

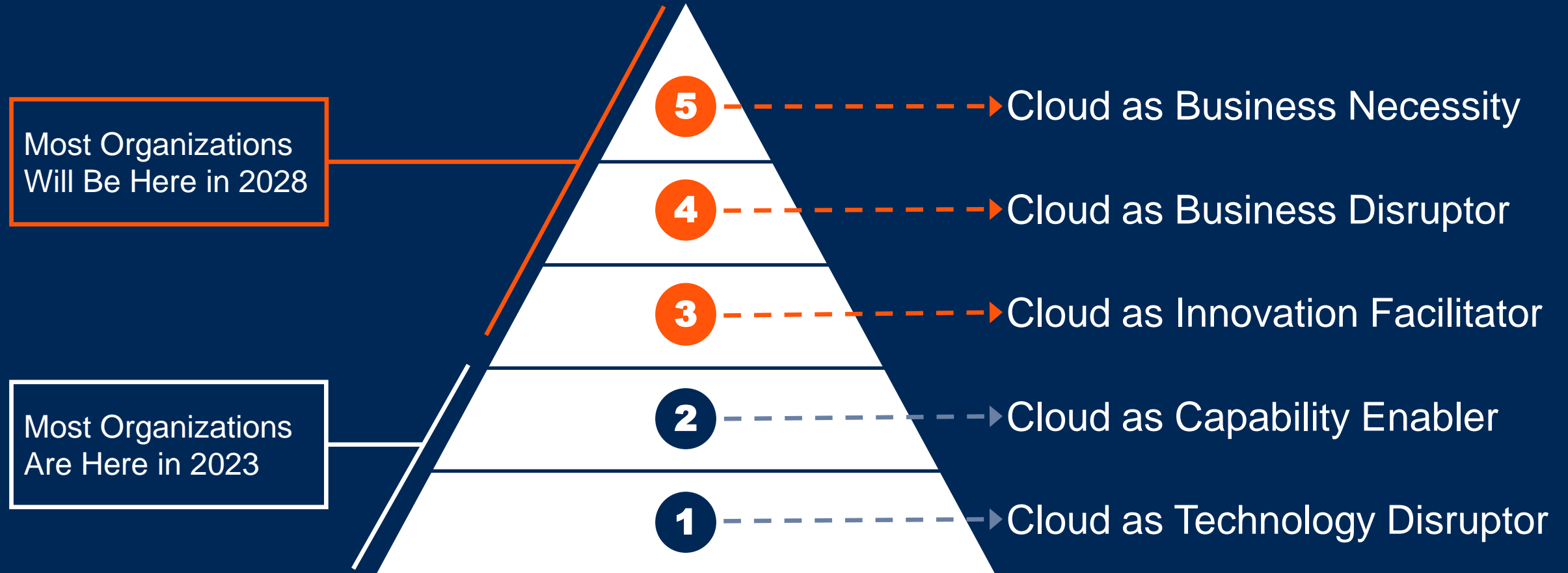
The Future of Cloud in 2028: From Technology to Business Necessity

