

## CHALLENGERS' CODE

# **Vertical AI is a real win as Veltris lifts growth for micro-industries**

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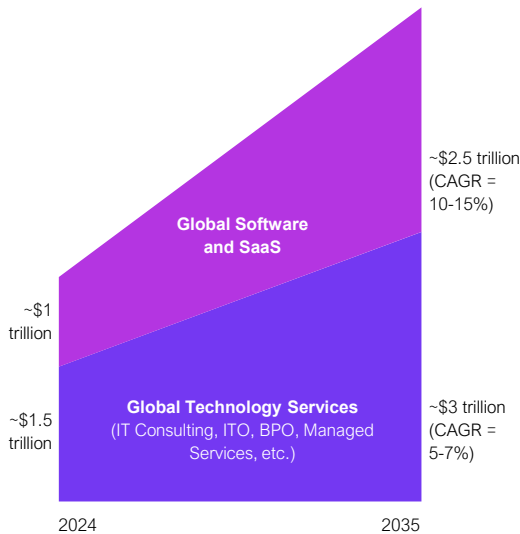
Headcount-based delivery, generic AI, slow modernization, and brittle legacy systems are holding enterprises (from healthcare to communications to industrials) back from achieving real growth in an increasingly competitive landscape. Enterprises must embrace [Services-as-Software™](#) (SaS) (see Exhibit 1) as the next-generation delivery paradigm to overcome their intrinsic technology challenges by the rapid enablement of Vertical

AI. As legacy product engineering and IT service providers, as well as business process organizations, face a moment of truth about their value proposition, new, nimbler players like [Veltris](#) are stepping up to address vertical-specific challenges as orchestrators of Vertical AI solutions. They are embedding AI in industry-specific workflows and maximizing return on investment (ROI) from SaS investments.

**Exhibit 1: SaS will become a \$1.5 trillion-plus market by 2035, absorbing revenue from both traditional IT services and Software-as-a-Service**

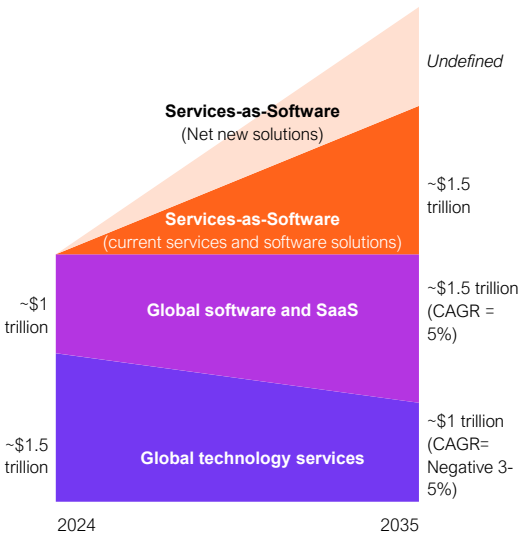
**Current market forecast for software and services (excluding Services-as-Software™)**

HFS estimates



**Projected market forecast for software and services (including Services-as-Software™)**

HFS estimates



Source: HFS Research, 2025

## Veltris breaks the old engineering model by operationalizing Vertical AI with micro-industry depth

Veltris is an AI-first digital product engineering partner creating value from Vertical AI solutions. It explicitly promises to maximize ROI from platform investments by building, modernizing, and monetizing digital services and products. Veltris subscribes to embedding AI in workflows with domain models and guardrails. It limits pilots and experiments, instead leaning into creating value for its customers, including enterprises, private equity firms and their portfolio companies, and global capability centers (GCC).

It seeks to kill tech debt for its customers as they scale by preparing AI-ready data, modernizing APIs, and reimaging user experience while delivering minimally viable products (MVPs) in fewer than 12 weeks and reinvesting efficiency gains (30%–40%) into new features supporting self-funding product development.

Veltris targets micro-industry segments, including multi-unit retail health (dental, veterinary, and vision), health tech and pharmacy benefits management (PBM), secure networking, engineering and construction, and smart manufacturing. It offers Vertical AI solutions to address specific industry challenges, including modernizing brittle legacy systems, scaling products and platforms, and automating

complex, error-prone operations, with AI agents and accelerators such as CodeMedix AI, FaultAnalyze AI, DefectQC AI, and the Dentistry Automation APIs.

