Executive Summary

Cloud Computing Survey

AI Dominates the Cloud Conversation

FOUNDRY

It's hard to find any business function today that isn't touched by AI—or the possibilities of AI. And as organizations scramble to realize AI's promise and capabilities, it's clear that cloud computing plays a vital role.

After all, cloud platforms provide the massive computing power and scalable infrastructure needed to train, deploy and maintain AI models, especially large machine learning and generative AI models—not to mention the cost optimization, data accessibility and rapid innovation of AI use cases afforded in the cloud. In fact, AI is the top growth area among cloud capabilities that organizations are seeking in 2025.

This is one of the main reasons why cloud computing is reshaping IT at a breakneck pace and is now the go-to foundation for modern IT, not just an optional add-on. More organizations are accelerating their cloud migration, prioritizing AI and business applications, embracing flexible hybrid and multicloud setups, and—maybe most importantly—enjoying better revenue and agility as a result. But it's not all smooth sailing. Budget surprises, security worries, integration headaches and struggles with the skills gap remain stubborn obstacles. And even as companies build new apps for the cloud, plenty are moving workloads back on-premises, mostly to regain control over costs, security and compliance. What's clear, though, is that cloud computing is no longer just about staying current, it's about unlocking growth, speed and innovation.

Those are the topline takeaways from the 2025 Cloud Computing Survey from Foundry, which canvassed 670 IT decision-makers involved in the purchasing process for cloud computing and whose organizations have, or plan to have, at least one application or a portion of their infrastructure in the cloud. The survey is designed to measure cloud computing trends, chronicling usage patterns, investments, and business drivers as respondents continue to push infrastructure and applications to the cloud.

70%

of ITDMs say their organization has accelerated their migration to the cloud.

63% in 2024
57% in 2023

Cloud adoption continues to accelerate

Strong momentum continues for cloud transformation. Some 70% of IT decision-makers say their organization has accelerated their migration to the cloud in just the past year. That's up from 63% in 2024 and 57% in 2023—a steady upward trend that points to increasing urgency around cloud migration. The surge was led by the tech sector (77%), mostly driven by the need for scalability, faster product development and AI adoption. Retailers (76%) and financial services sectors (75%) followed close behind.

Overall, the industries most bullish on cloud computing are financial services, high tech, manufacturing and healthcare. The most cautious industries when it comes to adoption continue to be education, followed by government/nonprofit and services. The retail industry shows the most balance—with moderate cloud computing growth expected and some plateauing.

Slightly more EMEA countries joined the pack of those fast-tracking cloud migrations (74%) compared to North America (73%). APAC, which led all other regions in 2024, fell to third place at 65%.

The majority (70%) are defaulting to cloud-based services when purchasing or upgrading technical capabilities. This suggests that cloud is no longer a secondary option, it's now the default infrastructure for modern IT environments.

And most compellingly, 71% report that cloud capabilities have driven sustainable revenue gains over the past 12 months. That's a significant jump from 60% last year and just 50% the year before.

This means the business case for cloud isn't just about modernization,

71%

report that cloud capabilities have driven sustainable revenue gains over the past 12 months.

60% in 2024
50% in 2023

it's about tangible ROI both the technical value and the strategic business impact of cloud solutions.

Security, governance and scalability also drive cloud initiatives

Not surprisingly, AI is the top growth area among cloud capabilities that organizations are seeking, identified by 36% of respondents.

While AI does dominate cloud computing agendas right now, cloud investments are also expected to serve a variety of other business objectives. IT decision-makers say they're moving to cloud computing to improve security and governance (34%), bolster scalability (33%) and accelerate adoption of critical technologies—including AI adoption. (29%).

AI is the top growth area among cloud capabilities that organizations are seeking in 2025, identified by 36% of respondents.

Those priorities flip in importance with APAC organizations, where they're most interested in AI adoption (40%), employee productivity (33%) and security and governance (28%) as their top three drivers. Scalability was less concerning in APAC organization (20%) than in North America or EMEA.

Why are IT buyers moving to the cloud?

1. Improve security and governance (34%)
2. Bolster scalability (33%)
3. Accelerate adoption of critical technologies, including AI adoption (29%)

In the U.S., retailers with a strong focus on customer experience are driven to cloud computing to improve employee productivity (47%), more than in any other industry.