Michael Warrilow

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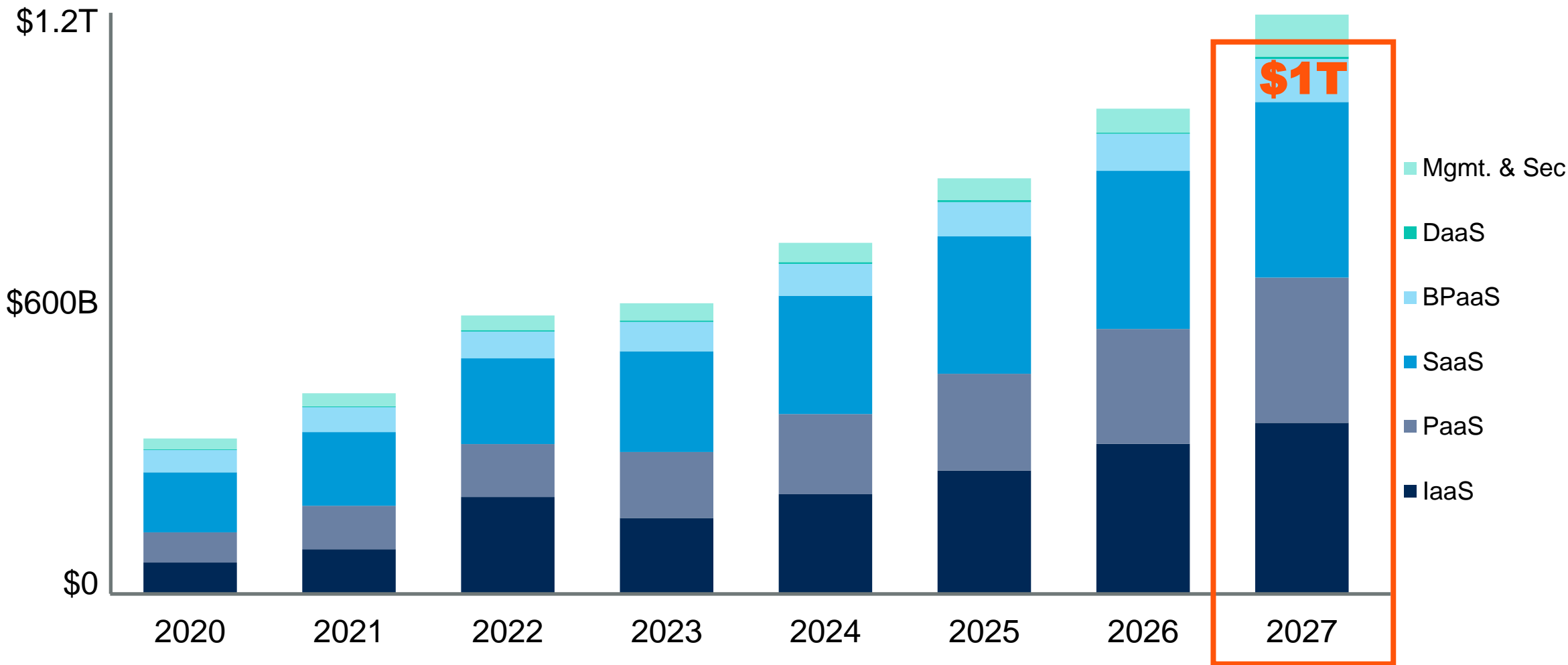
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Cloud in 2028: From Technology Disruptor to Business Necessity



Forecast: Public Cloud Services — \$1T in 2027

Cloud Growth Exceeds All Other IT Markets



Source: [Forecast: Public Cloud Services, Worldwide, 2021-2027, 2Q23 Update](#) (G00787910)

Cloud: Progression Toward Business Necessity

Varying Adoption Levels



**Traditional
Buyers**

**Cloud-Strategic
Buyers**

The Cloud Industry

Value Enhancement

Solutions leveraging the technology core and the capabilities enhancement layers to provide services used directly by the users.

