

BEYOND THE HYPE: ACTIONABLE CLOUD ADOPTION INSIGHTS FOR 2024



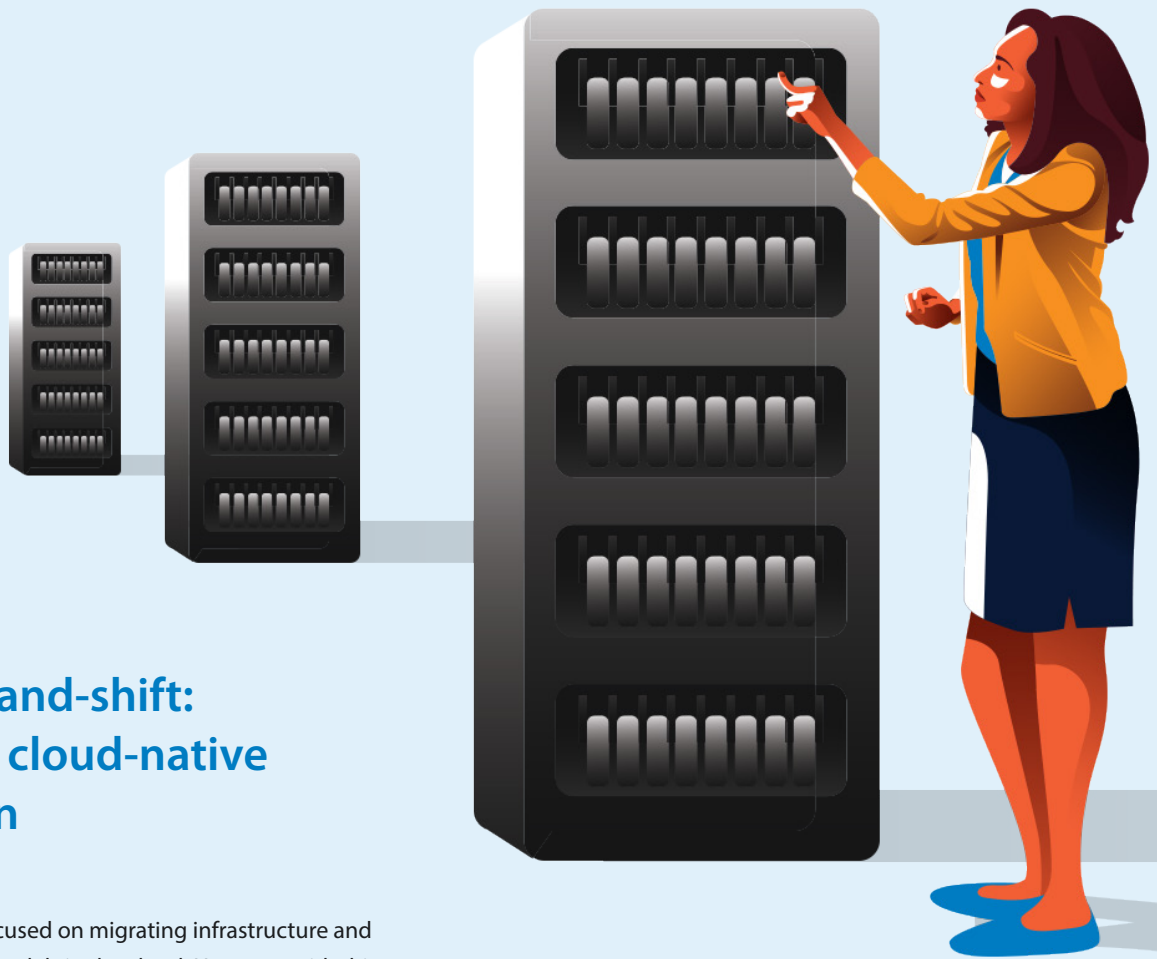
The cloud computing landscape is undergoing a fascinating and significant transformation. Gartner predicts that cloud computing is poised to transcend its disruptive origins and become essential for businesses to maintain competitiveness by 2028. This shift coincides with a projected surge in global public cloud spending, which should reach a staggering \$675 billion by 2024, a clear indication of widespread adoption.