Business continuity/disaster recovery and replacement of on-premises legacy technology—both cited as the primary drivers of cloud investments last year for 40% of respondents—fell much further down the priority list to 29%.

When it comes to spending on cloud computing initiatives, 61% of all organizations (68% of enterprises and 56% of SMBs) plan to increase spending on cloud computing. That's even higher in the financial services industry (74%), which reflects their aggressive pursuit of cloud computing in response to competitive pressures.

They plan to increase cloud spending by an average of 15%, although overall

61%

of organizations plan to increase spending on cloud initiatives over the next 12 months by 15%.

68% 1,000+ company size
56% < 1,000 company size

spending on IT investments and cloud allocation is down slightly from last year. For context, the average total IT budget over the next year is expected to be $509 million for larger organizations and $147 million for organizations with fewer than 1,000 employees––or an average of $326 million. IT decision-makers say they'll spend 28% of that budget on cloud allocation, or an average of $91 million allocated to cloud computing, compared to $95.4 million in 2024.

- **Average IT budget over the next year: 326M**
- **28% of total budget will be on cloud allocation.**

AI and business applications lead cloud investment plans

As mentioned earlier, the majority (70%) of IT decision-makers surveyed are defaulting to cloud-based services when purchasing or upgrading tech to ramp-up capabilities more quickly. Not surprisingly, two-thirds of respondents (66%) say they'll be investing in AI and machine learning computing platform services (PaaS) this year, and more than half of leaders says they'll invest in SaaS for business applications (59%) and cloud-based security (57%). Farther down the priority list are cloud analytics and business intelligence, databases and infrastructure.

The breadth of cloud computing options to choose from can be daunting, so most IT leaders seek solutions built for their industry. They point out that industry-specific cloud solutions offer better security and governance, improved processes and workflows, more cost efficiency and better application performance and scalability.

Which cloud-based services are ITDMs investing in most over the next year?

1. AI and machine learning
2. Business applications
3. Cloud-based security

33%

of IT leaders are researching or evaluating hybrid/ multicloud solutions.

39% are deploying or have fully deployed hybrid clouds, seeking cost savings, flexibility and performance improvements.

Hybrid cloud initiatives have the edge over multicloud plans

One-third of IT leaders are evaluating or researching either a hybrid or multicloud architecture, with the preference going to hybrid cloud environments. Both are attractive to organizations for different reasons.

A hybrid cloud computing environment combines an on-premises datacenter (also called a private cloud) with a single public cloud provider, allowing data and applications to be shared between them.

A multicloud environment combines an on-premises data center (also called a private cloud) with multiple public clouds, allowing data and applications to be shared between them.

With hybrid cloud solutions, companies can select cost-effective solutions tailored for specific workloads. By distributing workloads across multiple clouds, organizations minimize the risk of downtime or service outages. Having multiple clouds also helps avoid vendor lock-in.

Some 39% of organizations surveyed are either in the process of deploying their own hybrid cloud architecture or have a hybrid cloud fully deployed. By comparison, just 20% are in the process of deploying a multicloud architecture or have already deployed a multicloud environment.

Among those deploying a multicloud architecture today, most are expecting cost savings, greater platform and service flexibility, better performance,

According to IT leaders, the most appealing potential benefits of a multicloud architecture are:

1. Cost savings (50%)
2. Greater platform flexibility (44%)
3. Better performance (42%)

and improved disaster recovery and business continuity. And those who have already deployed multicloud say the architecture is delivering––for the most part. Half of IT leaders say a multicloud environment has led to cost savings (50%), with greater platform flexibility (44%) and better performance (42%).

With these benefits comes a variety of challenges. Multicloud adopters have faced increased complexity and the added costs of training, hiring, security and additional cloud management tools. Some IT leaders even discovered wasteful or unpredicted cloud usage (27%) that increased the cost of the multicloud environment.

Engineers and architects needed

With these hybrid and multicloud environments comes an urgent need for the skill sets to support them, so new roles are being added to support cloud strategies. Cloud software engineers have been hired most often (28%) to fill the void, followed by cloud architects (27%), cloud platform engineers and cloud developers (both added by 23% of respondents). There was also a strong need for cloud network engineers, security architects, cloud system admins and data architects––and each of these roles was added at 22% of IT leaders' organizations.

More organizations go with cloud-native apps

With strategies now centered on the cloud, one-third of organizations' cloud-based applications have been purpose-built for the cloud versus migrating on-premises applications to the cloud. That number is higher in financial services, where 44% already have cloud-native applications.

