

Is Your Forecast Cloudy?

Here are a dozen tips for your organization to consider implementing to make your forecast less cloudy

By Raju Chellam



At the transformation steering committee meeting, the CEO asked why cloud benefits realization was delayed.

“The system is live, but cloud adoption is not up to scale,” the CIO said and pointed to the business leads.

“Business processes are getting realigned to the new cloud system but marketing and sales need training,” the leads replied and gestured to the head of training.

“Training will be delivered once cloud configurations are finalized,” training looked at the systems integrator.

“The implementation is following approved requirements as per specs,” the integrator said and nodded at legal.

“We confirm that cloud project risks have been identified, assessed, mitigated and documented,” the chief compliance officer said. “However, cloud value realization remains subject to user behavior, change adoption and reality. With that acknowledgment, we recommend continuing at a slightly faster pace than before.”

If that crazy corporatespeak sounded familiar, digest this data to be clear: Global spending on public

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cloud services is set to cross US\$1 trillion this year, up 21% from US\$723 billion in 2025. By 2029, global spending on public cloud services will reach almost US\$2 trillion, as per the latest update from IDC.

“Growth is driven by enterprise-wide application modernization, accelerating adoption of AI-enabled platforms and rising demand for secure, scalable digital infrastructure across industries,” IDC reports. “Growth of public cloud services is led by continued expansion of SaaS (Software-as-a-Service) and a sharp acceleration in PaaS (Platform-as-a-Service) adoption as organizations scale AI development, data platforms and cloud-native apps.”

SAAS & PAAS

SaaS accounts for more than 50% of total spending but PaaS is the fastest growing with a CAGR of 37%. Banking, software and information services, and retail collectively make up around 25% of the total. Regionally, the US leads by a significant margin with US\$647 billion in cloud spend, followed by Western Europe at US\$255 billion and Asia-Pacific (excluding Japan and China) at US\$84 billion, IDC notes.

“Public cloud spending will continue to grow as cloud migration remains central for agility, resilience and efficiency,” says Andrea Minonne, a research manager at IDC. “In the aerospace and defense sector, growing budgets and increasing geopolitical tensions are boosting demand for secure, cloud-based platforms that support advanced analytics and mission-critical operations. Rising defense spending among NATO countries, along with escalating tensions in the Middle East, is further accelerating investment in AI-driven secure cloud solutions.”

What about India? End-user spending on public cloud services in India is set to grow 28% to total US\$17.5 billion this year, up from about US\$13.7 billion in 2025, according to Gartner. “Strong enterprise demand for AI-ready cloud infrastructure is redefining cloud investment priorities in India, driving the next phase of public cloud spending growth,” says Ashish Banerjee, a Gartner senior principal analyst. “This is also fueled by rising demand for apps modernization, digital sovereignty, digital service delivery and consumption-based IT models.”

PaaS will be the largest spending category for Indian organizations in 2026. PaaS is forecast to reach US\$6.4 billion, as enterprises rebuild their tech foundations to support AI-driven initiatives. “Organizations are accelerating adoption of AI-driven technologies to unify data, connect systems, speed up development and enable real-time digital interactions,” says Arunasree Cheparthi, a Gartner senior principal analyst.

Gartner forecasts that by 2030, more than 60% of enterprises in India will run intensive AI workloads in one cloud while leveraging data from another—up from less than 10% currently.

“Over the next 12-18 months, infrastructure and operations leaders in India will need to shift from cloud adoption to execution,” says Banerjee. “This includes prioritizing AI-ready data and infra, stronger governance, FinOps maturity, security-by-design, and workload placement across hybrid and multi-cloud environments.”

SCM & DATA CENTERS

Will AI adoption overwhelm clouds at their very base, the DC (data center)? It appears so. The race to scale AI has triggered one of the largest infra buildouts in modern history, putting enormous pressure on SCM (supply chain management). McKinsey estimates global spending on DCs could reach US\$7 trillion by 2030. However, a DC buildout’s success depends on many factors, including the availability of capital and adequate power.

The problem? Traditional operating models of industrial equipment suppliers that manufacture many of the critical components in the DC value chain had long lead times to plan, produce and ship. Therefore, many DC incumbents developed their processes with long planning cycles and predictable demand. However, that approach is now outdated and misaligned with the speed and scale required in the current DC marketplace.

Another challenge? DC architecture is advancing at a breakneck pace. “Designs that once evolved over multiyear cycles are now refreshing annually—or even sooner—compressing the window for equipment suppliers to redesign, requalify and scale their products based on these architectures,”

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McKinsey notes. “The shift is visible in rising rack power densities, which are tightening the coupling between electrical and thermal systems. Transitions such as higher-voltage distribution—for example, 800 volts of direct current at the rack level—can drive redesigns across both IT equipment and facility infrastructure.”