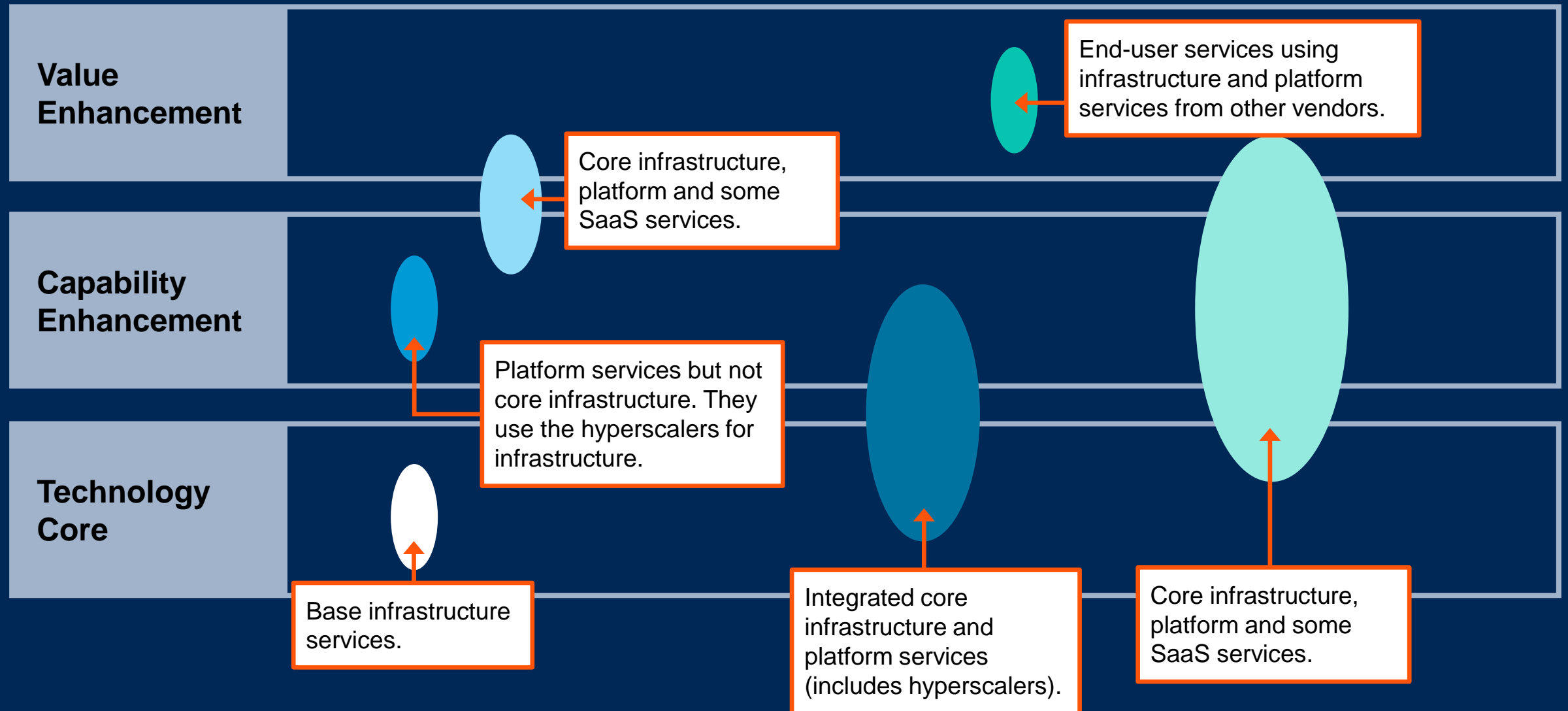
Capability Enhancement

Technology that leverages the technology core but adds additional functionality.