“Embedding AI into micro-industry workflows makes Vertical AI real by bridging the gap from hype to reality and accelerating monetization of platform and product investments.”

— Hiral Chandrana CEO, Veltris

Veltris’ Vertical AI offering inserts domain logic directly into industry workflows for healthcare, communications, and manufacturing, enabling the AI to reflect micro-industry nuances and drive consequential business outcomes for productivity, innovation, and revenue generation. Vertical AI is an orchestrator for long-term transformation, including building AI-native systems, modernizing platforms with AI-first architectures, and then monetizing data via defensible, domain-specific products. This makes the value proposition for Vertical AI far superior and durable relative to generic AI, especially in micro-industries.

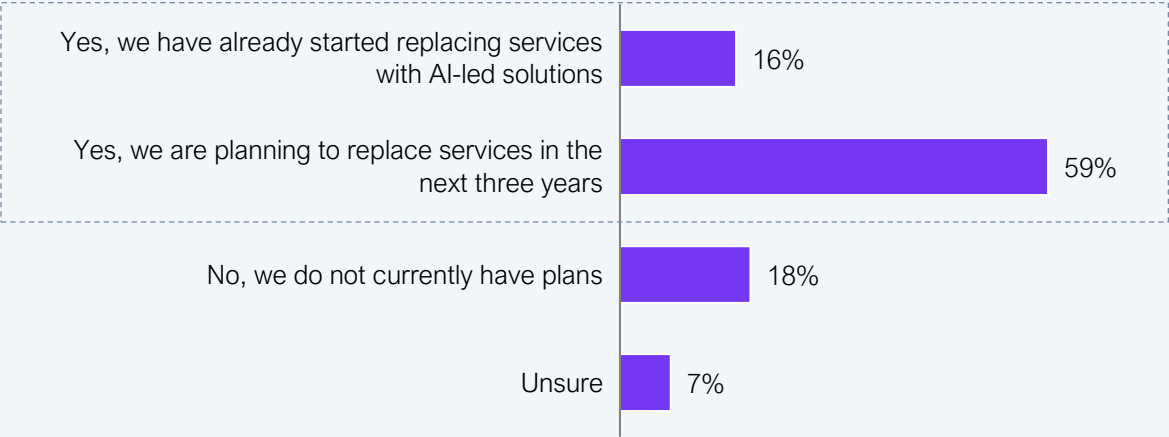
# The technology services market is at an inflection point, allowing a new generation of SaaS players

Enterprises are seeking faster paths to revenue through innovative products and commercial models, prioritizing productivity that allows them to differentiate, and reimagining their business to leverage AI as a catalyst. In this context, enterprises are recognizing that the supplier landscape best suited to meet their needs going forward is the one that can drive SaaS, as evidenced by ~80% of large enterprises planning to replace human-led services with AI-led solutions, according to HFS Research (see Exhibit 2).

This shift is driven by enterprises' dissatisfaction with current headcount-based pricing models and a desire for more scalable, efficient, and outcome-driven services. The dissatisfaction is translating into action, as 70%–75% of enterprises plan to renegotiate service contracts, frustrated by presence-based pricing, lack of flexibility, and inefficiency of services and software delivery models. There's a demand for customizable, consumption or outcome-based contracts.

**Exhibit 2: Nearly eight of ten enterprises plan to replace people-run services with software-run services by 2028**

**Has your organization started or is it planning to replace human-led services or business processes with AI-led solutions?**



Sample: 305 major enterprise decision makers  
Source: HFS Research, 2025

Despite the intent and contract-related actions, only 5%–7% of enterprises are fully scaling AI solutions, due to challenges with data, processes, and culture. Consequently, there is a growing desire to address AI readiness, including the ability to consistently turn high-priority business problems into safe, scalable AI solutions and keep them running in production. Providers such as Veltris that help customers become “AI-ready” via strategy, data modernization, process re-engineering, and cybersecurity will be well-positioned.

