rise.

You should keep your existing customer base at front of mind when building your AI services. Consider what will actually benefit them and help them grow.

1

Assess Copilot readiness

First, you need to assess your customers' maturity and Copilot readiness. Of course, getting a clear picture of their tenant security posture and data governance is essential, but you also need to consider whether Copilot will bring your customers value at their current maturity level. Think about whether there is a real business case for rollout, or if they need to develop more before adopting Copilot.

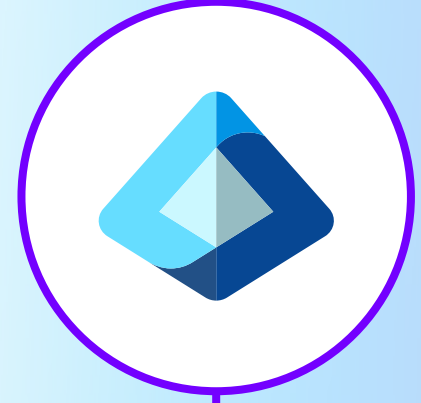
During an initial AI audit, you might find that you need to encourage customers to leverage the wider Microsoft 365 environment further before they will see a benefit from Copilot. You might need to upsell additional security or data governance projects first. Or you might identify clear Microsoft 365 power users within an organization and see an immediate business case for rollout – in which case, you can get started!



2

Secure the tenant and the data

As we've already discussed, tenant security and data governance are fundamental to a successful AI service. Once you have carried out an audit and identified any areas of weakness across Microsoft 365 identity, device posture, and security configuration, you need to take targeted steps to remediate before you can proceed with Copilot rollout.



3

AI advisory services

You can then start offering advisory services centered around AI. This will look different for every business. You could help customers identify opportunities for AI and automation in their business, create digital transformation roadmaps centered around AI usage, and help report on the value of AI within their organization.

While you pilot these advisory Copilot services, you could consider adding them to your QBRs for free. This will help to build trust with existing customers while giving you the opportunity to receive valuable feedback on your new offering. Once you're confident, you can then add them into a standardized Copilot service offering and begin charging.



10.

What should you do now?

Ready to kickstart your Managed Intelligence journey?

There are a few practical steps you can take right now to start differentiating yourself from the competition and setting yourself up for success.

Ask your customers



The best way to learn what AI services your customers actually need and want is to speak to them. As you begin building out your Intelligence offering, assess customer sentiment and interest by asking them if they are using AI, how they are using it if so, and how they would like to use AI in the future. Hosting a customer advisory board with trusted customers could be a good way to go about this.

Educate your customers



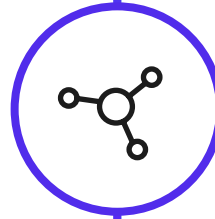
This is all about positioning yourself as a trusted expert who customers should turn to when they start considering or using AI. Get ahead of their questions. Explain the risks of Shadow AI, unpack the benefits of using an isolated instance like Copilot, and demonstrate the key use cases for AI within their specific business. One conversation could kick everything off.

Invest in your staff



Make sure your staff are up to speed with the latest advancements in AI. Identify team members to be your AI champions, send them on any Copilot training or AI enablement courses they might need, and encourage them to run sessions internally for their peers. Remember, agentic AI is coming - keep looking forward, upskilling, and preparing so you can remain ahead of the curve.

Start using AI within your own business



By using Copilot for your internal operations, you will be able to identify use cases for customers more easily and demonstrate the value AI can bring. You shouldn't be selling services you don't believe in, so if Managed Intelligence is your future, you need to get behind AI now. Become your own case study!

