



**WHITE PAPER**

# **CLOUD USAGE AND MANAGEMENT TRENDS: *WHERE'S THE MONEY GOING?***

*AMID GROWING COMPLEXITY, PRIVATE CLOUD  
AND MSP RELIANCE CONTINUE TO OUTPACE  
PUBLIC CLOUD FOR AI WORKLOADS*

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**GTT**

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# EXECUTIVE SUMMARY

Enterprises have been on a cloud journey for over a decade now. As our research confirms, some are still migrating to the public cloud and some are now starting to migrate back. Wherever you are in your cloud journey, or whatever migration path you're taking, we hope that learning from the market trends we've identified, as well as the challenges, priorities and types of solutions your peers are dealing with, will be beneficial to your organization.

GTT engaged Hanover Research, a leading provider of research and analytics for organizations worldwide, to conduct a survey to provide business leaders with current data and analysis on how enterprises are adopting, using and managing cloud services, as well as a view into spending patterns and future plans.

Some of our findings are perhaps to be expected, while others provide quite a unique view on trends.

## ***Private Cloud is Growing Among Multiple Cloud Environments and Strategies:***

- Organizations are still using multiple cloud environments – most commonly a mix of public and private clouds (p. 5).
- Enterprises are highly engaged in a variety of cloud initiatives and also use a wide set of cloud services and metrics (p. 28).
- Among organizations that rely exclusively on public cloud, workload balancing is a key priority. However, only 25% store all their data solely in public cloud environments (p. 7).
- Private cloud spending is expected to grow at a faster rate for our respondents, reflecting an industry trend toward cloud repatriation. In the >\$US10 million spending bracket, private cloud spend is growing at a 2x the rate of public cloud (p. 26).

**2X GROWTH RATE:**  
**US\$10+ MILLION**  
**SPENDING BRACKET**

**24ppt**

Growth in Private cloud  
spenders >US\$10 million

**12ppt**

Growth in Public cloud  
spenders >US\$10 million

## ***A Multitude of Priorities:***

- There is no shortage of priorities, and astonishingly, three-quarters of professionals highly prioritize all of the listed initiatives (p. 23).
- The top two priority initiatives are improving financial reporting on cloud usage, followed by developing cloud-first strategies, underscoring the ongoing focus on metrics and cost management (p. 23).
- Close to half of enterprises use all nine metrics listed in our survey with customer experience metrics leading slightly ahead of either cost and margin-related metrics or speed of delivery KPIs (p. 28).
- As AI adoption accelerates, its impact on cloud repatriation raises important questions, giving enterprises plenty to consider (p. 13).

## ***Challenges Abound:***

- Only 5% of organizations have not experienced any challenges when migrating to either public or private clouds (p. 14).
- While public and private clouds are used for different reasons, prominent challenges for migrating and managing workloads in both kinds of environments are technical skills and feasibility (p. 14).
- Post-migration cost optimization is a bigger challenge for public cloud users versus private cloud (p. 18).
- The reported multiple challenges of migrating and operating applications in the cloud are likely the reason the greatest number of our respondents are leveraging managed services (p. 25).
- Additionally, respondents are most likely to purchase SaaS services from MSPs and generally view them positively (p. 25).

Hanover's survey data and our analysis in this paper provide those involved in the buying decision process with current information and context, enabling them to lead the discussion in their organizations on whether to prioritize private over public cloud initiatives – and how these decisions affect cloud budgets and spend.

With GTT's expertise in secure networking cloud, and as a global managed services and professional services provider, we are uniquely positioned to comment on the implications of the various trends on enterprise networking and cybersecurity as well as the role of MSPs in alleviating the identified challenges. And so, in addition to the data and analyses, we provide our additional viewpoints on the identified trends.

We'll be diving deeper into enterprise spending plans. [Subscribe to our newsletter](#) to get a copy of the companion infographic for this report.



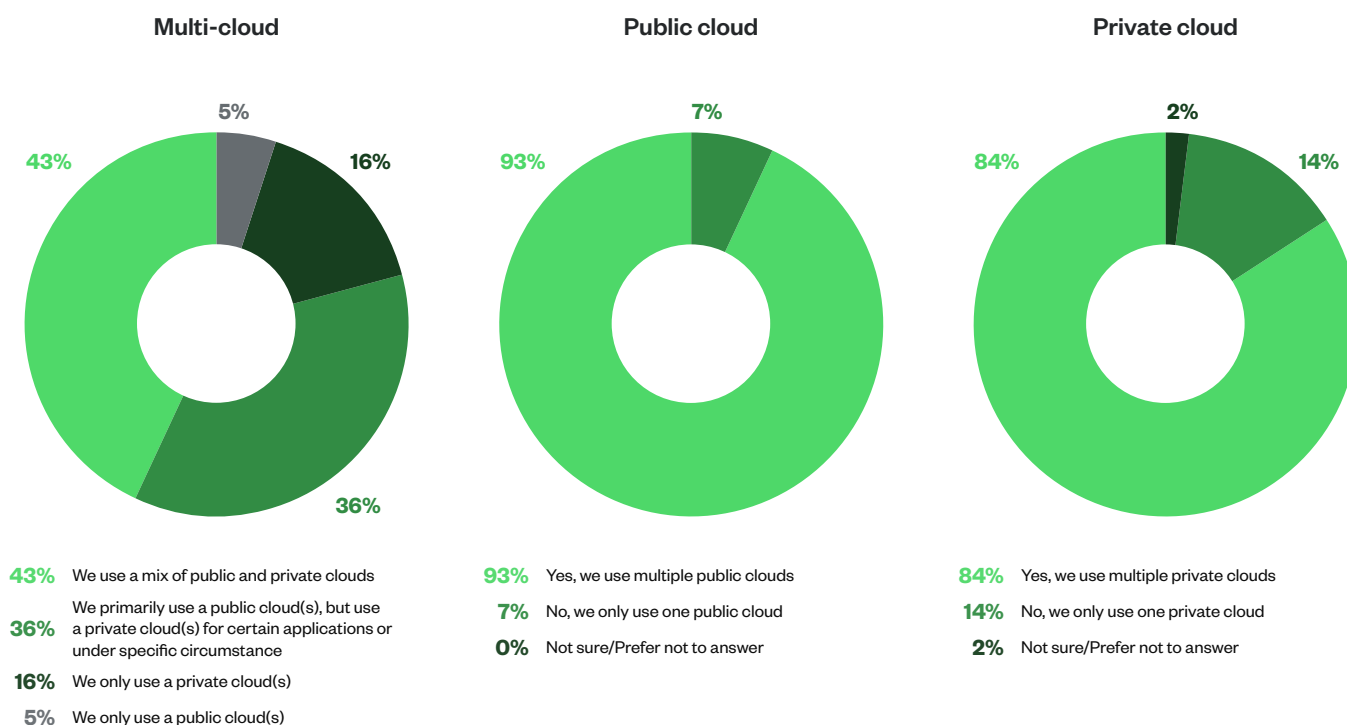
## SECTION 1: CLOUD DEPLOYMENT MODELS

# Give Me Back My Cloud! Plus Multiple Clouds, Multiple Headaches?

While our data indicates that enterprises run more of their workloads on the public cloud, most still use a hybrid of public and private, with private clouds deployed for certain applications, data types or high-value and high-sensitivity use cases.

Multiple clouds abound. Nearly all respondents use multiple public clouds (93%), and among those using only private clouds, most (84%) use multiple private clouds.

Figure 1: Cloud Strategy and Multi-Clouds



## Reasons Companies Use Public Cloud

### High reliability is #1

Nearly three-quarters of respondents state that their organization uses public cloud due to high reliability followed by unlimited scalability. Cost based on usage is a close third, even though it could be a double-edged sword, as is widely understood.

Figure 2: Top Reasons to Use Public Cloud



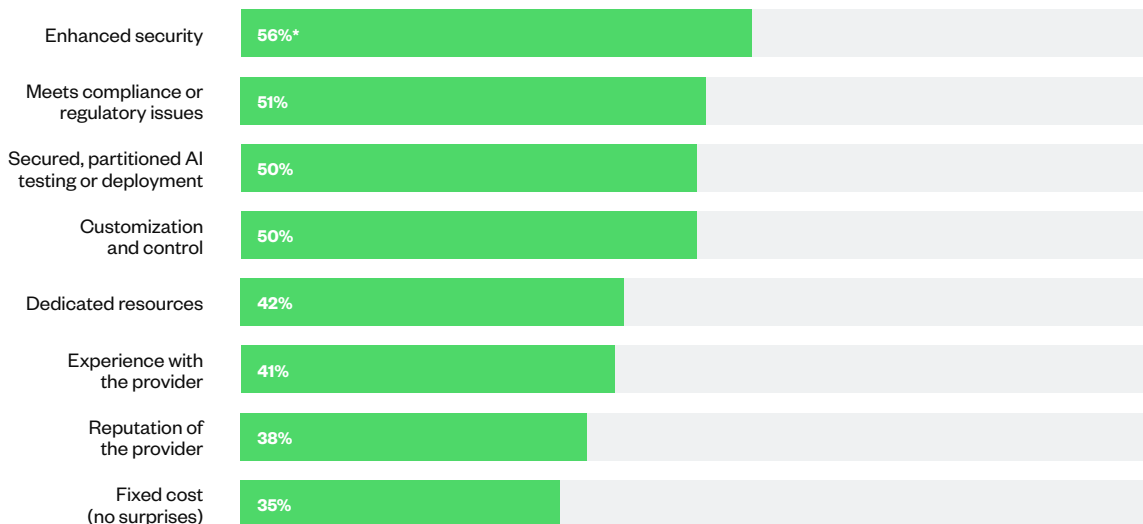
Q Why does your organization use public cloud(s)? Select all that apply. (n=239)

## Reasons Companies Use Private Cloud

### AI – the new kid on the block or soon to be the #1 reason?

It is perhaps no surprise to anyone that enhanced security and privacy is the number one reason for private cloud usage as cited by 56% of respondents. But what is really intriguing for the group of close runner-up reasons, as reported by ~50% of respondents, is that secure, partitioned AI testing or deployment is a major consideration, on par with compliance or regulatory issues and customization and control. Perhaps it's a bit early to conclude that enterprises want AI to be private, but it certainly stands to reason.

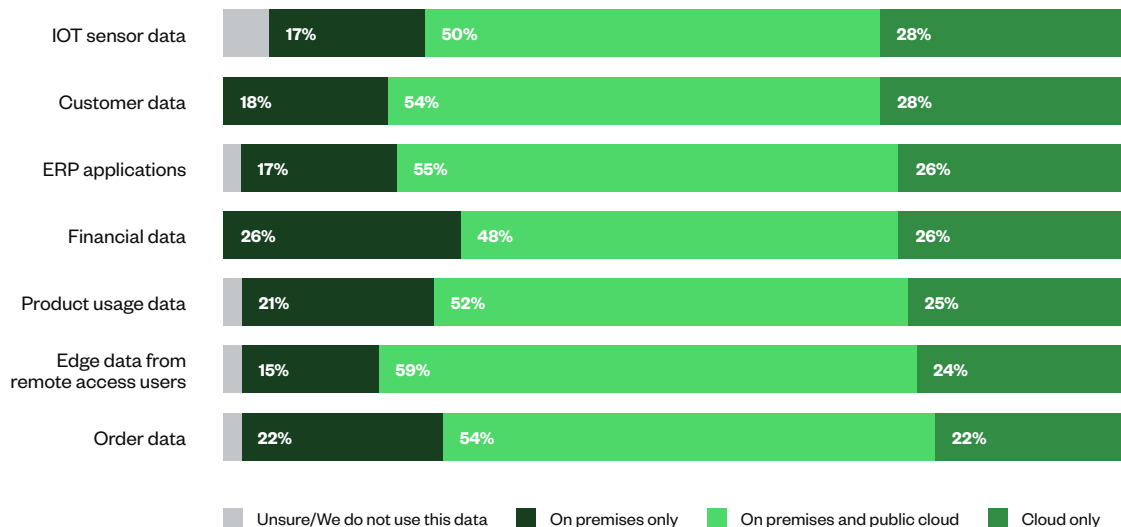
Figure 3: Top Reasons to Use Private Cloud



Q Why does your organization use private cloud(s)? Select all that apply. (n=268)

Regardless of the different arguments for using predominantly private versus public, there's clearly a hesitancy among organizations in choosing to run all their data in the public cloud, with only 22% – 28% managing all the data only in the cloud. Financial and order data are most likely to remain on-premises.