As enterprises steadily embrace AI, service providers are embracing Services-as-Software, which converges technology and services into infinitely customizable, AI-powered, domain-specific offerings. This means traditional software companies like Salesforce Agentforce and CrowdStrike Falcon Complete are building services, and service providers are launching software-like products. This shift is changing the competitive landscape with new, agile, AI-native entrants.

“Two very different worlds, one based on humans and the other on technology, are blending with AI, accelerating it, making Services-as-Software the only category of growth into 2035”

— Saurabh Gupta  
President, HFS Research

## Veltris is resetting the needle for enterprises and private equity portfolio companies

“Improving member experience while tightening efficiencies are both critical. Veltris helps us to focus on decisions that meaningfully improve how we serve members and operate as a differentiated PBM. They bring the right pace, mindset, and a level of ownership to deliver outcomes for LucyRx.”

— Anuj Agrawal  
Chief Transformation Officer, LucyRx

The advent of AI at scale, combined with ubiquitous geopolitical concerns about policy, trade, and conflict, is forcing enterprises to reimagine their roles and value propositions. The challenges enterprises face in addressing their aspirations are becoming increasingly complex. In this context, suppliers can differentiate their market positions by delivering against higher expectations and enhanced outcomes. Veltris exemplifies the shifting markets by providing differentiated solutions built on platforms like Azure and Databricks, using scalable architectures that enable new revenue streams, and giving clients a competitive edge to drive faster growth in specific micro-industry segments.

### AI-supported pharmacy workflows simplified access and improved member engagement

Veltris enhanced the member and provider experiences for a mid-sized PBM platform. The solution included a secure (HIPAA-compliant), scalable mobile and web platform that enabled real-time prescription management, provided benefits access, delivered cost savings, and facilitated pharmacy communication. The outcomes included simplified member onboarding, improved access to care, and reduced delays through timely refill reminders, and it delivered medication savings and adherence through digital engagement tools.

### Domain-aware AI unified dental services practice data and strengthened operational decisions

For a dental services organization (DSO), Veltris streamlined and enhanced operations. The solution developed agents for extracting data from practice management systems (PMS), human resource systems, marketing, and financial systems into data warehouse and data lake solutions. The solution resulted in improved decision making that yielded revenue growth of at least 30% while increasing operational efficiency and reducing costs by 30% and enhancing customer experience by 40%.

## **Embedding AI into network engineering accelerated product development and performance**

Veltris enabled a multi-year partnership with a Tier 1 network and security leader, offering enterprise network solutions from product engineering to managed services. The work included the AI-powered continuous development of private 5G, OpenRAN, SASE products SD-WAN and SSE, and professional services. The company delivered a unique, domain-heavy network with niche security capabilities that accelerated time-to-market for products by 40%, including revenue generation opportunities from pre-sales to post-sales.

## **Integrating AI with quality operations for a fiber manufacturer enhanced precision and reduced production errors**

Veltris built a 24x7 managed service for an enterprise software-as-a-service platform for a leading fiber manufacturer. It developed an AI

vision-based solution, including real-time data streaming to deliver stellar production quality on the factory floor and a conversational AI support framework. The project reduced false positives, achieved zero shipments of faulty fiber, and consistently improved the efficiency of quality engineers by up to 30%.

## **AI-driven revenue cycle processes improved collection yield and reduced denial rates for RCM functions**

Veltris enabled AI in the core revenue cycle management (RCM) functions of payment integrity and collections. The solution embedded AI into key touchpoints across the RCM value chain: pre-submission to improve denials prediction, payment postings to automatically identify underpayments, and collections to prioritize balances with propensity-to-pay scoring and optimal outreach. Outcomes included a 12% improvement in collection yield, a 30% reduction in denials, and a lower rate of manual intervention.

# Enterprises must partner for where the puck will be to maximize the potential of Vertical AI

AI is a catalyst for reimagining the enterprise value proposition—a contention that demands urgency in a world that will continue to experience unprecedented polymathic challenges and opportunities. Large enterprises and mid-market organizations that have sourced IT services, digital engineering, and other technology services are beginning to reconsider their path forward, including technology choices, challenges to address, and service provider options. In that quest, enterprises must orient their game plan to a reimagined future with three core pathways.