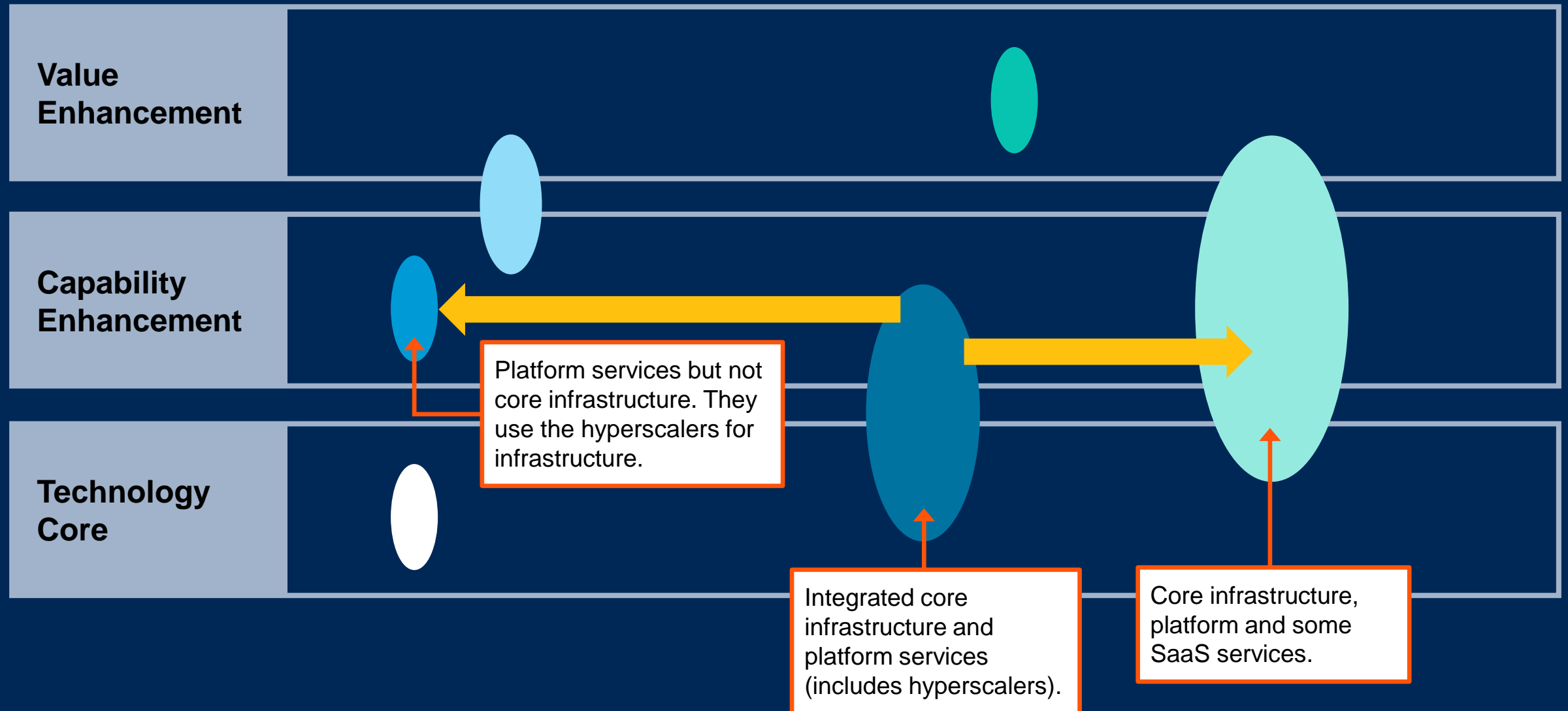
Technology Core

Technology pioneered and heavily influenced by the hyperscalers.