**Figure 4: Types of Data On Premise vs. Cloud**



*Q What data will you/ have you migrated to the public cloud?*

It's well established that private takes precedence when security, privacy and regulatory compliance are top of mind. But what matters most to those already taking advantage of the private approach are other aspects of this main issue of trust – given that their top reasons for choosing private clouds are 1) secure, partitioned AI testing or deployment (50%, as mentioned above) and 2) experience with the provider.

In summary, what we are seeing is that the cloud, which had a promise for scale and simplified operations, has evolved into a rather complex patchwork of multiple clouds, providers and applications. (We'll elaborate on the components of that patchwork in the following sections.) These multi-cloud architectures create several challenges in terms of cloud usage, application management and cost control.

In addition, as migration directions may be changing, this creates another layer of complexities in re-engineering enterprise architectures and the related connectivity and cybersecurity implications.

In our view, the ongoing complexities are what drives the increased reliance on managed services, as we'll see later.

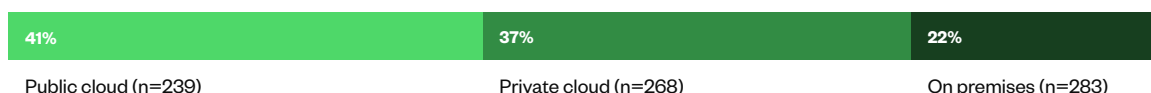
**26%** of financial data is stored exclusively in private cloud

## Where Are the Workloads

### Companies trust private cloud with more of the workloads

While only 16% of respondents use exclusively private cloud, when it comes to workloads the combination of private cloud and on-premises accounts for more than half of all workloads. It sounds like most of the heavy lifting is still happening within the digital walls of the enterprise as opposed to someone else's walls.

Figure 5: Amount of Workload Distributed Across Environments



Q Please indicate how your organization's workload is distributed across the following environments.



Multi-cloud and Poly-cloud environments are now the norm among most enterprises across all industries. This evolution creates both added complexity and new opportunities for more effective performance as these architectures mature. Our goal is to help customers simplify and optimize their connectivity to public clouds and/or provide private direct cloud services for companies who prefer bespoke data and connectivity architecture.

GTT Envision solutions offer flexible bandwidth options, scalability and increased resiliency for our customers' current and future-state cloud outcomes.

—CHRIS BONAVIDA

VICE PRESIDENT, STRATEGY & TECHNOLOGY ADOPTION, AMERICAS DIVISION, GTT

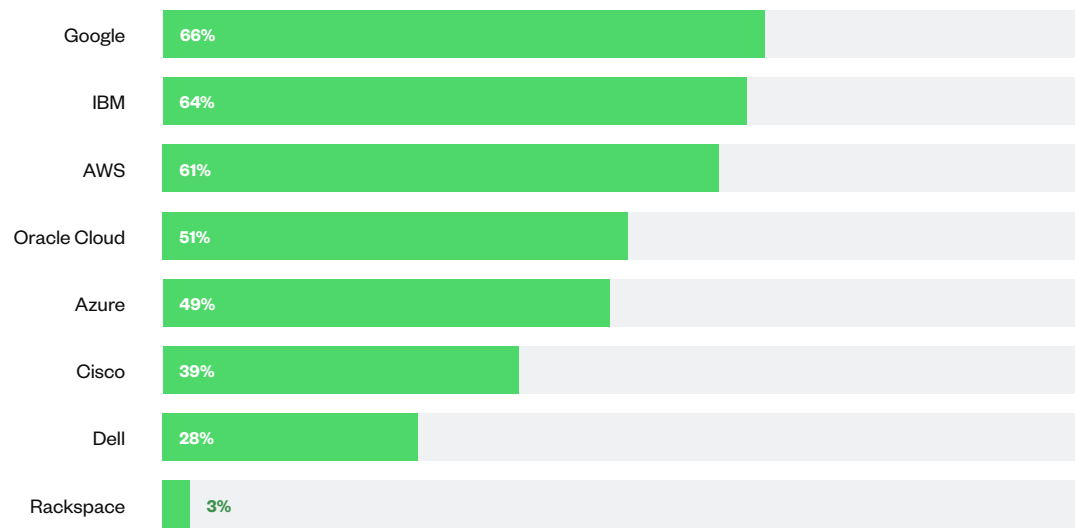
## Cloud Provider Usage

### Enterprise applications affecting the balance of power

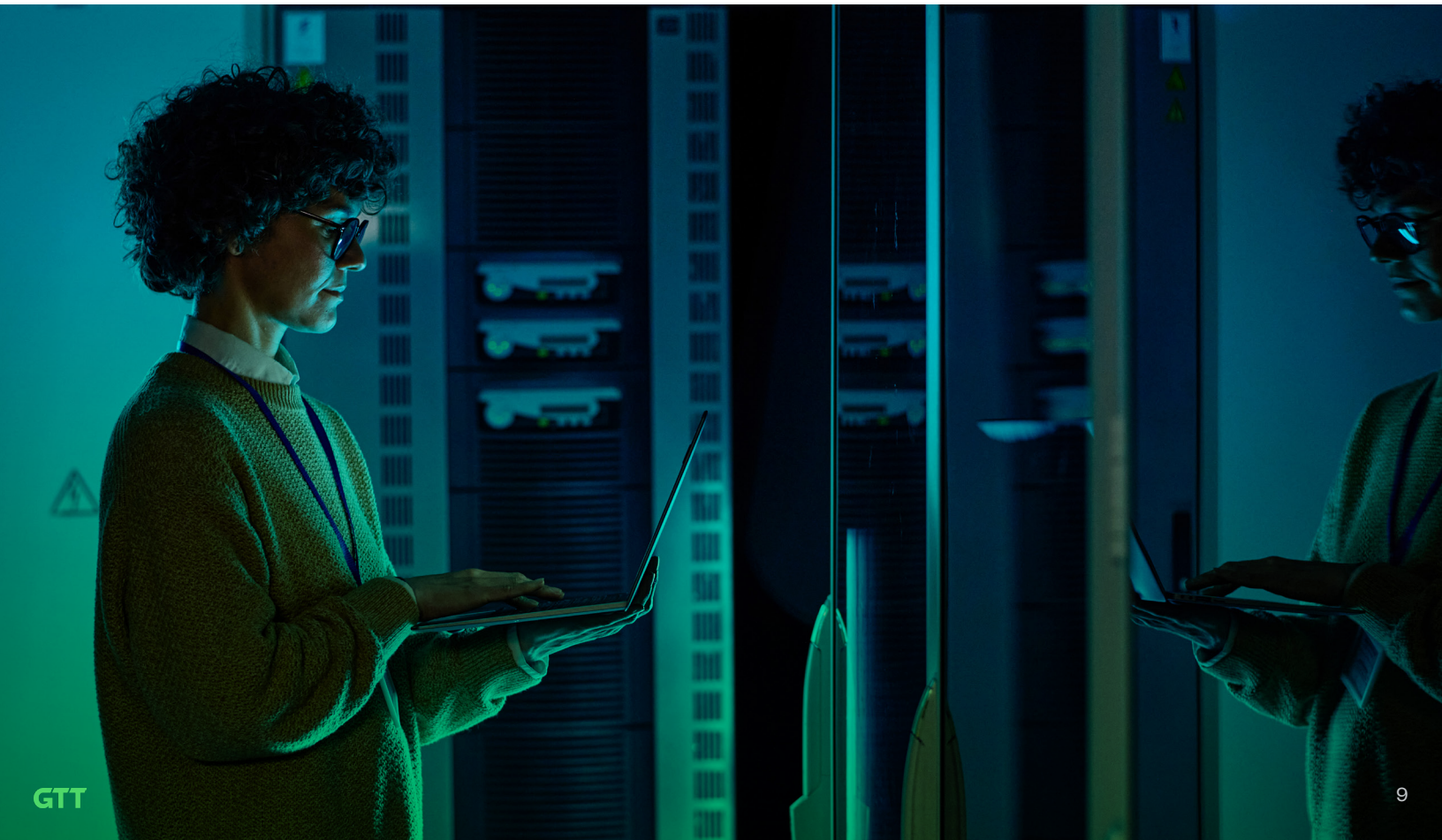
In our global survey, the major public cloud providers came out roughly even in reported usage, not quite reflecting their reported market shares. It is clear that the use of specific, long established enterprise applications is driving such an outcome. For example, IBM was reported as the second most used, as cited by 64% of our respondents. This was most likely driven by pervasive use of legacy and/or ERP applications.

Additionally, use of IBM, Oracle and Cisco clouds was reported heavily across industries with further concentrations in the financial services industry. The widespread use of such applications may be a driver of significant migration and application management challenges reported in the next section, and adds to the ongoing complexity.

Figure 6: Public Cloud Providers Used



Q Which of the following public cloud provider(s) does your organization currently use? Select all that apply. (n=239).

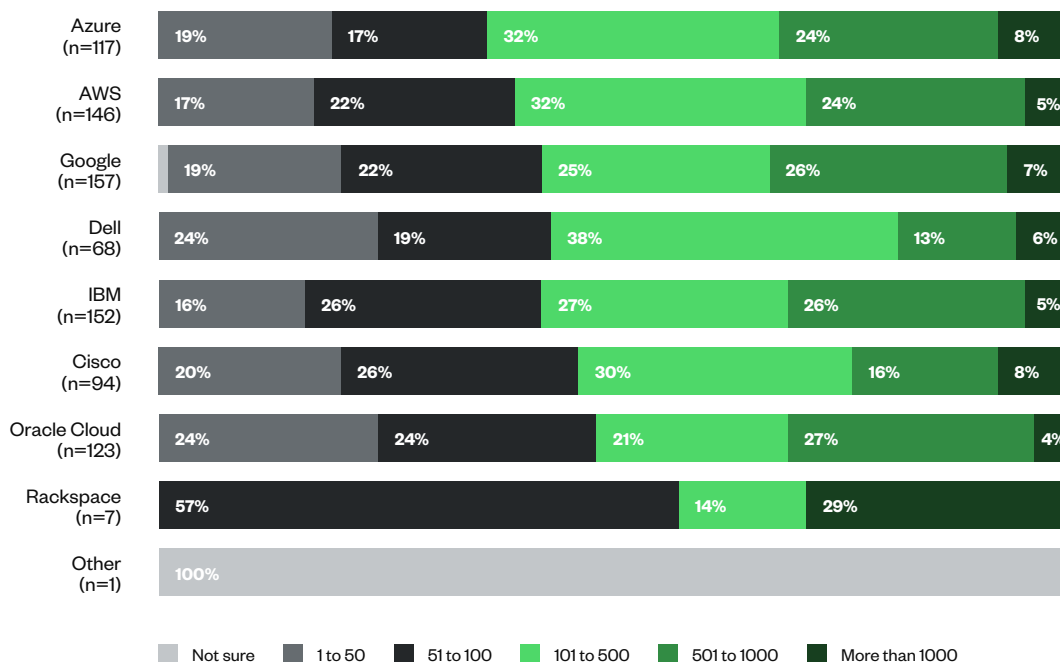


## Virtual Machines in Public Clouds

### VM distribution is mostly even among providers

Running between 100 and 500 virtual machines is the most common use case, but it was mostly an even distribution if we exclude the largest of users, i.e., companies running more than 1,000 VMs.