However, the true power of the cloud lies not in its independent existence but rather in its ability to converge with other cutting-edge technologies. Artificial intelligence (AI), particularly the rise of advanced AI (GenAI) and AI-centric strategies, coupled with edge computing and robust cybersecurity, creates a synergy that sets the foundation for game-changing advancements.

Furthermore, this convergence is at the heart of the dynamic realm of cloud adoption. Infosys has tapped into its vast experience with large-scale cloud-led transformations to capture valuable insights for businesses to extract more value from cloud investments.



Cloud Investment Powerhouse: Strategies to Maximize ROI



1

Beyond lift-and-shift: becoming a cloud-native organization

Initial cloud adoption focused on migrating infrastructure and replicating on-premise models in the cloud. However, with this approach, the application portfolio remained stuck in static deployment patterns. To truly be cloud-native and compete with digital-first companies, enterprises must transform their application architecture for elasticity, scalability and resiliency. This means embracing microservices and event-driven architectures. Additionally, applications should be designed with region and availability zone awareness for built-in fault tolerance. It is critical to automate cloud IT operations with auto-healing, auto-scaling, self-service, and AIOps capabilities.

2

Always available, always reliable: strategies to meet customer demands in the digital age

After experiencing reliable online experiences in their personal lives, customers and employees now expect the same from businesses. For that, companies must go beyond traditional IT approaches. Practices like DevSecOps, Site Reliability Engineering (SRE), and continuous delivery enable faster, more secure development cycles with minimal downtime. But true resilience goes further. Implementing observability, automation, and AI capabilities can help with proactive monitoring, self-healing systems, and even AI-powered prediction – minimizing disruption and ensuring rapid recovery. By embracing these strategies and with continuous improvement, businesses can build a resilient digital core that meets or exceeds customer and employee expectations.

3

Accelerating innovation: self-service delivery through cloud platform engineering

When business portfolios focus on using advanced technologies like GenAI to drive growth, the rules and structures for security and compliance in traditional enterprises can slow down development teams. Investing in platform engineering is a strategic solution that provides a better experience for developers throughout the Software Development Lifecycle. This approach uses built-in safety measures while balancing ease of use and strong governance. Using Infrastructure-as-Code and a self-service model for setting up infrastructure, security, and policy enforcement, platform engineering helps change the organization's focus from operations to engineering. This makes it easier to use technology services, leading to quicker product launches and a more flexible development environment.

4

Cloud cost control through FinOps: building a solid financial foundation

Many organizations have different approaches to moving to the cloud, leading to inefficiencies and uncontrolled costs. Cloud FinOps is a strategic solution that helps manage finances effectively. It uses clear accounting and detailed resource tagging to track costs accurately. This promotes awareness of costs and encourages cost-saving strategies throughout the cloud journey. Optimization strategies are integrated, including selecting cost-effective resources, using cost-optimization tools, and creating efficient architectures. Continuous governance ensures these measures are effective.



5

Sustainability is a top priority, and IT is crucial for achieving ESG goals

Reducing environmental impact is a top priority for most firms as part of their ESG goals. An effective way to do this is by prioritizing a 'digital first' approach. This means simplifying business processes to boost efficiency using cloud-based IT systems. These changes streamline operations and reduce the carbon footprint of day-to-day activities. To further these efforts, organizations can implement green IT initiatives. Companies can significantly decrease their overall carbon footprint by focusing on sustainable architecture, engineering, and operations within IT. This two-pronged approach, addressing business processes and IT, positions companies as leaders in holistic sustainability.