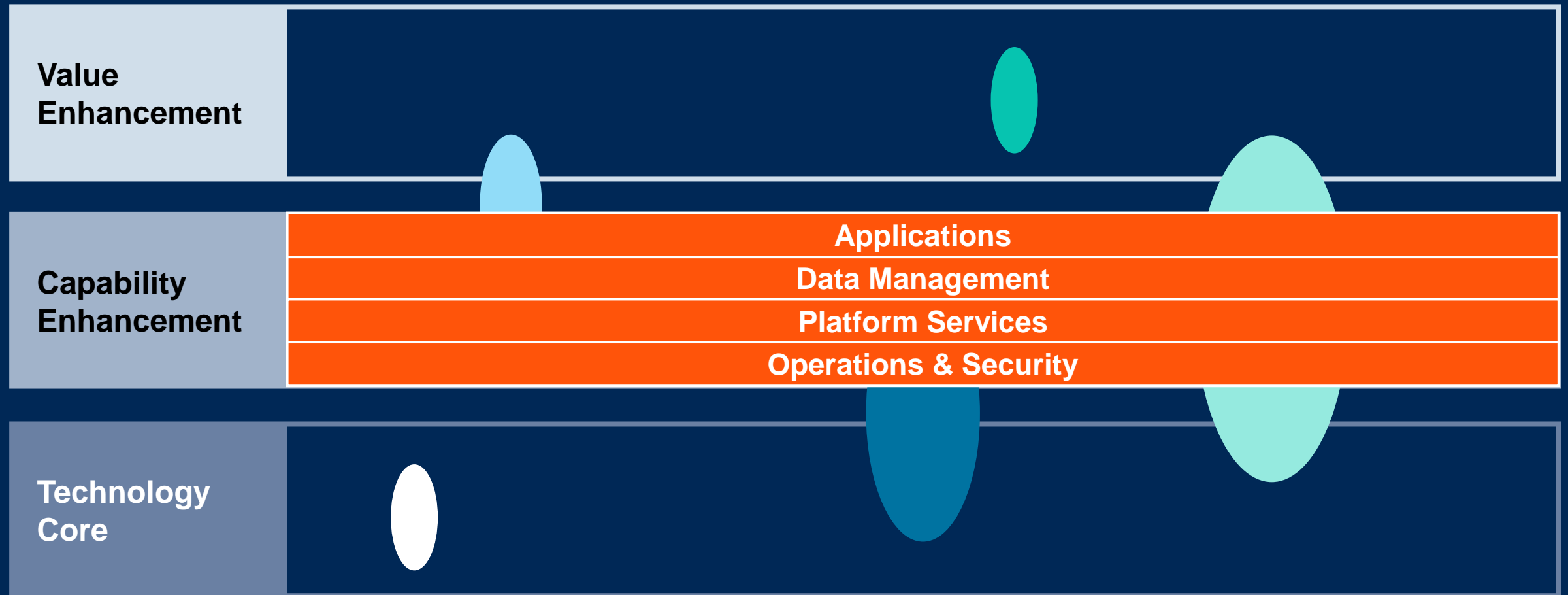
The Cloud Industry



The Cloud Industry



The Cloud Industry



The Future — Predictions

Trends



Multicloud



**Cloud-Native
Platforms**



Modernization



**Industry
Solutions**



**Digital
Sovereignty**



Sustainability



AI/ML

Multicloud

- Use of cloud services from multiple public cloud providers for the same general class of IT solutions or workloads.
- Mostly infrastructure as a service (IaaS) and converged IaaS/PaaS.



By 2028, more than 50% of enterprises will not get value from their multicloud implementations.

Cloud-Native Platforms

- Cloud-native platforms allow enterprises to optimally leverage cloud characteristics.
- IT leaders will pursue cloud-native platforms and practices to build and transform application portfolios in support of digital competitiveness at pace.



Software Services

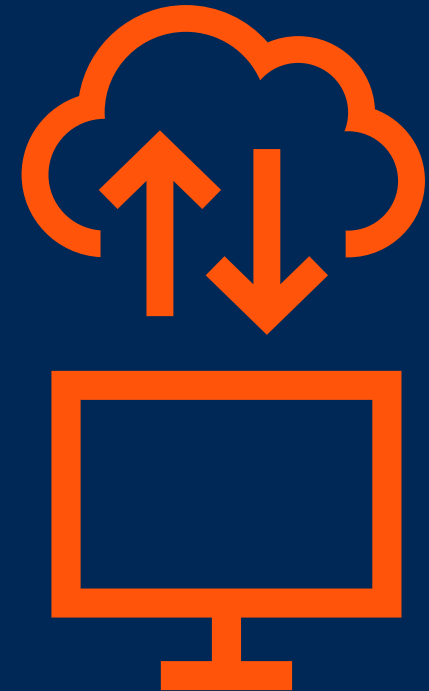
Platform Services

Infrastructure Services

By 2028, cloud-native platforms will serve as the foundation for more than 95% of new digital initiatives — up from less than 50% in 2023.

Modernization

- The conversion, rewriting and/or porting of legacy applications in order to take advantage of cloud computing capabilities.
- Major focus on mainframes along with legacy mid-range systems.



By 2028, modernization efforts will culminate in 70% of workloads running in a cloud environment, up from 25% in 2023.

Industry Solutions

- Industry cloud platforms combine SaaS, PaaS and IaaS with specific functionality for vertical industry use cases.
- IT leaders can use the offered modularity and composability of these platforms to gain the agility their industries need to respond to continuous disruption.



By 2028, more than 50% of enterprises will use industry cloud platforms to accelerate their business initiatives.

Digital Sovereignty

- Provision of cloud services within a jurisdiction meeting data residency requirements along with technology and operational autonomy.
- Intended to ensure that data and infrastructure is free from control by external jurisdictions and protected from foreign government access.