Figure 7: Number of Virtual Machines Used With Public Cloud Providers



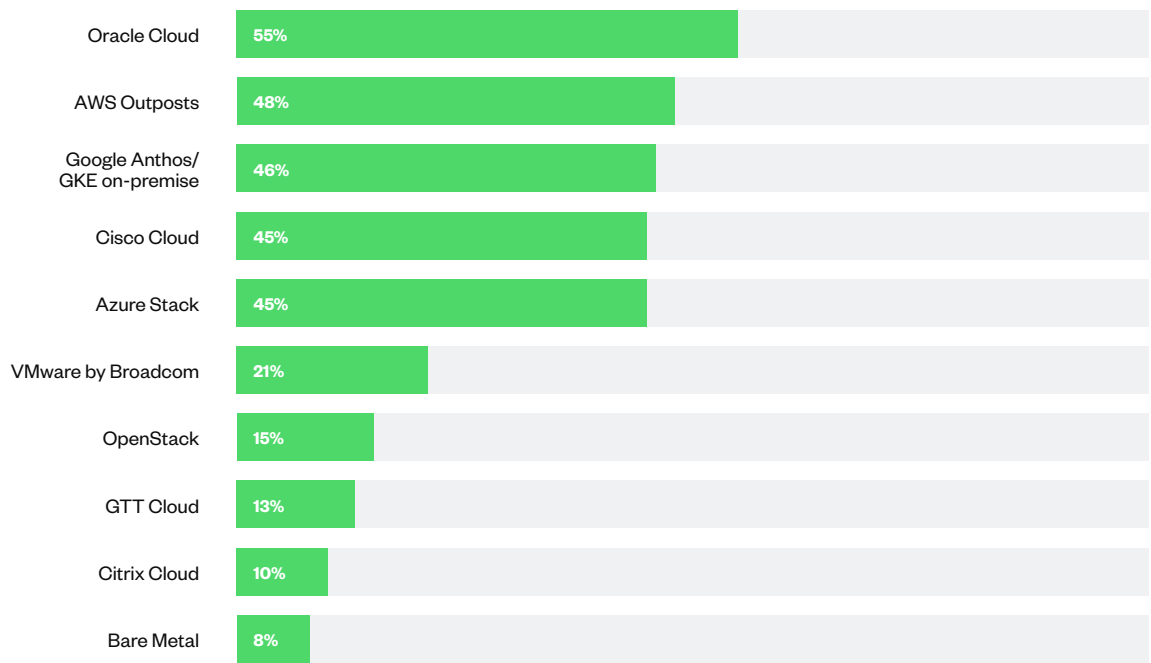
*Q For each public cloud provider your organization uses, please specify the number of virtual machines (VMs) hosted with each. (n=x)*

## Private Cloud Use

### Multiple vendor options with app and region variations

Similar to public cloud, multiple big name providers were represented in our survey. Oracle cloud was most commonly used, slightly ahead of the next tier and likely driven by both ERP and storage use cases. AWS came in second. And for those using AWS, those committed to exclusively private clouds reported less than half the usage of those following hybrid strategies. In contrast, Cisco was much more prevalent among exclusively private cloud users than its overall average.

Figure 8: Private Cloud Providers Used



Q Which of the following private cloud provider(s) does your organization currently use?  
Select all that apply. (n=268)



## Types of Data Stored on Private Clouds

### Where does the most valuable data sit?

Financial data, being one of the most sensitive, was the most prevalent data type stored on private clouds, confirmed by an average of 61% of respondents. Customer data was a close second in terms of private storage. IoT data took the third place, as enterprises are likely recognizing that such data is becoming even more valuable due to the ability to analyze massive data sets with AI. At the same time, SaaS data is being stored on public clouds by about 50% of survey respondents.

Figure 9: Types of Data Stored with Cloud Providers

|                               | Oracle Cloud<br>(n=148) | AWS Outposts<br>(n=128) | Google Anthos/GKE On-Prem<br>(n=123) | Azure Stack<br>(n=120) | Cisco Cloud<br>(n=120) | VMware by Broadcom<br>(n=55) | Open Stack<br>(n=39) | GTT Cloud<br>(n=36) | Citrix Cloud<br>(n=26) | Bare Metal<br>(n=21) |
|-------------------------------|-------------------------|-------------------------|--------------------------------------|------------------------|------------------------|------------------------------|----------------------|---------------------|------------------------|----------------------|
| Financial data                | 61%                     | 59%                     | 61%                                  | 63%                    | 63%                    | 55%                          | 64%                  | 58%                 | 69%                    | 57%                  |
| Customer data                 | 57%                     | 55%                     | 58%                                  | 49%                    | 60%                    | 62%                          | 59%                  | 58%                 | 69%                    | 67%                  |
| Internet of Things (IoT) data | 47%                     | 54%                     | 61%                                  | 50%                    | 51%                    | 60%                          | 62%                  | 50%                 | 38%                    | 57%                  |
| Product usage data            | 49%                     | 52%                     | 50%                                  | 53%                    | 54%                    | 58%                          | 44%                  | 47%                 | 46%                    | 62%                  |
| SaaS                          | 50%                     | 52%                     | 51%                                  | 54%                    | 53%                    | 51%                          | 41%                  | 42%                 | 62%                    | 48%                  |
| Internet protocol (IP) data   | 54%                     | 56%                     | 55%                                  | 53%                    | 50%                    | 45%                          | 74%                  | 47%                 | 38%                    | 48%                  |
| Edge data                     | 40%                     | 48%                     | 51%                                  | 48%                    | 45%                    | 45%                          | 49%                  | 39%                 | 42%                    | 48%                  |
| Order data                    | 43%                     | 41%                     | 52%                                  | 46%                    | 40%                    | 49%                          | 46%                  | 39%                 | 50%                    | 38%                  |

Q What does your organization store with [provider]? Select all that apply.

## CLOUD REPATRIATION LIKELY TO INCREASE

In widely cited industry studies<sup>1</sup> in 2024, 83% of CIOs were reported as planning cloud repatriation. Our research on spending showcased in the sections below further supports that trend. As is widely understood, the primary drivers behind cloud repatriation include unpredictable public cloud costs, concerns about vendor lock-in and specific requirements in highly regulated industries. In addition, unexpected expenses like API and network traffic costs and service charges can accumulate significantly over time. Dependence on a single cloud provider can limit fast access to resources, flexibility and innovation.

<sup>1</sup> Source: Barclays CIO Study 2024

Furthermore, sectors such as finance and healthcare require stricter control over data and security protocols, making on-premises or private cloud solutions more attractive for certain industries or workloads.

Repatriation may come with migration challenges, since migration skill sets are already strained as we'll see below. Additionally, successfully executing cloud repatriation requires careful consideration of networking applications, especially when using SD-WAN and SASE solutions. Organizations need comprehensive visibility into their data and applications, whereas traditional monitoring tools may not be able to provide such visibility for repatriated cloud-native applications. Furthermore, repatriated workloads may introduce potential security issues if they are not adequately integrated into the existing security frameworks. SASE and SD-WAN solutions setups will need to be adjusted to handle different volume levels to prevent latency, performance deterioration and to adjust routing and policy enforcement on the redirected traffic. It is clear that repatriation is ongoing and enterprises may need additional support from MSPs with such migrations. Is a new driver of accelerating repatriation emerging?



## **PRIVATE DATA TO PRIVATE MODELS – AI AS A PRIVATE CLOUD DRIVER?**

It's also important to address how decision-makers are approaching the adoption of emerging technologies like AI and edge computing within their cloud infrastructure. Clearly, enterprises deploying AI models can either move their private data to where the AI model is hosted (in the public or private cloud) or move the AI model to where their data exists (in a private cloud or on-prem). The two approaches both offer advantages, and the choice is highly dependent on the use case. One thing is clear: regular enterprise users and employees do not have the same data sensitivities as IT and business leaders. Recent studies have found that roughly 40% – 45% of employees have exposed sensitive enterprise data to public AI models.<sup>2</sup>

It is widely recognized that enterprises are appreciating more and more the value and sensitivity of proprietary data for AI models and are showing a preference for private cloud for AI. Furthermore, AI applications are also resource-intensive – not only in terms of GPUs but also memory, storage and networking, further exposing enterprises to less predictable or controllable costs. Engaging with experienced partners who can help you architect the right solutions and then manage the ongoing complexities as a managed service minimizes risks while leveraging expertise that is otherwise in short supply.

<sup>2</sup> Source: TELUS Digital AI at Work survey, 2025

## SECTION 2: CLOUD MIGRATION

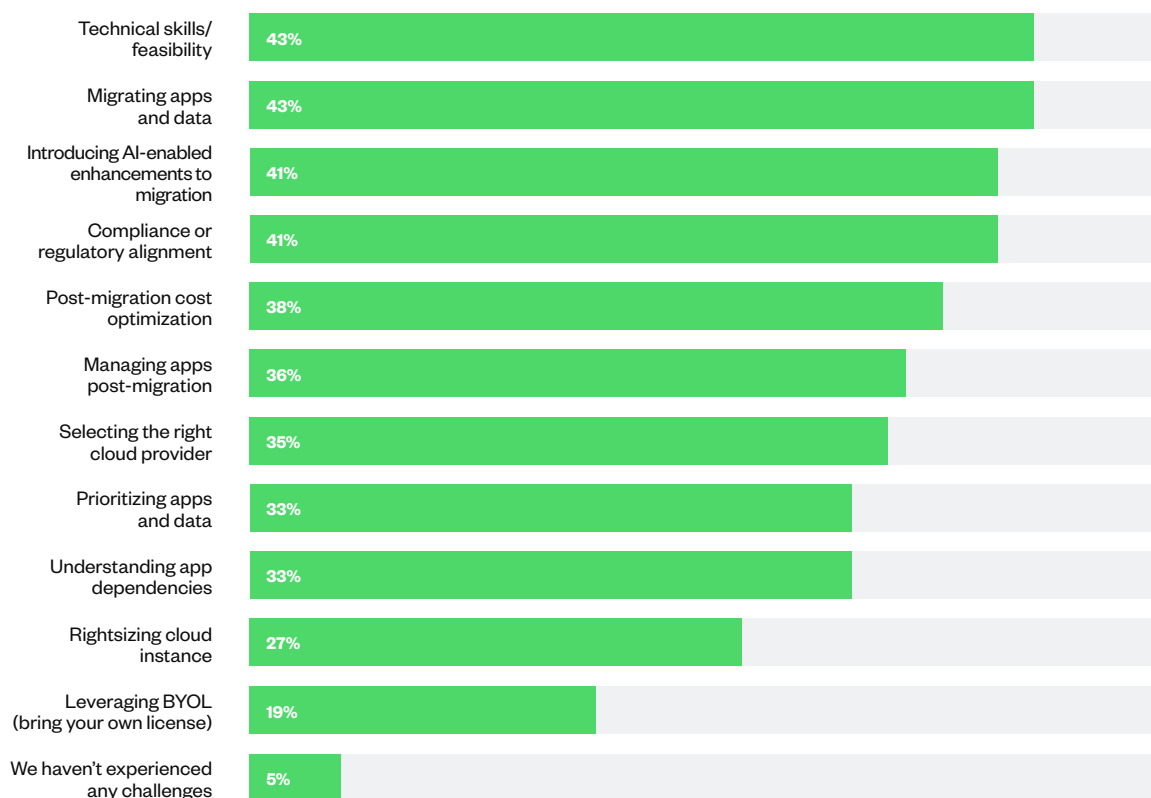
# Cloud Migration Challenges

It's really hard to draw a line as to where the challenges lie when moving to the public cloud. All seem to be present, as nine different challenges are experienced by at least a third of the respondents. And everyone seems to be struggling: a mere 5% of both public and private cloud users report not experiencing any challenges at all.