## Anchor your choices in vertical-specific outcomes

While outcomes reflect value, the mechanism to deliver them will reflect the consistency and sustainability of those outcomes. Consequently, it is important to pressure-test partners and vendors and insist on understanding the mechanisms, architecture, and controls that align with your industry's standards. The increasing complexity across markets will require a new generation of subsegment industry expertise, combined with AI specialization, to deliver against an evolving value landscape. Enterprises must test for vertical depth by evaluating recent work in the public domain, including case studies, enterprise interviews, and thought leadership, and the investments in industry expertise, such as alliances, acquisitions, and trademarked intellectual property. This industry-focused selection path will provide high-confidence options to deliver differentiated outcomes.

## Partner on commercial models that drive the future at warp speed

As enterprise value propositions evolve with increased adoption of AI, so will commercial models. The most effective approach to creatively developing and operationalizing such models is to partner with industry-experienced players. Veltris' approach is to empower clients to "Build, Modernize & Monetize" smarter platforms and products in sprints to achieve the best outcomes rapidly.



**Build:** Construct the engagement to build or innovate a new product or platform, or adapt an existing one to a new commercial model, and self-fund product development.



**Modernize:** Evolve to AI-first architectures, integrate with existing systems, harden security, unify data platform for AI readiness, and automate pipelines to modernize the surrounding systems.



**Monetize:** Accrue ROI from KPI-bearing features that will be shipped to end users and deliver insights, include new revenue streams, and enable non-linear scale by making the platform available with APIs, etc.

## Address your tech debt meaningfully

AI enablement is not meant to add to your tech debt. It should alleviate it while helping you reimagine the enterprise value proposition. So,

partner with suppliers who are enabling SaS. These suppliers start with risk and governance models, apply a well-architected AI review, are transparent in AIOps and MLOps, and tie it all to business outcomes that matter. Such a path will ensure progress on realizing AI's potential while addressing the forever-growing tech debt.

## **The Bottom Line: If you want AI that moves revenue, not pilots, then choose partners that build Vertical AI into the workflow, not the demo.**

Enterprises must choose partners that, like Veltris, operationalize Vertical AI (not generic AI), modernize their architecture into an AI-first platform, and monetize data and workflows through SaS-based commercial models.

Veltris' strategy is anchored in the ethos "Build, Modernize & Monetize," enabling killing tech debt, self-funding product development, and getting enterprises AI-ready, which positions the company as a differentiated next-generation Vertical AI partner.

The strategy is reflected in three pillars:



AI for productivity boosts velocity with reusable architectures, automating data integration, testing, and code creation, so teams ship faster and more cost-effectively.



AI for enterprise targets front-office and back-office outcomes with voice and chat copilots, cybersecurity, and conversational analytics.



AI for industry provides domain-tuned solution accelerators for regulated and operational environments, including high-tech, healthcare, networking, and industrial sectors, to drive accuracy, uptime, and compliance.

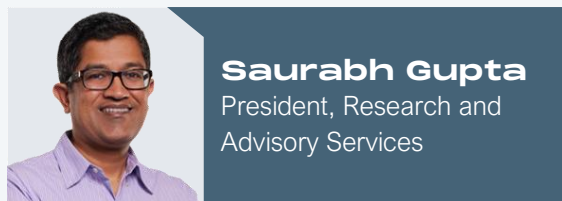
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Rohan Kulkarni is an executive research leader for HFS Research. He is responsible for coverage of the healthcare and life sciences practice, bringing to the table his vast experience across the healthcare ecosystem.

Rohan's experience includes serving as the head of healthcare strategy at multiple Fortune 500 companies.



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President, Research and  
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Saurabh Gupta is president, Research and Advisory Services for HFS Research. He sets the strategic research focus and agenda for HFS Research, understanding and predicting the needs of the industry and ensuring that HFS maintains its position as the strongest impact thought leader for business operations and services research. Saurabh oversees HFS' global research function, managing the team of analysts and operations across the US, Europe, and Asia.

## About HFS

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