By 2028, over 50% of multinational enterprises will have digital sovereignty strategies, up from less than 10% today.

Sustainability

- Sustainable development, delivery, and consumption of cloud service where both providers and customers have responsibility for sustainability.
- Sustainability imperatives will be driven by key stakeholders including customers, regulators, investors, employees and the public at large.



By 2028, the percentage of Global 2000 companies prioritizing (a top five factor) sustainability as a part of vendor procurement will rise to over 50%, up from less than 25% in 2023.

AI/ML

- Hyperscaler compute aggregation (multiagent-based systems driving third-party model brokering).
- Technology used to model our work and operational environments.
- Use of synthetic data.



By 2028, the adoption of AI will culminate in over 50% of cloud compute resources devoted to AI workload, up from less than 10% in 2023.

Enterprise Implications

Enterprises Embark on Their Own Cloud Journeys

Not all cloud journeys are same — but there are similarities.

A business-driven strategy coupled with a pragmatic adoption/migration plan is critical.

Representative Journeys



Business Transformation



Cloud Innovation

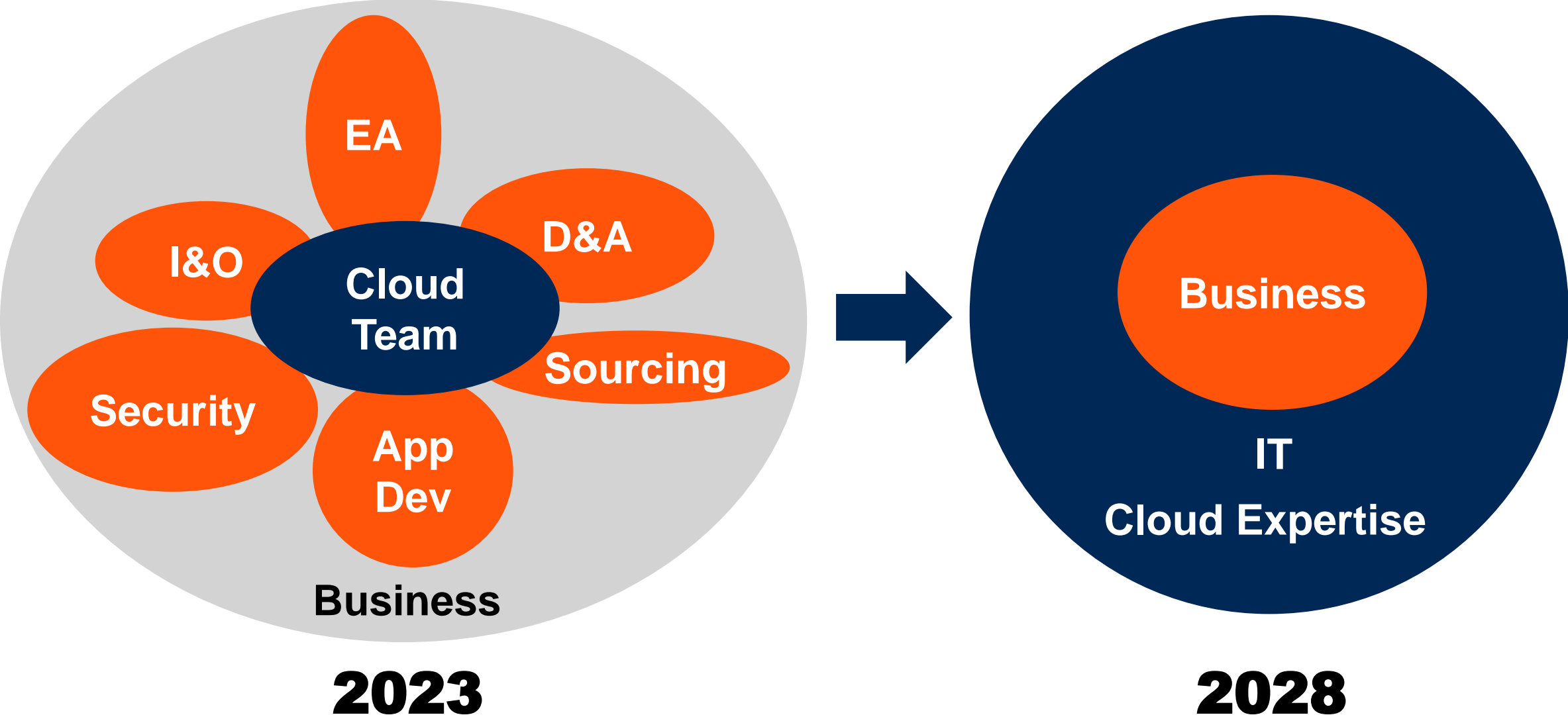


Cloud-Native

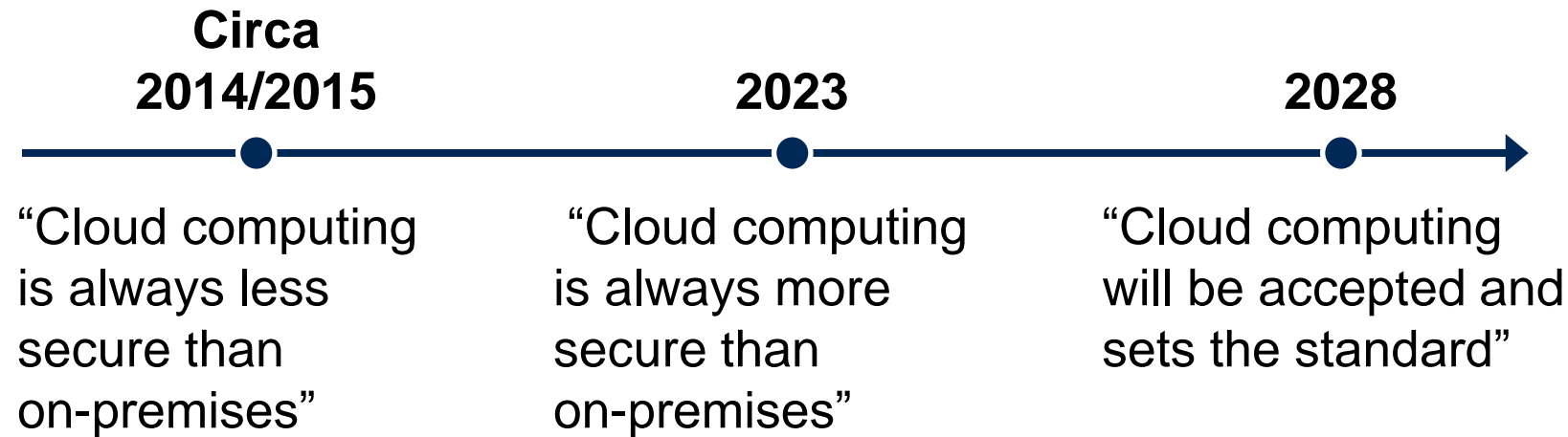


Replacement

IT Organization in 2028



Cloud Security Conventional Wisdom Has Changed Dramatically



National security issues are a growing concern.

Reality

- Most security incidents are the customer's fault
- All cloud providers are not the same

Cloud Accelerators/Inhibitors



Accelerators

- Cloud Innovations and Enhancements
- Increased Pace of Digital Initiatives
- Focus on Value-Add



Inhibitors

- Deglobalization
- Financial, Concentration Risk
- Outages/Breaches
- Talent Shortcomings

**Insufficient skills is the no. 1 challenge, but deglobalization looms.
There is no going back though.**

Top Recommendations for CIOs



Recommended Gartner Research

- 🔍 [The Cloud Strategy Cookbook, 2023](#)
David Smith
- 🔍 [Hype Cycle for Cloud Computing, 2023](#)
David Smith and Ed Anderson
- 🔍 [Navigating the Omnipresent Cloud Era](#)
Dennis Smith and David Smith
- 🔍 [Forecast: Public Cloud Services, Worldwide, 2021-2027, 2Q23 Update](#)
Colleen Graham and Others