**Technical skills and feasibility is at the top for public clouds (43%) but also for private clouds, although a little less so at 38%. The actual migration itself shares the top spot for public cloud users at 43%. But migration is perhaps understandably a little less challenging for private cloud: 37% for migrating container-based workloads and, interestingly, a full 10 percentage points lower for migrating legacy mainframe apps.**

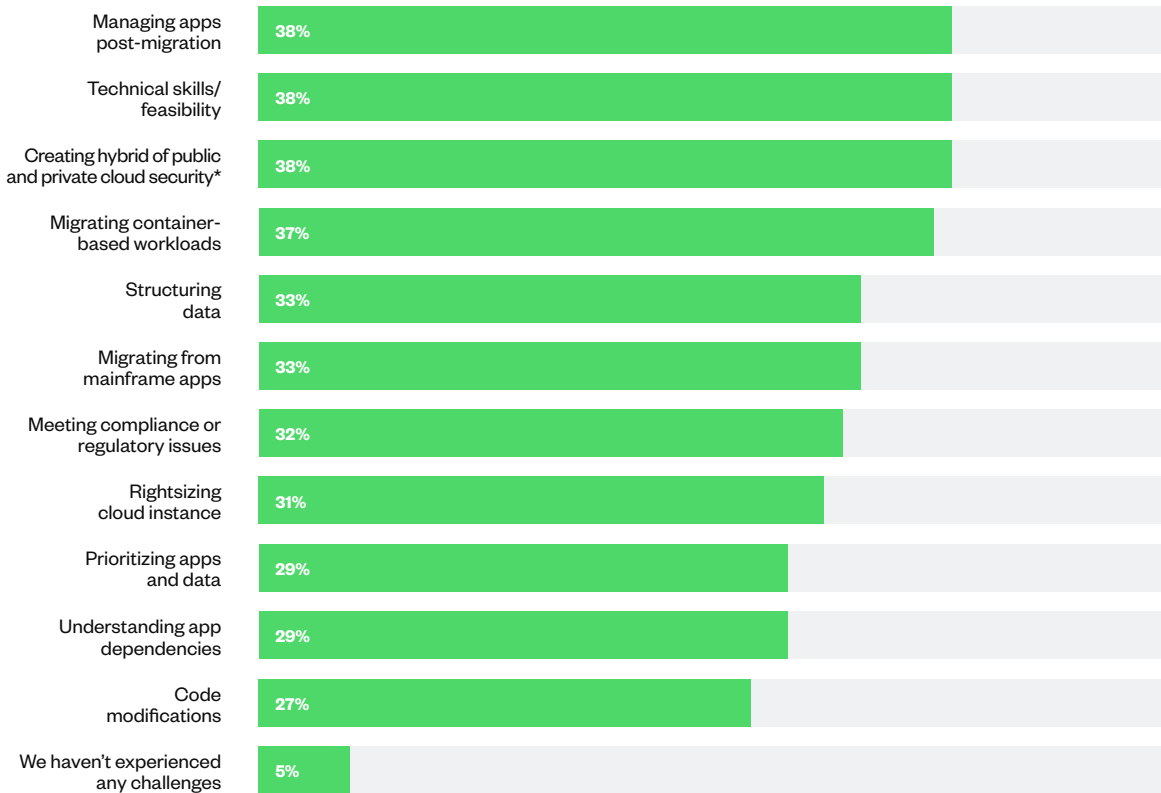
Managing apps post migration is roughly equally challenging for public and private, but is the primary issue for private cloud users, perhaps very closely related to lack of technical skills or feasibility. Another leading challenge for private cloud users is securing hybrid cloud environments (also at 38%) when running both public and private infrastructure. Our experience also shows that this is a serious challenge for hybrid cloud operators – more on this will be included in the networking and security implications below.

Figure 10: Challenges in Migrating Workloads to Public Clouds



Q Which of the following challenges does your organization experience migrating workloads to public clouds? Select all that apply. (n=239)

Figure 11: Challenges in Migrating Workloads to Private Clouds



Q Which of the following challenges does your organization experience migrating workloads to private clouds? Select all that apply. (n=268)

\* Answer choice shortened from "Creating a hybrid environment between public and private cloud security."

## APPLICATION SPRAWL

Note that in addition to cloud provider sprawl, at GTT we are seeing many enterprises paying for redundant applications. Worse is that many are unaware that they are subscribing to obsolete apps that fly under the radar, while users have moved on to newer products. Curating an app inventory, along with cloud management, is proving to be a difficult process for enterprises whose time and focus is best spent on revenue-generating technology activities. It is quite clear that cloud and app wrangling in today's more complex landscape is more effectively handled by an MSP.

**~40%**

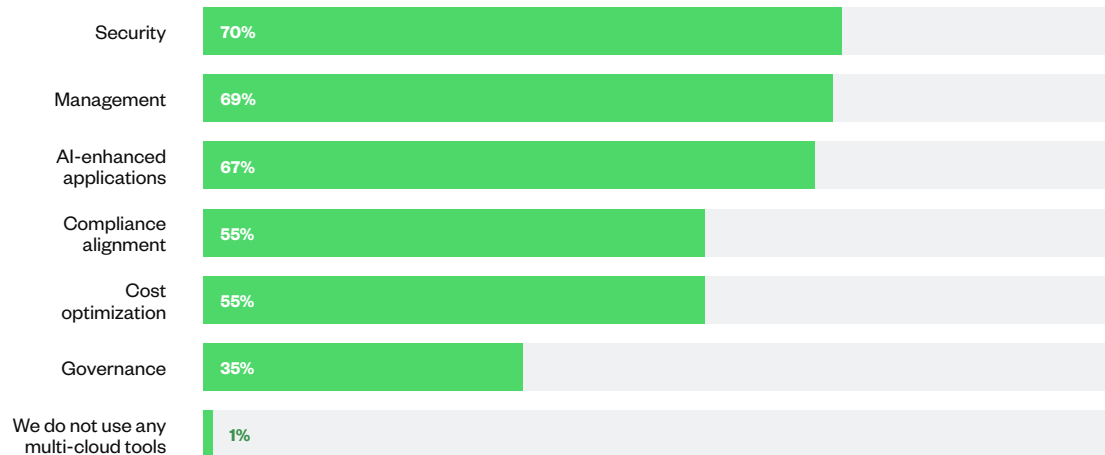
**Percentage of respondents** reporting "lack of technical skills and feasibility"

## SECTION 3: CLOUD APPLICATIONS AND SERVICES

# Most Common Multi-Cloud Tools

When it comes to multi-cloud architecture, respondents are most likely to use security, cloud management and AI-enhanced application tools. Tools are also in use for compliance management and cost optimization but only slightly over half take advantage of them.

Figure 12: Use of Multi-Cloud Tools



Q Which of the following multi-cloud tools does your organization use? Select all that apply. (n=275)





Enterprises can streamline operations, maximize financial resources and drive efficiency when cloud and software spend is optimized with intelligent automation. Analyzing usage trends and predictive models, businesses can forecast demand and adjust accordingly. By preventing over-provisioning and reducing unnecessary costs, resources can be focused on driving innovation and improving overall business agility. Therefore, choosing the right Managed Services partner do maximize tpols benefits becomes crucial. GTT Envision is the optimal platform, improving tools' efficiency and making predictive models more meaningful.

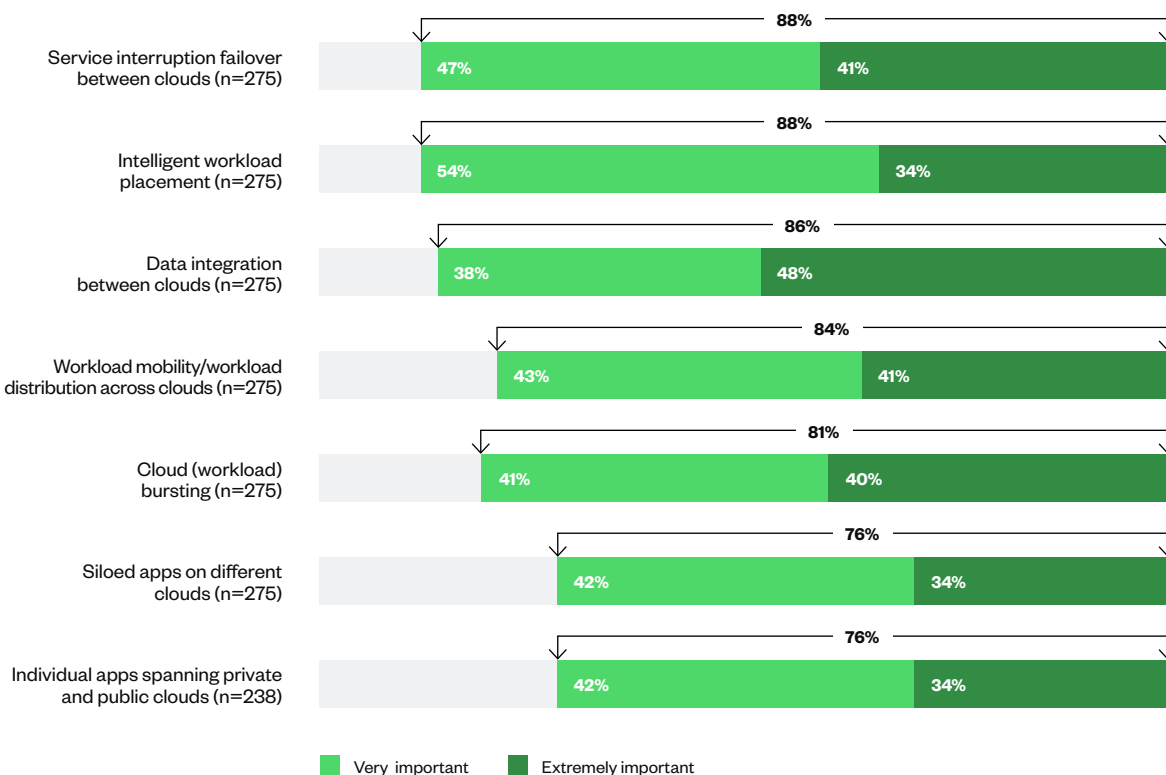
—BASTIEN AERNI

VICE PRESIDENT, STRATEGY & TECHNOLOGY ADOPTION, EUROPEAN DIVISION, GTT

## Features/Capabilities for Multi-Cloud Architecture

Due to multi-cloud's complexity, more than three-quarters of respondents consider all listed multi-cloud features as either very or extremely important, with service interruption failover between clouds and intelligent workload placement at the top of their lists (both at 88%).

Figure 13: Importance of Features/Capabilities for Multi-Cloud Architecture – Top 2