Such changes can reshape how companies need to design, test, qualify, manufacture, and service products. Suppliers understand that hyperscalers value reliability, specification compliance and on-time delivery—but even those stringent demands are not enough.

“Suppliers must also demonstrate execution readiness and the ability to co-engineer products,” McKinsey advises. “To navigate this shift, industrial supplier incumbents should rebuild their operating models around three capabilities—an engineering-forward organization model, systems-level product development, and strategic investment to improve readiness.”

STRENGTHEN STRATEGY

So how can your organization optimize your cloud computing strategy? Here are a dozen tips—in alphabetical order—to consider implementing to

make cloud forecasts less cloudy:

- **Align** cloud strategy with the customer, not the product. McKinsey advises setting up dedicated cross-functional account teams that own the relationship end-to-end—from early technical engagement through delivery, commissioning and service—rather than routing customers through siloed product organizations.
- **Build** AI-ready data foundations. Data is the biggest barrier to AI success. AI readiness depends on strong data governance, infrastructure and talent alignment, not just the tools. Build the ability to scale production quickly. Ensure there is flexibility to move from pilot to volume production on hyperscaler timelines.
- **Choose** the right multicloud mix. IDC says 90% of Asia-Pacific enterprises use multiple clouds but many still struggle with integration and visibility—making selective, well-governed adoption critical. Choose and optimize an orchestration layer that talks to all clouds on a single pane of glass.
- **Deploy** capital fast but derisk it. McKinsey suggests pursuing innovative capital partnerships that reshape the risk profile and diversifying across adjacent industries to avoid overexposure to a single demand cycle. Derisking is also about

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experimenting early, failing fast and rejigging solutions to attain market share.

- **Extend** capabilities to the edge. Edge adoption is accelerating across Southeast Asia, particularly in smart city and IoT use cases. For example, in Singapore alone, edge infrastructure is expected to account for 35% of cloud deployments, supported by about 12 million connected IoT devices.
- **Focus** on security-by-design, not as an afterthought. Security remains a top concern in Asia, driven by rising cyberattacks and regulatory pressures. IDC highlights data sovereignty, cybersecurity and compliance as key drivers of hybrid and industry cloud adoption, especially across sectors like banking and healthcare.
- **Govern** costs with FinOps discipline. Cost optimization is critical as cloud scales rapidly. While adoption is strong, most Asian enterprises face cost overruns and difficulty realizing expected value. Reinforce the need for financial maturity to optimize both RoI (return on investment) and RoE (return on equity/efficiency).
- **Harmonize** workload placement. Distributed architecture is now mainstream. IDC says 52% of Asia-Pacific enterprises already run edge-to-cloud use cases, highlighting the need for continuous workload optimization across cloud, edge and on-prem environments.
- **Improve** sustainability. Sustainability is becoming a major differentiator in the region. Singapore for example is introducing mandatory PUE (Power Usage Effectiveness) standards of 1.3 or better. Singapore is also expanding green DC capacity, positioning itself as a leader in sustainable cloud infrastructure.
- **Justify** hybrid cloud models. Hybrid cloud is especially relevant in ASEAN and India due to data sovereignty and regulatory requirements. In India, 85% of enterprises already run hybrid environments, reflecting the need to balance local data control with hyperscale innovation.
- **Keep** talent close. Treat talent as a strategic investment, not an operational input. Invest aggressively in workforce development—through partnerships with academia, upskilling programs and collaboration with training services

organizations—to prevent field talent from becoming a constraint on growth.

- **Leverage** joint product development and R&D with leading tech players. Build direct co-engineering relationships with hyperscalers and research organizations so your products are designed as reference architectures from the outset. The most strategic suppliers don't just respond to RFPs; they help shape them.

Collectively, these priorities reflect a clear shift across Asia—from basic cloud adoption to more strategic, AI-driven and sustainability-focused cloud operating models. Success will depend on your ability to balance innovation with governance, performance with cost discipline, and growth with environmental responsibility. Companies that take a holistic approach—integrating hybrid and multicloud architectures, edge capabilities, AI-ready data and green infra—will be best positioned to unlock long-term value and remain competitive.

Since we started with one crazy corporate conclave, let's end with another: During the supervisory review, the regulator asked how senior management ensured full compliance with cloud and data regulations.

“Our processes have been aligned with internal policy,” the chief operating officer replied.

“Internal policy is mapped to applicable regulations,” the chief information officer added.

“Applicable regulations are interpreted with legal guidance,” the chief compliance officer confirmed.

“Legal guidance evolves as expectations evolve,” the chief legal officer acknowledged. “Compliance risks are identified, monitored, reviewed and disclosed. Interpretation remains principles-based and ongoing. We believe we are compliant with most regulatory guidelines and policies as of today with terms and conditions.” ¹⁰

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