

## VIEWPOINT



**Tim Canonico**  
Partner, Global and US  
Managed Services Leader

Tim Canonico leads Managed Services across PwC US and Global Advisory. He has 20+ years of experience helping executives operate and continuously improve IT and business functions, such as Finance, HR, Legal and Procurement, delivering measurable business outcomes. Previously, Tim led PwC teams in Managed Services and Healthcare.

## Beyond outsourcing: How PwC drives outcomes, value, and innovation through managed services 2.0

Today's business leaders demand more from managed services: Measurable outcomes. Innovation. Agility. While the traditional model may keep the lights on with contractual service level agreements, PwC reimagines managed services to address these business needs. Tim Canonico, US and Global Managed Services leader for PwC, gives his take on what's required for next-generation managed services and how PwC is leading the way.

### What's driving today's growing interest in managed services, and how is PwC helping clients think differently about its value?

A lot of factors are coming together in a perfect storm to create demand for the next generation of managed services. Legacy managed services are about cost take out, labor arbitrage, and shifting work offshore. But CIOs and CFOs are tired of not getting innovation and transformation outcomes from their providers. This, combined with the fact that many companies have experienced "vendor creep" whereby they find themselves in a complicated multi-vendor environment is creating fresh demand to consolidate down to one or a few outcomes-based managed services providers.

Another factor stems from current geopolitical uncertainty. Some companies are slowing decisions and delaying multi-year, multimillion-dollar, discrete transformation projects. One way to achieve value without a "Big Bang" approach is by working with a managed services provider to help drive transformation over the life of a multi-year deal.

**How is PwC using technology — like AI, automation, and analytics — to fundamentally change how managed services are delivered?** Using automation and taking manual work out of managed services isn't new. What's new is that agentic AI — autonomous, outcome-oriented agents — can do things that weren't possible even two years ago. At PwC we're deploying engineers into the field to look at what humans are doing day in and day out, both internally and for clients, to determine where agents can perform better, faster, cheaper, and more compliantly. That enables us to increase throughput, lower costs, and increase quality.

**How does PwC's approach to managed services differ from traditional "lift-and-shift" outsourcing models?** Traditional managed services simply take what you do, offshore it, and then try to nip around the edges to find efficiencies. People are unhappy with that approach because they don't see innovation and processes stagnate.

PwC's approach is to create tangible business value over the life of the relationship. We don't do business process outsourcing. We orchestrate Business Outcomes Managed Services for continuous value creation. With our Technology Managed Services, we help clients leverage their massive investments in technology by building on and evolving the tech stack — not just keeping it in stasis. With our Risk and Regulatory managed services, we help our clients navigate the complex regulatory environment to help anticipate and mitigate risks to their business.



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## What advantages does PwC offer as a multidisciplinary firm?

Clients on a transformation journey typically hire a strategy house to figure things out, an implementation partner to build the solution, and someone to operate and hopefully evolve it over time. Each transition adds inefficiencies and friction. Things can go wrong.

PwC takes clients through the whole journey. We remove friction and inefficiencies and help de-risk transformation. We have everything clients need to succeed: the strategy, solution design, and dedicated managed services capabilities to operate and evolve in technology, in business outcomes, in tax, and in cyber, risk, and regulatory. We understand regulated industries, and we bring deep expertise in change management and project management. Brought together under one umbrella, these strengths give clients seamless access to the capabilities they need for lasting outcomes.

## As you broaden your focus across all managed services in your new leadership role, what's next for managed services — and how is PwC preparing to deliver greater value in the years ahead?

Agentic AI is disrupting how this industry operates. So is the shift to true outcomes-based agreements, holding managed service providers accountable to achieving tangible business outcomes, not just SLAs. This isn't slideware. We have a growing library of enterprise-ready AI agents that can deliver outcomes-based results in areas such as IT service management, customer service, AI operations, and knowledge management.

One example: A global hospitality brand cut its brand review time by 94% and cut call time in half with our agents.

Providers will also move up the value chain into the middle and front office. Managed service providers often target traditional high-volume, low-value activities. But there's a ton of work, particularly sector-specific work, that is perpetual in nature and very costly to maintain. That's our sweet spot.

## What kind of business value can clients expect from a PwC managed services engagement?

We take on aspects of a company's operations and make them better over time. You can measure that in different ways — such as improved cash collection, faster time to close, or increased uptime of critical systems and infrastructure.

There's also the concept of trust. When you engage in a traditional, six- to eight-week consulting project, the worst thing that happens is you don't use that vendor again. Finding the right managed services provider you trust to operate critical areas of your business is a different story. But we have a proven record of earning trust. We're operating parts of companies' business. That's something we take very seriously and a big part of why our clients come to PwC.



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See how [PwC Managed Services](#) helps organizations align IT and business strategies, innovate and accelerate delivery of measurable outcomes.