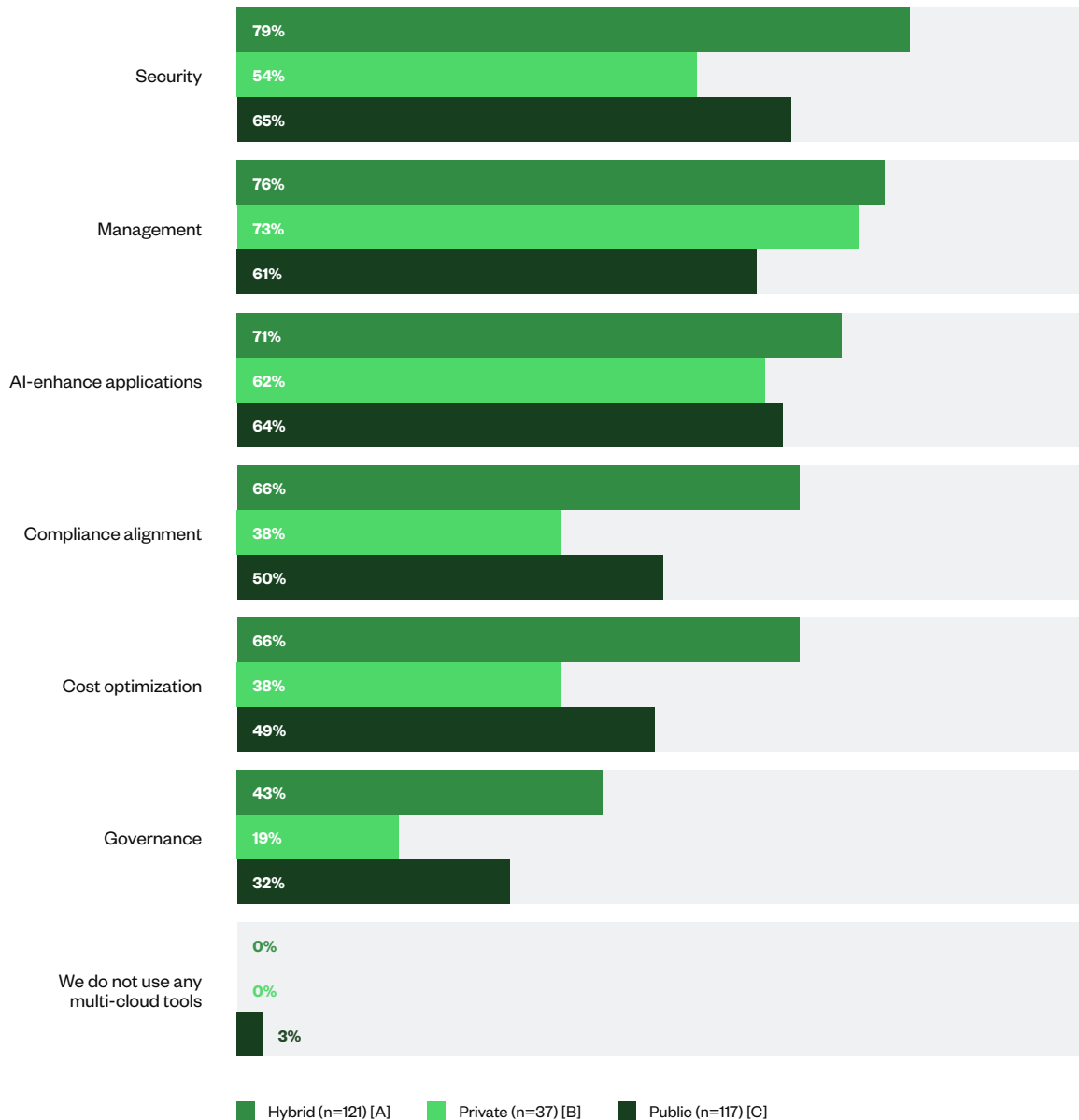


Q How important are the following features or capabilities for your organization's multi-cloud architecture? (n=275)

## Hybrid Environments

Quite naturally, in hybrid environments, enterprises are also significantly more likely to use compliance alignment (66%) and cost optimization (66%) tools as compared to organizations using public cloud environments – 50% and 49%, respectively. Among private cloud users, the majority are making do without tools.

Figure 14: Multi-Cloud Tools Used by Cloud Type

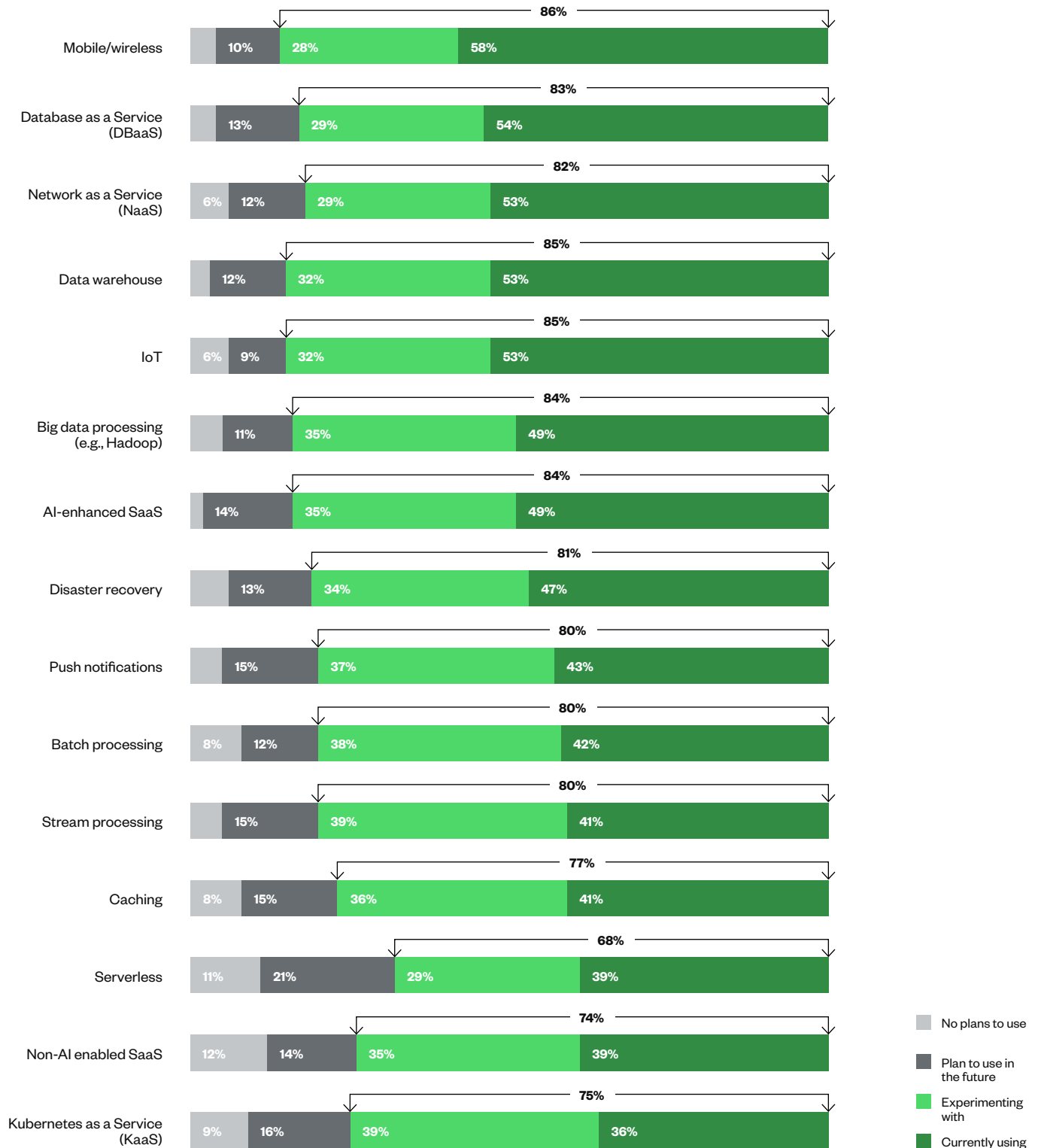


Q Which of the following multi-cloud tools does your organization use? Select all that apply. (n=275)

## Experience with Cloud Based Services

More than half of professionals are also currently using DBaaS, NaaS, Data Warehouses and IoT. And more than three quarters are using all of the 15 types of services whether experimenting or fully using

Figure 15: Experience With Cloud-Based Services – Top 2

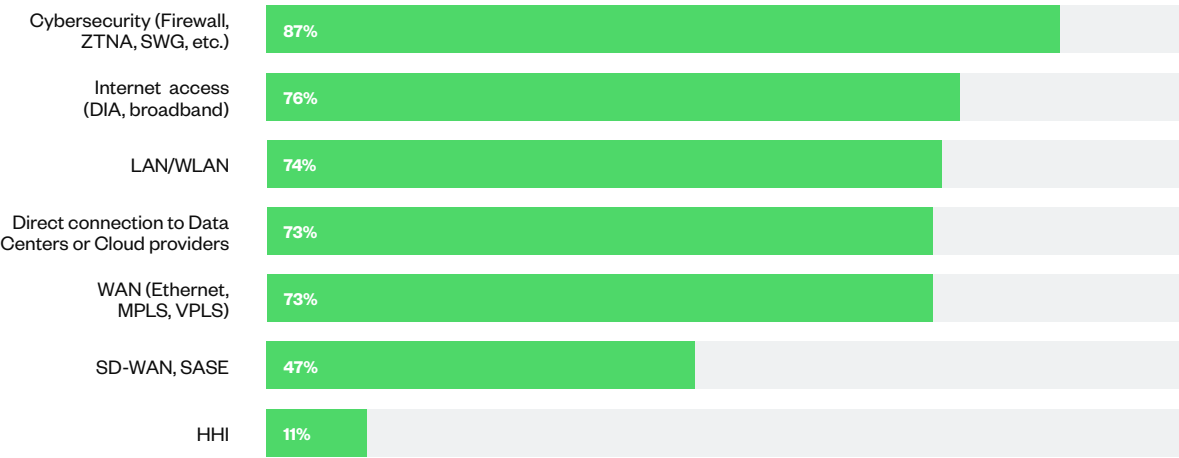


Q Please indicate your organization's experience with each of the following cloud-based services. (n=283)

# Secure Networking Technologies Used

87% of organizations are using some type of network security solution. All types of networks and connectivity are used by about three-quarters of organizations and no clear winners in terms of type of network. SASE and SD-WAN have not reached extensive adoption yet at just under 50%.

Figure 16: Network Technologies Currently Used



Q Which of the following networking technologies does your enterprise or department currently use/manage? Select all that apply. (n=283)

87%

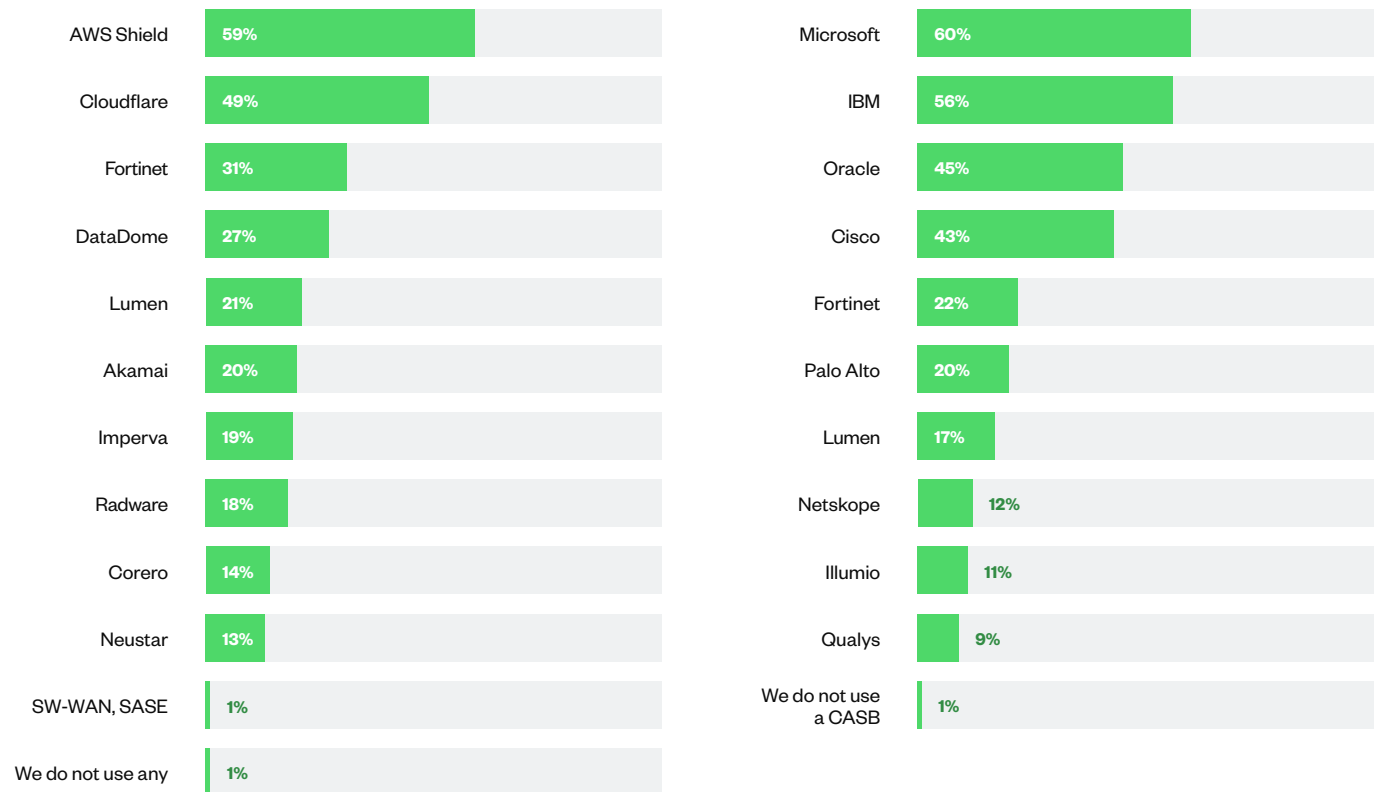
Percentage of organizations using some type of network security solution



## Most Used DDoS Mitigation Services and Cloud Access Security Brokers

DDoS and CASB are naturally ubiquitous – only 1% report not using any. AWS Shield (59%) and Cloudflare (49%) top the list of DDoS Mitigation Service providers. Within CASB, Microsoft (60%) and IBM (56%) are the most used, with almost half using either Oracle (45%) or Cisco (43%).