Keep security at the heart of everything

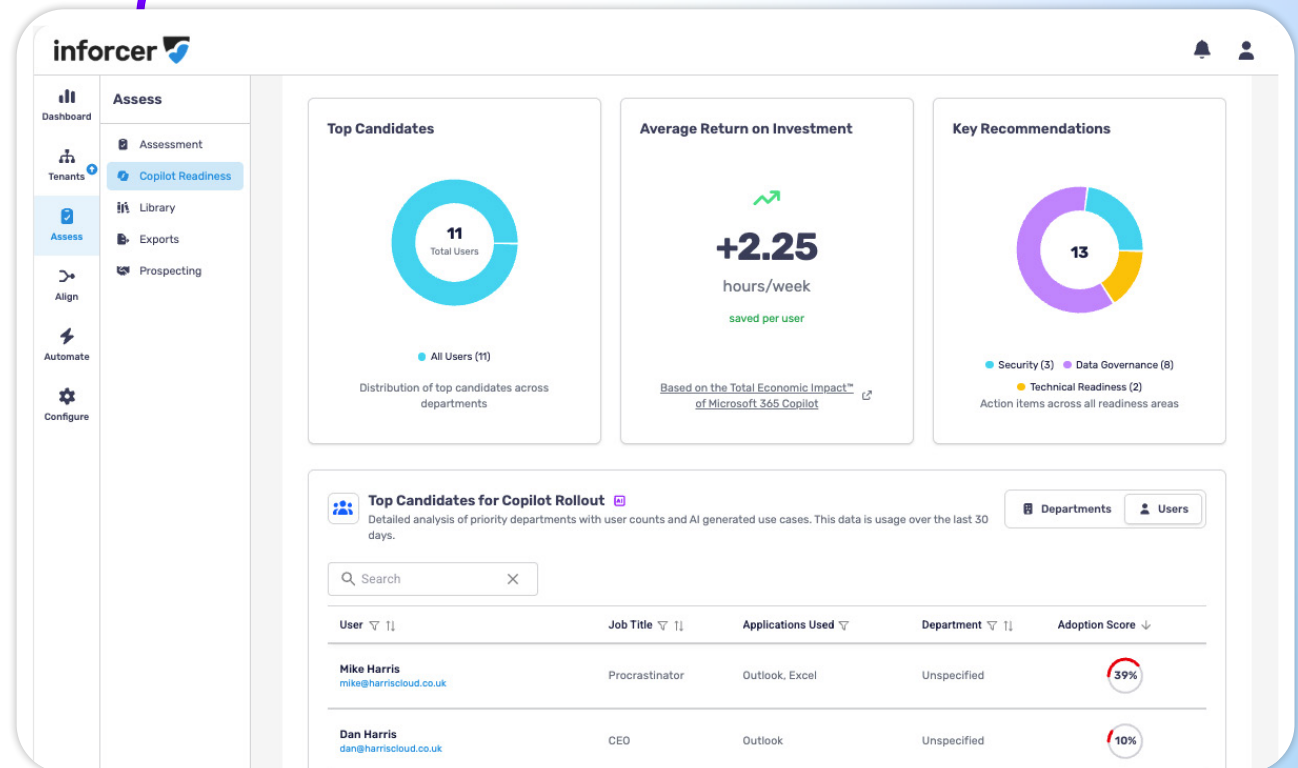


Get the basics of AI readiness and enablement right now so you can build later. Tenant security and data governance need to remain a key focus even as you eventually scale into agentic AI services. Protecting your customers protects your reputation and profitability, so keep delivering AI securely.

Managed Intelligence starts with Copilot Readiness

Want an easier way to assess your customers' Copilot readiness and guide strategic conversations about rollout and adoption? Our **Copilot Readiness Assessment** is the perfect companion as you start to consider Managed Intelligence, helping you create and implement a tailored AI roadmap for customers.

You can review crucial information about tenant maturity at a glance across four key areas: Microsoft 365 adoption, security, technical readiness, and data governance. Get clear, targeted recommendations mapped to specific gaps, identify the top candidates and departments who will benefit the most from Copilot within a business, and highlight known use cases.





Armed with this information, you can come to a confident decision about whether Copilot is right for each of your customers, gain a clear roadmap of the fixes needed to bring their Copilot readiness up to par, and receive a first-wave roll out plan directly tied to business value.

What's more, inforcer now supports Purview Data Loss Prevention (DLP) policies with Purview-specific deployment options so you can easily protect sensitive customer data across multiple tenants.



Let's get started

Want to see how inforcer could support you on your Managed Intelligence Provider journey? Book a demo today.

[Book a demo](#)