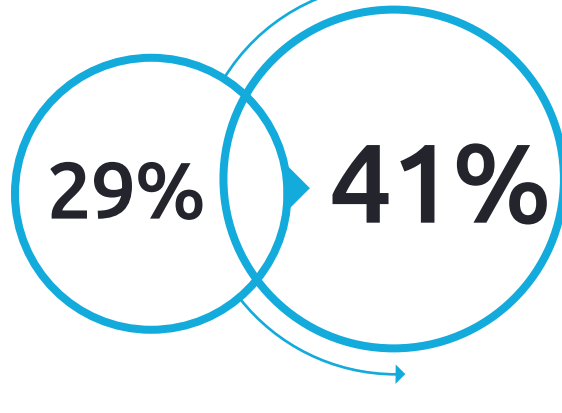


The on-demand tech paradox

Balancing speed and spend

On-Demand tech (public cloud, SaaS, Gen AI on cloud) spending is on the rise — and driving impact

In the next 12 months, the share of On-Demand tech in IT budgets is expected to grow from



77%

of organizations view cloud scalability and performance as central to business growth and competitive differentiation

However, organizations struggle to harness On-Demand tech

82%



of organizations say their cloud, SaaS, and Gen AI costs have increased significantly

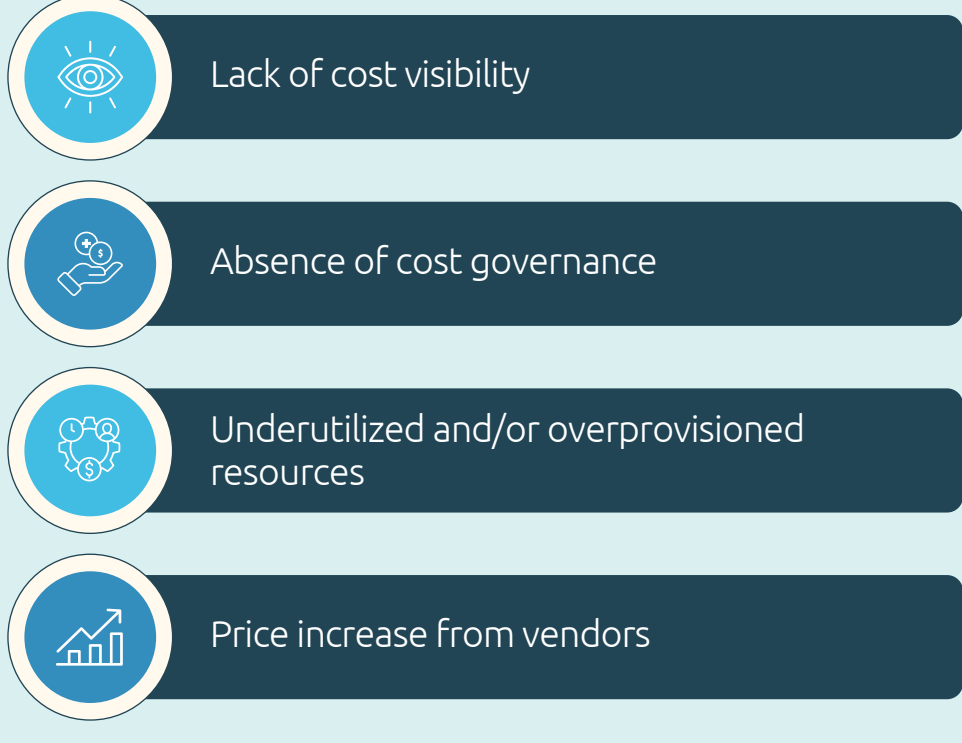
Nearly all **(98%)** business leaders admit to bypassing IT for tech purchases

“Unmanaged” IT is creating inefficiencies, security risks, and inflated costs

76%

say they have exceeded their public cloud budget in the past 12 months, by 10% on average

Top reasons for budget overrun



Investments in On-Demand tech are falling short

29%

say they “fully or mostly” achieved the expected **cost savings** from **SaaS**

33%

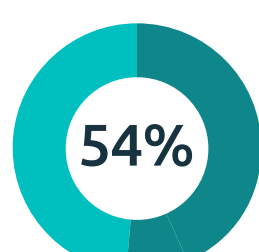
say they achieved the expected **quality of service-related** outcomes from **public cloud** investments

38%

say they achieved the expected faster **product innovation** with **Gen AI**

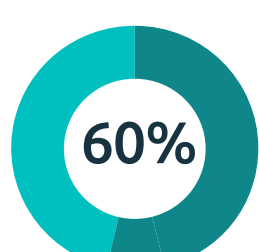
Cost management and FinOps maturity gaps prevail

Cost considerations come in too late

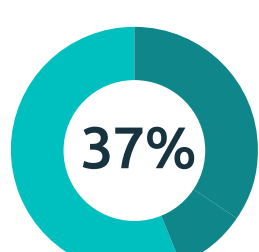


of organizations adopt cloud without cost planning

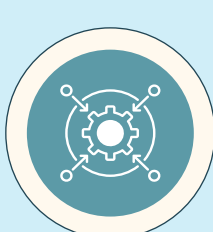
Cost management tools are underutilized



use cloud cost management tools



evaluate their effectiveness or act on insights



FinOps remains limited in reach and impact

FinOps teams today focus on cloud cost management only, not SaaS and Gen AI

Most FinOps teams focus on operational tasks, not strategic initiatives

Most FinOps teams are unable to influence business decision-making

Optimize costs and elevate value

Sustainable finops

- Reduce costs and emissions through sustainable FinOps

Tools

- Use tools and automation to optimize costs
- Harness the power of AI/Gen AI for FinOps

Finops processes

- Delete idle resources through a robust tagging process
- Right-size overprovisioned instances and choose the right storage type
- Set usage limits with role-based access
- Schedule resources to deactivate when not required



Strategy

- Develop a cloud-smart strategy aligned with cloud economics
- Formulate ecosystem partnership models aligned with business outcomes
- Equip finance, business, and tech leaders to align on a shared “language of value”

Architecture

- Design to cost/value
- Engineer scalable architecture for efficiency
- Use modular architecture
- Build fit-for-purpose architecture
- Adopt frugal AI architecture
- Implement cost-aware architecture that limits egress charges

Finops governance and culture

- Start small, showcase quick wins, and evolve cloud FinOps into a strategic capability
- Expand the scope of FinOps to include SaaS and AI/Gen AI
- Foster a culture of shared accountability
- Bridge the skills gap

Download report



Subscribe to our research