Figure 17: **DDoS Mitigation Services Used** **Cloud Access Security Broker Used**



**Q** Which of the following Distributed Denial of Service (DDoS) mitigation service(s) does your organization use?  
Select all that apply. (n=283)

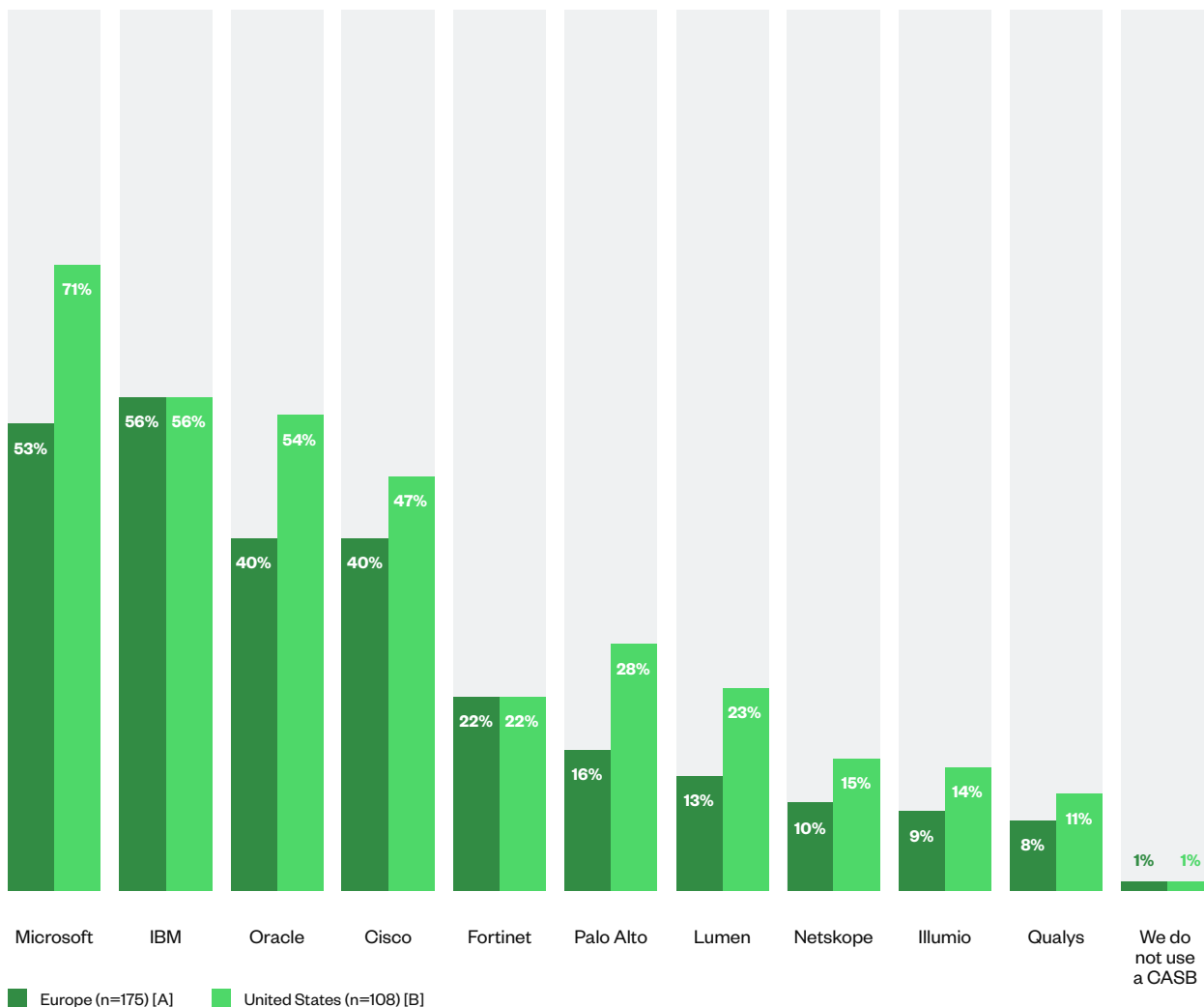


As the world is increasingly interconnected between clouds, data protection is a global concern. Everyone shares the responsibility of securing cyberspace far beyond an IT function. Advanced tools, intelligent threat analysis and human experts continually monitoring and defending the entirety of the attack surface are an ever-evolving concern. It requires a layered approach, including constant threat hunting, vigilance, attention and discovery.

—JAMES KARIMI  
CIO/CISO, GTT

## Cloud Access Security Brokers by Region

Figure 18: Regional Differences in CASB Use



Q Which of the following Cloud Access Security Broker(s) does your organization use? Select all that apply. (n=283)

## MANAGING A COMPLEX MULTI-CLOUD ARCHITECTURE

Consider an experienced, flexible Managed Service Provider (MSP) who is equipped to fill skills gaps and offer recommendations best suited to unique needs. From the underlying connectivity to cloud architecture and cybersecurity solutions, a flexible MSP can offer any number of possibilities for achieving positive outcomes while managing costs and complexity, relieving the burden on internal technology teams.

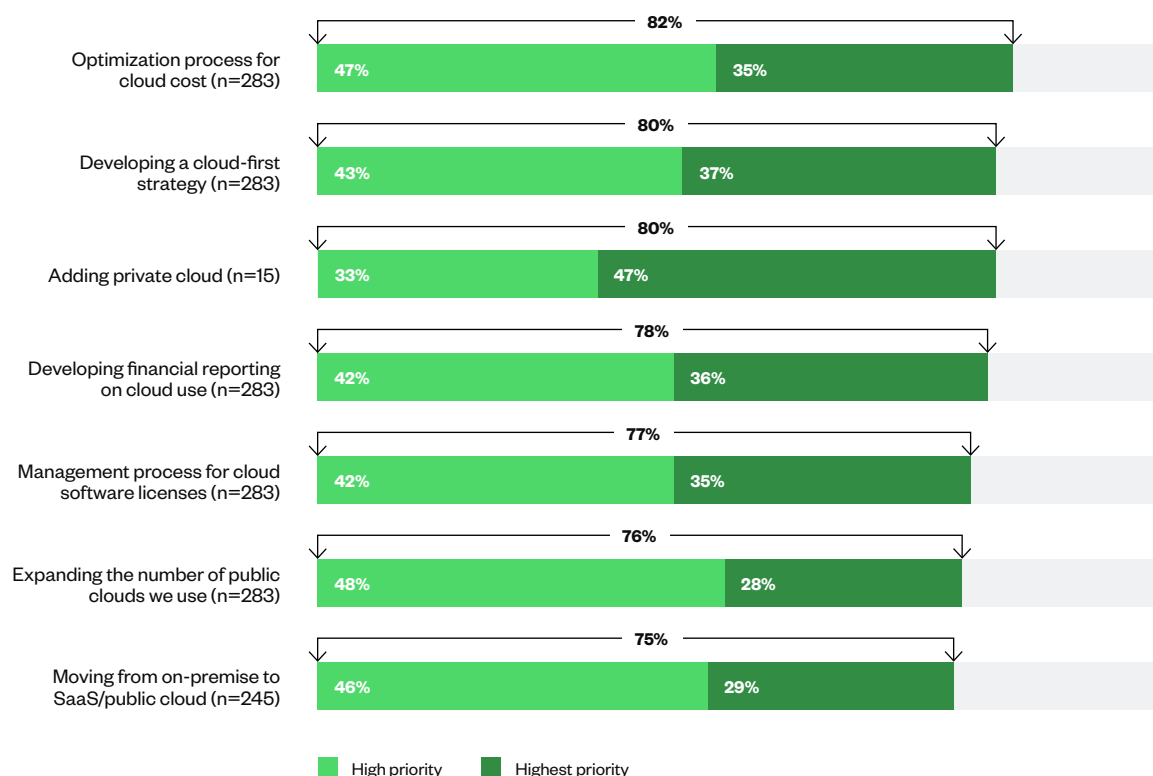
# Prioritization of Cloud Initiatives

## Optimization and cloud-first strategy top the list

This result may seem surprising: everything is an imperative for a great majority – a full three-quarters of respondents consider all initiatives listed below as either high or highest priority. At the top, more than 80% are concerned with optimizing costs and then also developing a cloud first strategy (80%). Developing financial reporting on cloud use is top of mind for a great majority as well at 78%.

Regardless of the chosen migration direction, for those that don't currently have it, adding private cloud is their highest priority. And for those in the earlier stages of cloud maturity, moving from on-premises to cloud/SaaS is also a top priority.

Figure 19: Cloud Management Priorities – Top 2



Q How much of a priority are each of the following cloud initiatives to your organization? (n=283)

## Omni-capable MSPs are helping companies

As companies continue investing in cloud while juggling multiple priorities and complexities, the reported lack of cloud expertise creates an unsustainable mix. To overcome this lack of expertise, enterprises that are seeking to migrate services – whether to a public or back to a private cloud – are naturally engaging with MSPs.

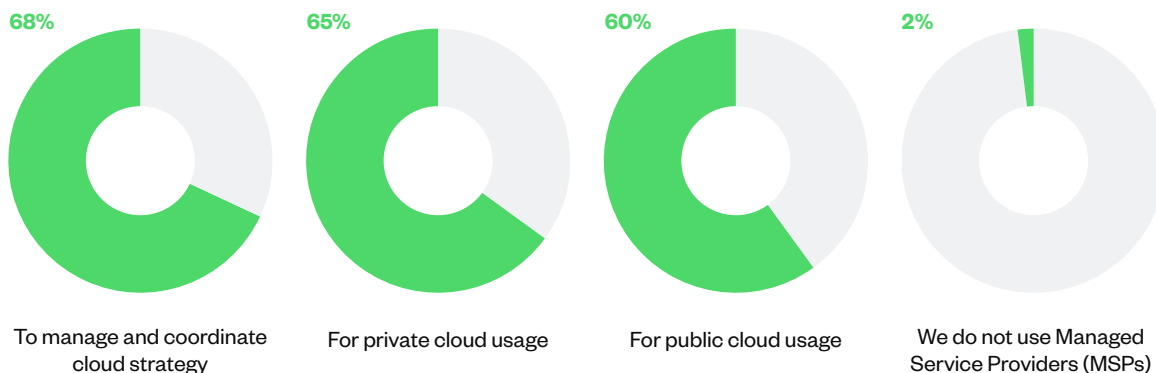
Leveraging MSPs is prevalent and growing: two-thirds use MSPs to manage and coordinate cloud strategy for both private cloud and public cloud usage. And more than half of respondents expect their organizations will increase MSP use in 2025.

MSPs are also considered a versatile partner: respondents believe MSPs can deliver across all listed attributes and are excellent at security and managing multi-cloud environments.