6

Disruption demands agility: ideas must iterate, scale, and evolve through rebuilds

The rapid growth of technology gives consumers many choices, so businesses need to be flexible. Cloud-based innovation sandboxes can help with this. These controlled environments allow for quick testing of new technologies, which speeds up the creation of new ideas and solutions. This method minimizes disruptions to current operations and brings these solutions to the market faster, allowing for growth. As ideas develop, the cloud can adjust to support this growth.

7

The future of business is AI-powered: cloud unlocks its potential, one innovation at a time

The AI revolution requires exploring how GenAI can be used in businesses. Cloud platforms are essential for the expansion of these innovations. Effective platforms manage the large computing power required while ensuring secure access to open-source and closed-source models. They also address data privacy compliance, a key part of responsible AI. The platforms' flexible architecture also adapts to the ever-changing AI landscape, keeping businesses at the forefront of innovation.





8

Businesses need flexible industry cloud platforms that adhere to open standards to take advantage of new opportunities and participate in interconnected businesses

The current IT systems supporting business functions, while comprehensive, are not flexible due to their complexity. At the same time, industry groups and consortiums are creating standards for business functional capabilities to drive synergies. Enterprises can use these standards to break down complexity and create a composable industry cloud platform by aligning to their industry's needs. Individual business capabilities provided through cloud services, make it easier for companies to be flexible with their IT and orchestrate the composable capabilities to implement new ideas more quickly. An industry cloud platform approach allows companies to join the market ecosystem with a full set of offerings or specific parts, to take advantage of new business opportunities while keeping their current revenue streams safe.

9

Blurring cloud borders: Zero Trust bolsters security against threats

Interconnected businesses in the digital landscape drive growth, but also increase the potential surface area of attack. Zero Trust architecture, a principle to validate everything and not trust, streamlines security implementation, improves compliance, and prevents a threat's lateral movement across the landscape. Further, it enables quick isolation of infected systems, containing them from infecting others and boosting overall cyber resilience.

10

Beyond borders: sovereign cloud ensures data control & compliance

The current large hyperscaler services, governed by global contract terms, do not sufficiently cater to the requirements of government, defense, citizen services, regional institutions, and segments deemed of national importance. These entities possess data protection needs that necessitate compliance with local laws and regulations. Addressing the privacy and compliance requirements require sovereign cloud as part of the hybrid multi-cloud strategy. Examining the business value stream and business entities that need to meet the local regulations, and adopting the right workload placement strategy on the sovereign cloud, ensures that enterprises can be on the leading edge of technology adoption with cloud while remaining compliant.

11

Define and measure business KPIs to ensure the program stays in the right direction

Aligned with the CEO's growth priorities, strategic initiatives revolving around cloud, digital, and AI transformation are crucial to empowering enterprises for expansion. As the enterprise embraces an iterative model, it is imperative to establish objective measurement criteria linked to key business outcomes at milestones. This approach ensures that stakeholders throughout the enterprise perceive progress uniformly. A shared understanding fosters investment, commitment, and support from all participants, streamlining governance and aligning the entire organization to progress cohesively.

12

Drive change from within the organization for successful transformation and sustained value creation

Success in cloud-based digital transformation depends on how well everyone knows how to use digital tools, their past experiences, and how well they can work together and communicate. To ensure everyone in the company embraces these changes, it's important to help them all get used to digital tools and encourage a culture where people feel confident about change.

13

Creating the organization with the right roles and skills ensures a smooth transition and makes a business thrive in the target state

Transformation begins with the organization's structure, where the right roles, skills, and operating model empower the organization to drive change and deliver results. Although many enterprises are on this journey, there is a noticeable shortage of skills like digitalized business processes, analytics, cloud, and AI, as well as in Agile, DevSecOps, and SRE. It is crucial for organizations to pursue a pragmatic approach in developing the talent base necessary to execute the transformation successfully and thrive in the transformed state. This would necessitate a combination of upskilled existing employees as well as hiring talent with new skills and capabilities. With required skills across the roles, execution is smoother and more effective, teams are more collaborative and productive, and overall employee satisfaction is better.



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