Looking ahead, cloud-native apps will grow. Some 36% of organizations' new cloud-based applications will be purpose-built for the cloud over the next 12 months, according to survey respondents. That number is even higher in healthcare (42%) and for high-tech companies (41%).

75%

of ITDMs say their organizations have moved or plan to move applications or workloads out of the cloud.

- **Security concerns (53%)**
- **Budget/cost control (48%)**
- **Performance / reliability issues (44%)**
- **Improved prospects for innovation in-house (37%)**
- **Compliance concerns (35%)**

But that doesn't mean these apps are destined to stay in the public cloud forever. The majority of IT decision-makers surveyed (75%) say they have moved or plan to move applications or workload out of public clouds and back on-premises for a variety of reasons, including security concerns (53%), cost (48%), reliability issues (44%), improved prospects for innovation in-house (37%) and compliance concerns (35%). This has changed very little from last year.

The workloads most commonly being moved from a public cloud back to an on-prem location are storage and backups (78%), web apps (77%), databases such as SQL and NoSQL (76%), data integration (75%), development and testing (75%), AI and ML, and identity and access management (74% each).

Cost is still No. 1 cloud adoption challenge

As with all new technology, nearly all of the IT leaders surveyed (90%) have experienced some obstacles with their cloud adoption.

- **Cost**

Budget challenges and costs top the list—cited by nearly half of IT leaders (46%) who have pursued cloud computing. The biggest issue related to costs is controlling them, according to half (51%) of respondents, along with concerns about the long-term costs of cloud (49%).

90%

of ITDMs have experienced some obstacles with their cloud adoption over the past 12 months.

Why? Budget challenges and cost (cited by 46% of IT leaders).

These concerns have led to so much unpredictability that 69% of IT decision-makers plan to create roles dedicated to managing cloud costs this year.

Those with cloud *services* control costs with cloud provider-supplied tools most often (44%), they implement cost optimization strategies, such as shutting off unused resources (39%), they set spending budgets and alerts (37%), and they use automation to monitor and allocate resources based on demand (37%).

Less than a third of organizations take a manual approach to cost management, such as Excel, or using cost management tools and practices like FinOps. (However, 66% agree that they trust their organizations' FinOps program to control costs associated with running generative AI in the cloud because AI cloud costs can change even more quickly compared to general cloud services.)

- **Security and compliance**

Security and compliance-related obstacles have slowed cloud adoption, especially when it comes to protecting data in the cloud, cited by 56% of respondents. Organizations also lack visibility into security issues in the cloud (52%), and they struggle to secure cloud resources (50%). Highly regulated industries must ensure they adhere to government and industry regulations (49%), and many lack a unified platform for securing the cloud and for local resources and data (33%).

- **Cloud integration and migration**

Integration or migration-related obstacles have slowed or stalled cloud adoption over the past 12 months. More than half of IT leaders (53%) say they face data portability challenges during migration and complexity of legacy system modernization (52%). They also struggle with integrating cloud resources with on-premises systems (52%). To a lesser degree, teams are slowed by the cost of data ingress and egress (44%) and incompatibilities between on-premises and the target cloud environment (43%).

66%

agree that they **trust their organizations' FinOps program** to control costs associated with running generative AI in the cloud. This is up from 51% last year.

Security and compliance related-obstacles have slowed cloud adoption, such as:

- **52%** — Lack of visibility into security issues in the cloud
- **50%** — Securing / protecting cloud resources
- **49%** — Ensuring adherence to government and industry regulations

- **Performance and reliability**

When it comes to performance and reliability-related obstacles, more than half (57%) of IT leaders have difficulty managing cloud usage and resources or have a hard time ensuring high availability and fault tolerance (53%). They're also dealing with network latency that impacts application performance (52%).

- **Lack of cloud management, security and development skills**

All of these challenges share a need for new cloud computing skills, such as cloud architects, cloud management, cloud security and cloud development talent.

- **Resistance to change**

Of course, there's always resistance to changing traditional IT roles and processes (54%) or at least the perceived

loss of control over IT infrastructure (50%). There's also cultural resistance to cloud adoption (46%) and lack of trust in cloud services providers (45%). Some employees even fear they'll lose their jobs with cloud adoption (42%).