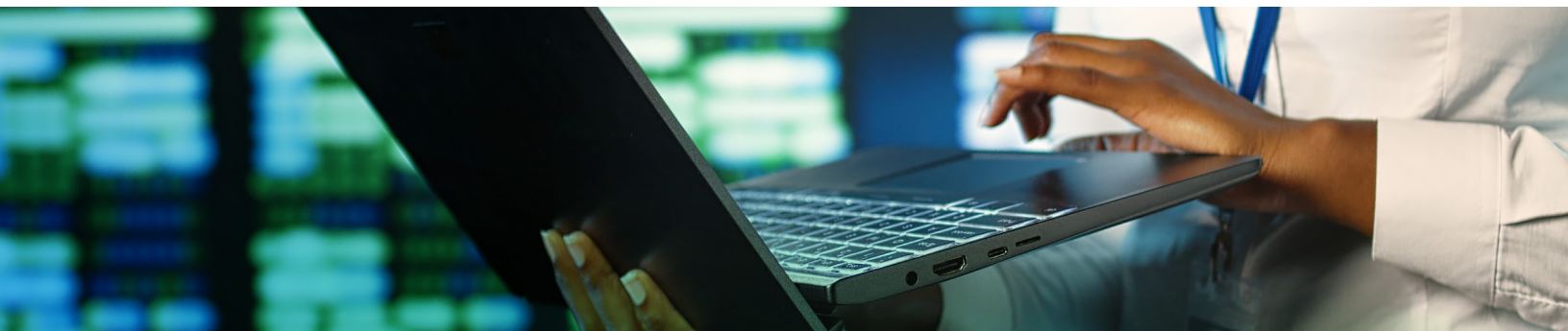
More specifically, enterprises expect MSPs to be fully versed in the following capabilities: cloud design and deployment, cloud migration, Network as a Service (NaaS) and Cloud Security as a Service (CSaaS). Furthermore, enterprises expect their MSP to provide a comprehensive cloud strategy with such expectations even stronger in the US than European markets

MSPs are also employed to coordinate the solutions and services needed, thus removing the burden from the enterprise. The coordination expectation also grows into sourcing – MSPs are the top channel through which our respondents are sourcing SaaS solutions, ahead of the vendors. Across the capabilities, organizations that use exclusively private cloud are even more demanding and reliant on managed services.

Figure 20: **Methods of Using MSPs**



Q In which of the following ways does your organization use Managed Service Providers (MSPs)? Select all that apply. (n=283)

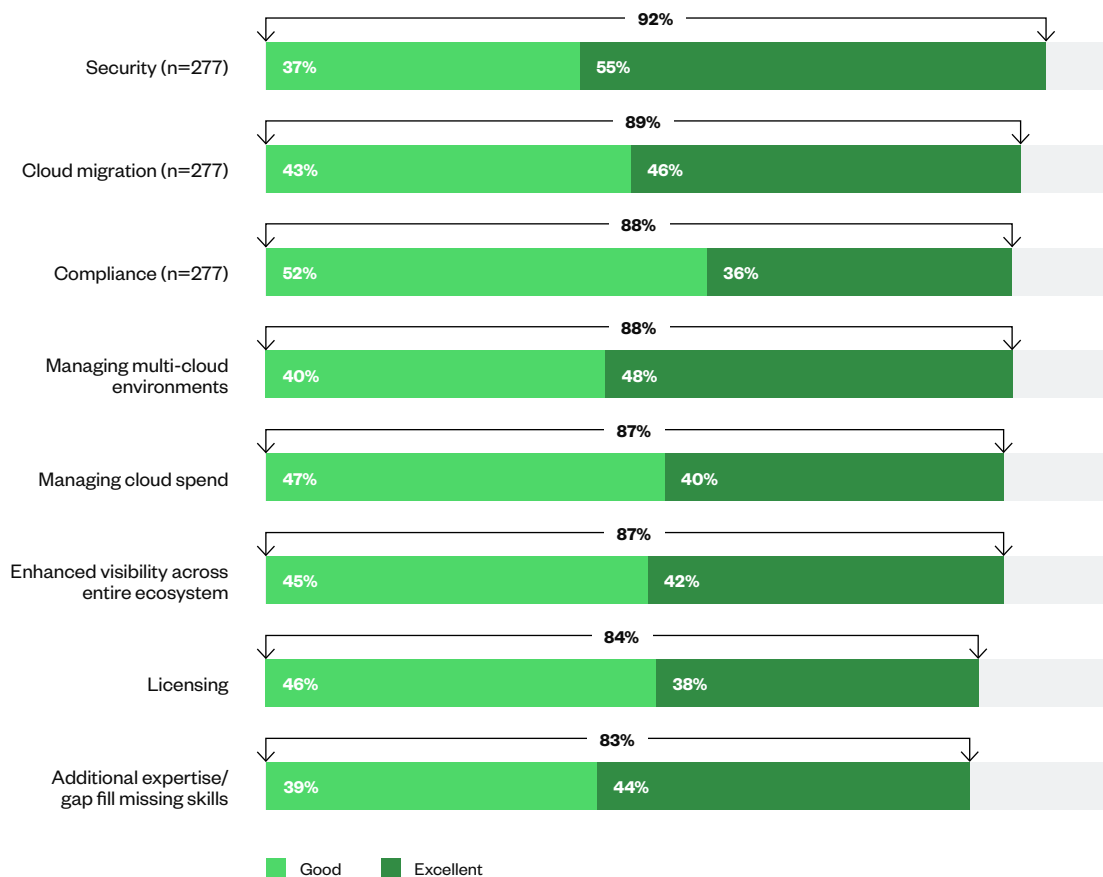


## Ability of MSPs to Deliver on Attributes

### Most respondents believe MSPs are good or excellent

Respondents are most likely to believe MSPs to be excellent at security (55%) and managing multi-cloud environments (48%). Overall, security (92%) and cloud migration (89%) are considered their strongest areas.

Figure 21 Trusted MSP Capabilities – Top 2



*Q In general, how would you rate the ability of Managed Service Providers (MSPs) to deliver on each of the following benefits? (n=277)*

Figure 22: SaaS Primarily Purchased From

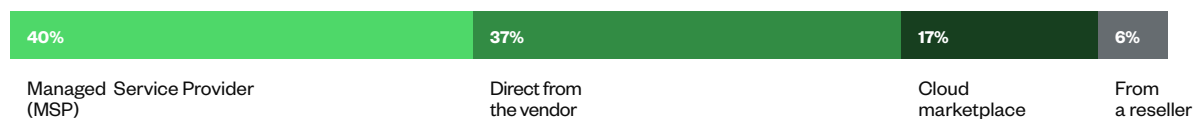


Figure 23: Expected Change in MSPs Usage Over the Next Year



## SECTION 5: CLOUD SPENDING

# “Hey, Big Spender...” – Private Cloud is Growing Twice as Fast

Most of the survey respondents report that their public cloud spend has remained flat through 2023 and 2024 and is expected to remain so in 2025.

Some of the most insightful comparisons on cloud spending emerge when analyzing different spending tiers and contrasting public and private cloud trends.

For public cloud users, while the percentage of companies that spent over US\$5 million on public cloud has remained roughly the same over 2023 and 2024 – and represents slightly more than 75% – those spending more than US\$10 million have grown from 47% to 57% of all. And the projected spend for 2025 for that segment is reported to grow to 64% of all, an estimated 12% growth rate.

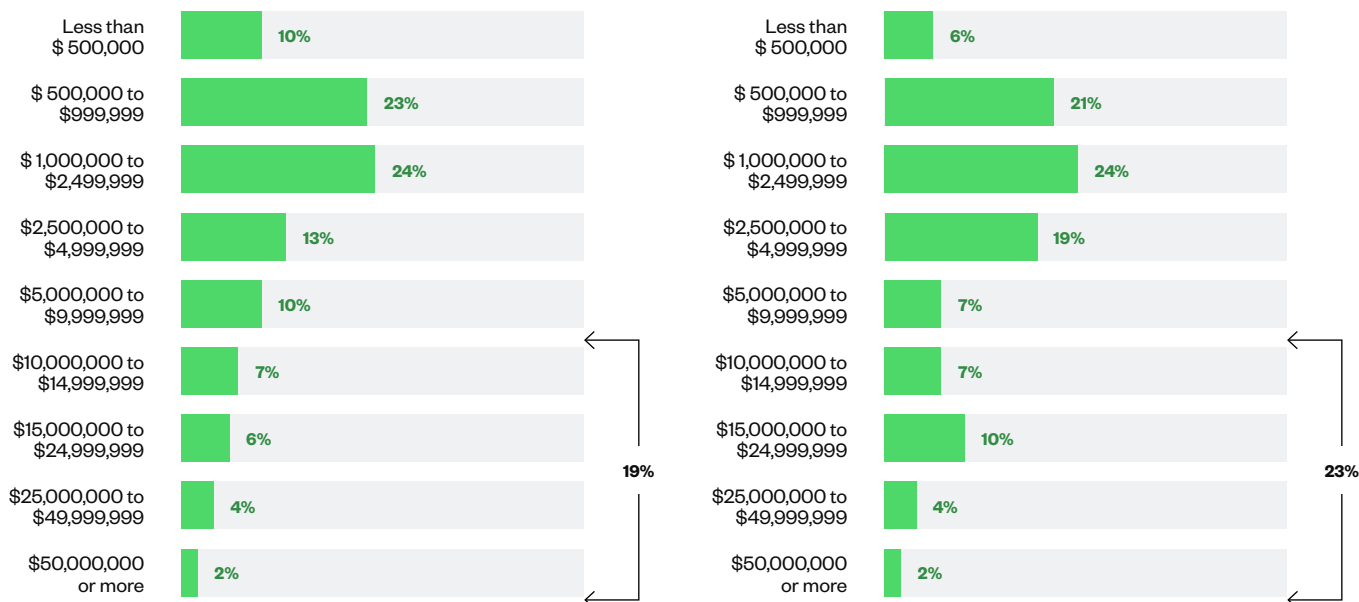
It's a different picture for private cloud. Starting at 36% of all in 2023, the \$10 million plus spenders have grown to 43% in 2024 and expected to grow to 53% of all in 2025 for an estimated growth rate of 24%, or almost twice the growth rate of public cloud – a striking trend.

The biggest portion of the US\$10 million plus spend on private clouds is expected to be in the Data Center and IaaS categories. SaaS spend falls mostly in the < \$5 million category, i.e., for more than two-thirds of respondents. Additionally, we've observed that the SaaS portion of the spend is predominantly under \$5 million in both the public and private cloud segments (54% versus 57% of all respondents respectively).\*

Figure 24

Spend on SaaS in 2023

Spend on SaaS in 2024



Q How much did your organization spend on SaaS in 2023 / 2024? Please provide your best estimate in USD. (n=268)

\* For a much more segmented, deeper dive on projected spend trends, please [contact us](#) for our companion detailed infographic.

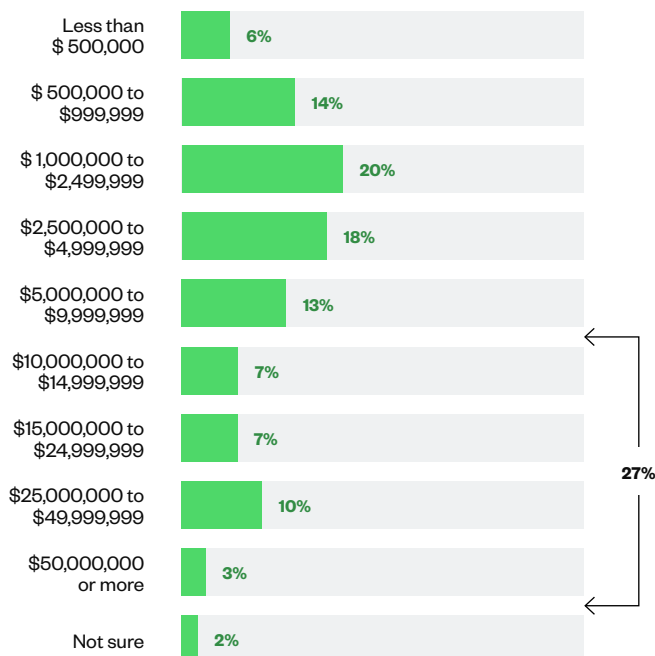


## Anticipated Spend on SaaS in 2025

Despite reports to the contrary SaaS is very much alive

Much has been written about how AI applications and agents will soon be eating SaaS's lunch. But we are not seeing it just yet. Our respondents are increasingly spending more on SaaS in the cloud - i.e., 43% will be spending more than US\$5 million in 2025 versus only about 30% in the prior three years.

Figure 25 Anticipated Spend on SaaS in 2025



# 27%

Percentage of respondents expecting to spend US\$10m or more on SaaS in 2025

Q How much do you anticipate your organization will spend on SaaS expenditure next year (in 2025)? Please provide your best estimate in USD. (n=268)

## SECTION 6: OWNERSHIP AND MEASUREMENT

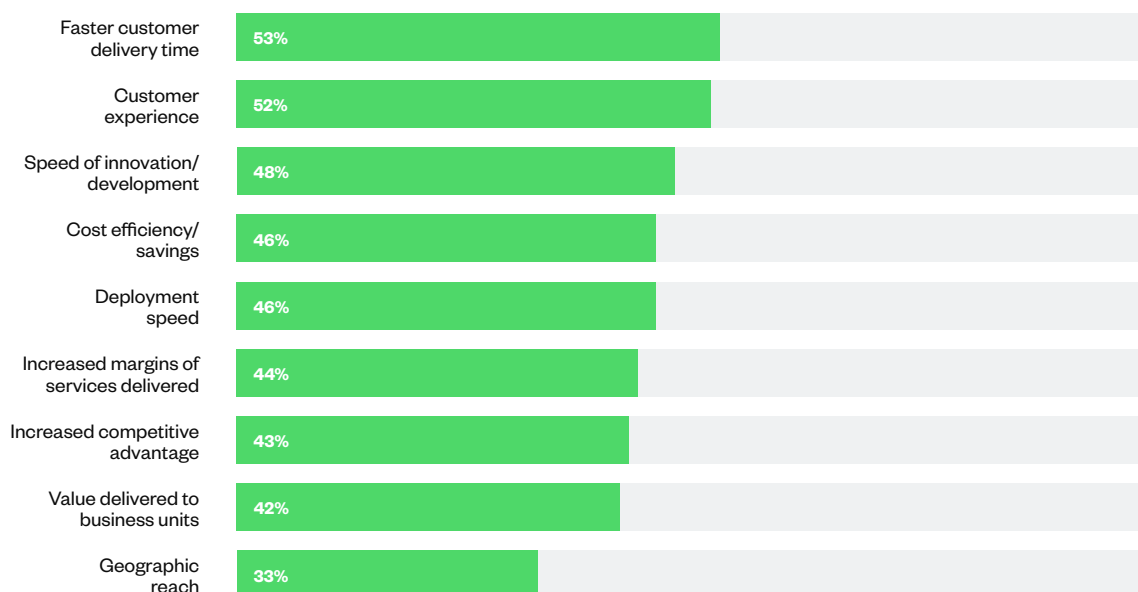
In a world of accelerating repatriation and new types of complexities in cost estimation and management, a more holistic approach to measuring progress is needed. Enterprises appear to be leveraging a variety of KPIs to address this need.

### **Metrics Used to Track Cloud Initiative Progress**

#### **Respondents used a variety of metrics**

Customers come first: faster customer delivery time (53%) and customer experience (52%) are the most used metrics to track progress. Speed metrics come second, in the form of speed of innovation and speed of deployment. And then a narrow third is cost: either in terms of cost savings or increased margins of services delivered.

**Figure 26: Metrics for Cloud Initiative Progress**

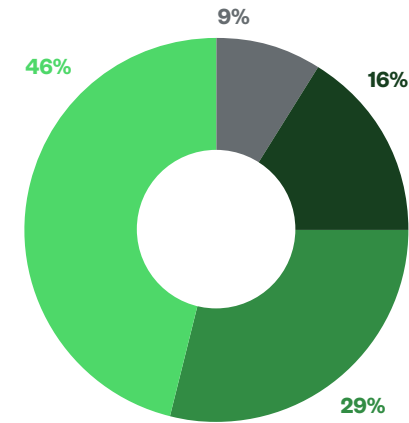


*Q Which of the following metrics is your organization using or does it plan to use to track progress of its cloud initiatives? Select all that apply. (n=283)*

### **Who Owns the Cloud and the Metrics**

Nearly half of all respondents work on their company's central IT or development teams. Of those respondents who do not work on the central cloud team, 72% report that their organization possesses a central cloud team. Considering that FinOps is often centralized, we can surmise a full three-quarters have central accountability for cloud.

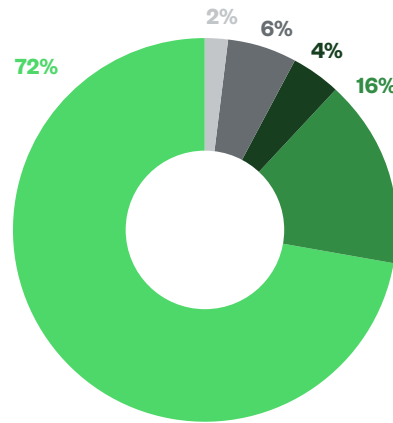
Figure 27: Respondents' Teams



- 46% Central IT/Dev team
- 29% Financial Operations (FinOps)
- 16% Central Cloud Team (CCOE)
- 9% Business unit

Q Where in your organization do you work? (n=283)

Figure 28: Presence of a Central Cloud Team



- 72% Yes
- 16% No, but we are planning to form one in the next 12 months
- 4% No, but we are planning to form one in more than 12 months from now
- 6% No, and we have no plans to form one
- 2% Not sure

Q Does your organization have a Central Cloud Team (CCOE)? (n=237)

## FinOps and Infra/Ops Joining Forces

81% of respondents' organizations have a FinOps team

FinOps most commonly plays the leadership role in defining cost management policies, but everywhere else Infra / Ops teams are side by side.

Figure 29: Areas of Responsibility by Team

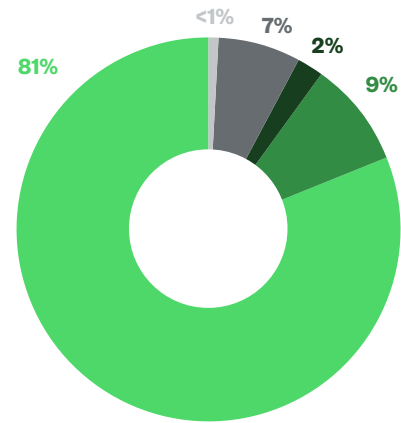
|                                             | FinOps | Infrastructure Ops | Software Asset Management | Business Units | CCOE | App Teams | Vendor Management |
|---------------------------------------------|--------|--------------------|---------------------------|----------------|------|-----------|-------------------|
| Analyzing cloud costs                       | 22%    | 19%                | 13%                       | 11%            | 15%  | 9%        | 10%               |
| Defining cost management policy             | 29%    | 17%                | 10%                       | 17%            | 11%  | 7%        | 8%                |
| Optimizing SaaS costs/usage                 | 23%    | 20%                | 11%                       | 10%            | 13%  | 8%        | 13%               |
| Owning cloud budgets                        | 23%    | 17%                | 13%                       | 15%            | 14%  | 10%       | 8%                |
| SaaS/PaaS cost/usage/governance/forecasting | 19%    | 19%                | 17%                       | 13%            | 12%  | 9%        | 9%                |
| Software license governance                 | 18%    | 16%                | 20%                       | 12%            | 11%  | 10%       | 11%               |

Q Which of the following teams/units is most responsible for the following? (n=283)

Nearly three-quarters of respondents with a FinOps team at their organization (71%) state the team is involved in all aspects of cloud decisions - including advising, managing, and/or executing their cloud optimization strategies, while one-quarter provide advice only.

More respondents say their company will form a FinOps team (11%).

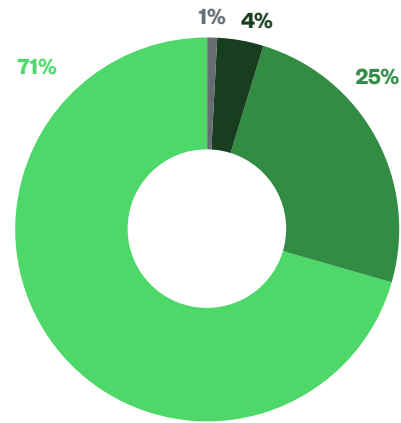
Figure 30  
Presence of  
a FinOps Team



- 81% Yes
- 9% No, but we are planning to form one in the next 12 months
- 2% No, but we are planning to form one in more than 12 months from now
- 7% No, and we have no plans to form one
- <1% Not sure

Q Does your organization have a Financial Operations (FinOps) team? (n=201)

Figure 31  
FinOps Team's Role in Advising, Managing, and  
Executing Cloud Optimization Strategies



- 71% Yes, all of these
- 25% Advise only
- 4% No, but will take on this role in the next 12 months
- 1% No, but will take on this role in more than 12 months from now
- 0% I don't know

Q Does your FinOps team advise, manage or execute cloud optimization strategies? (n=245)

# FINAL THOUGHTS

The shift in cloud spending and the forces behind cloud repatriation are redefining the needs of enterprise IT. Today's cloud environment has become more complex, while executives are expecting to squeeze more value from their investments in generative AI and other initiatives requiring high levels of compute.

According to Accenture, 83% of those in the C-suite believe that their experience with generative AI over the past year provides a "greater potential for positive business impact," compared to 70% of their employees. Moreover, 86% want to increase their investment in generative AI in 2025, while 60% expect that generative AI solutions will be scaled across their organization (up from 36% in 2024).

83%

C-suite leaders:  
"AI provides greater potential for positive business impact"

Enabling these generative AI investments and solutions will put added pressure on enterprise IT teams, regardless of the final decisions on where AI models are hosted.

The rapid rollout of generative AI across the enterprise, combined with the fact that small cloud teams are responsible for both strategy and deployment, creates a significant challenge.

While in the past, many IT teams required the support of an MSP for expertise – particularly in areas such as security, compliance, multi-cloud and migration – they will now need to add additional complexities around networking and cybersecurity with shifting clouds and managing generative AI solutions.

As the survey results show that the big brands still maintain a strong presence in the market, challenger players are closing the gap by providing greater attention to customer experience. This need for a higher degree of hands-on service to address issues related to cloud and generative AI will make it possible for more nimble organizations to become the go-to MSP of choice among enterprise IT teams.

## ABOUT THE RESPONDENTS

All of the respondents in the study are decision makers on cloud purchase/usage for their companies; work either in the US, UK, Germany, France, Italy or Spain; and are employed full time as managers or higher in IT, infrastructure, networking, security, finance or operations in sectors such as financial services, information technology, manufacturing, retail, healthcare/medical, hospitality/accommodation or food & beverage; possess six or more locations; and achieve annual revenues of at least \$200 million.

Nearly half of respondents state they work on their company's central IT or development team. A solid majority also state that their organization possesses a central cloud team and FinOps team. Among organizations with a FinOps team, nearly three-quarters are involved with advising, managing and/or executing cloud optimization strategies.

This analysis includes questions segmented by cloud type, region and country.



Cloud Type (n=283)\*\*

|                |            |
|----------------|------------|
| Hybrid (n=121) | <b>16%</b> |
| Private (n=44) | <b>33%</b> |
| Public (n=118) | <b>23%</b> |



Region (n=283)\*\*

|        |            |
|--------|------------|
| Europe | <b>62%</b> |
| USA    | <b>38%</b> |



Company Size

|                       |            |
|-----------------------|------------|
| <1,000 Employees      | <b>20%</b> |
| 1,000–5,000 Employees | <b>51%</b> |
| >5,000 Employees      | <b>29%</b> |

## ABOUT GTT

GTT is a managed network and security services provider to global organizations. We design and deliver solutions that leverage advanced cloud, networking and security technologies.

We complement our solutions with a suite of professional services and exceptional sales and support teams in local markets around the world. We serve thousands of national and multinational companies with a portfolio that includes SD-WAN, security, Internet, voice and other connectivity options. Our services are uniquely enabled by our top-ranked, global, Tier 1 IP backbone, which spans more than 260 cities on six continents.

The company culture is built on a customer-first service experience reinforced by our commitment to operational excellence and continuous improvement in our business, environmental, social and governance practices.

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