Summary

- **Cloud adoption and migration are rapidly accelerating.** 70% of IT leaders have sped up their migration in the past year, with cloud now the default platform for modern IT, and 71% reporting tangible revenue gains from cloud investments.
- **AI, business applications, and security are leading cloud priorities:** 66% of IT leaders plan to invest in AI/machine learning cloud services, followed by business applications and cloud security. Demand for related cloud talent is also rising.
- **Hybrid and multicloud architectures are gaining traction:** 33% of IT leaders are researching or evaluating hybrid/multicloud solutions, with 39% actively deploying or have fully deployed hybrid clouds, seeking cost savings, flexibility and performance improvements.
- **Cost, security, and integration remain top challenges:** Nearly all (90%) organizations face obstacles like budget management, unpredictable costs, security concerns, difficulty integrating with legacy systems, and a shortage of skilled cloud professionals.
- **Organizations are both building for and moving out of the cloud:** While more new apps are being purpose-built for the cloud, 75% of decision-makers have moved or plan to move workloads back on-premises, primarily due to security, cost, reliability and compliance concerns.

About the survey

The 2025 Cloud Computing Survey was conducted to measure cloud computing trends among technology decision-makers including: usage and plans across various cloud service and deployment models, investments, business drivers and impact on business strategy and plans. The study was fielded May–June of 2025 and is based off the responses of 670 global IT decision-makers that are involved in the purchase process for cloud computing, and their organization has, or plans to have, at least one application, or a portion of their infrastructure, in the cloud.

Regional key takeaways

Business objectives driving cloud investments

- **AI adoption** is the clear regional differentiator—APAC leads dramatically, NA is moderate, EMEA lags
- **Revenue growth** stands out in EMEA but is far less prominent in NA or APAC
- **Scalability** is a shared high priority for NA & EMEA, but much less so for APAC
- **Security/Governance** is a top 3 priority everywhere, but especially strong in NA

Challenges stalling cloud adoption

- **Budget/Cost** is the #1 blocker everywhere, but APAC is slightly higher
- **Performance/Reliability** is a major issue in APAC but less so in NA and EMEA
- **Integration/Migration** is a far bigger barrier in EMEA than in other regions
- **Internal Resistance** is the most prominent in NA and lowest in APAC

North America (50% of respondents)

- Organizations **fast tracking** cloud migrations (73%)
- **Business objectives in North America driving cloud investments:**
  - Improving security/governance (32%)
  - Improving scalability (32%)
  - Employee productivity (31%)
  - AI adoption (26%)
- Strong focus on **stability, compliance and scaling capacity**, with productivity gains close behind
- **Top blockers:**
  - Budget/Cost (46%)
  - Security/Compliance (35%)
  - Integration/Migration (33%)
  - Internal Resistance (28%)
- Balanced set of challenges—cost is the clear leader, but both **security concerns and migration complexity** are substantial

EMEA
(17% of respondents)

- Organizations **fast tracking** cloud migrations (74%)
- **Business objectives in EMEA driving cloud investments:**
  - Expanding revenue opportunities (26%) ← **Highest among all regions**
  - Scalability (30%)
  - Security/Governance (30%)
  - AI adoption (27%)
- Shows **business growth and market expansion focus**, more commercially driven
- **Top blockers:**
  - Budget/Cost (44%)
  - Integration/Migration (41%)
  - Security/Compliance (35%)
- The only region where **migration challenges** are nearly as high as cost—a standout pain point

APAC
(33% of respondents)

- Organizations **fast tracking** cloud migrations (65%)
- **Business objectives in APAC driving cloud investments:**
  - AI adoption (40%) ← **Highest of all regions by far**
  - Employee productivity (33%)
  - Security/Governance (28%)
  - Scalability (20%)
- Distinctively **innovation-led**, prioritizing AI adoption and productivity
- **Top blockers:**
  - Budget/Cost (48%)
  - Performance/Reliability (33%)
  - Security/Compliance (30%)
  - Internal Resistance (21%)
- Stands out for having **performance/reliability concerns** ranked second—higher than in NA or EMEA

Examining the marketplace

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Buying process studies

- Customer Engagement
- Role and Influence of the Technology Decision-Maker

Technology insights

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Role and priority studies

- CIO Tech Poll: Tech Priorities
- State of the CIO

Technology-specific studies

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- Cloud Computing
- Security Priorities
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