



## Cresting the cloud horizon

### Audio transcript

Kevin Young [KY]:

You're listening to *Cresting the cloud horizon*, a bite-size, deep-dive into Deloitte's latest research around cloud adoption, evolution, and transformation in Canada.

Our team has spent the past several months gathering the collective insight of over 200 technology decision-makers from Canada's public and private sector.

So, what's over the horizon for cloud technology in Canada? The business and economic landscape has shifted over the past few years. But has the blue-sky thinking around cloud technologies changed with it?

"The shift to cloud has a huge impact on the business. It requires a different thought process than we had in the past. And we really need to enable that change on the business side as well."

KY:

Canadian cloud leaders are confident in their progress. If you're an organization in Canada and you haven't moved at least 40% of your workloads to the cloud, then you're in the minority. Nearly three-quarters of tech leaders we surveyed have moved past the foundational stage of the cloud journey. 83% of them felt confident this same journey was outpacing their peers.

To these leaders, optimization is about more than rightsizing volume and managing costs. It's about creating the right environment to deliver on the promise and value proposition of cloud for the business.

But is right now a risky time to start investing in new capabilities? The economic outlook for this year looks frosty, so are cloud leaders looking to freeze spending? Here's Karin Wiens, one of Deloitte's cloud leaders to tell us more.

Karin:

Expectations for cloud investment are holding strong. 77% of organizations we talked to said that economic conditions impacted cloud adoption plans to a considerable extent, so there's some broad economic uncertainty there. But despite this, 86% of organizations expect to increase cloud investment over the next 2 years.

KY:

So why are business leaders in Canada expecting more for cloud now? What's triggered the evolution in everyone's cloud expectations?

Karin:

"Canadian cloud leaders no longer see cloud strictly as an option for cost reduction. They're more open to the potential for innovation it presents for their business—and they're making investments to match. The majority have shifted their view of cloud service providers—seeing them as more of a collaborator



for business transformation, and more than half see them as a gateway to accessing emerging technologies.”

KY:

So it's safe to say that cloud aspirations are growing as business expectations evolve?

Karin:

“For sure, and that view is accelerating the adoption of industry cloud solutions across the board. Industry clouds—that are made up of stackable building blocks like cloud-based services, apps, tools to help develop digital solutions—are on the rise across all industries.”

KY:

Our research definitely backs that up. We found that 91% of cloud leaders identified industry clouds as an enabler for transformation and automation of industry-specific business processes. And with the buzz around the potential of generative AI, here's what one leader had to say about the importance of a solid cloud foundation for innovation:

“As soon as GenAI hit, our executives were interested in seeing how it could help the business. Thankfully, we had already created a solid cloud landing zone, we had operations teams who knew how to work in the cloud and we had good visibility into costs. Within two weeks, we had a few prototypes out. And we've spent the past six months iterating on that to see where the true value is for the organization.”

KY:

So, cloud leaders are confident in their progress. Organizational capabilities are maturing, the toolkit is expanding, and exciting new use cases for industry-specific capabilities are emerging. These are being powered by industry clouds and generative AI—or GenAI.

81% of leaders we talked to said they felt optimistic, energized, hopeful, or curious about how GenAI could reframe the way they use cloud. But it doesn't end with AI. Organizations across Canada are expanding their vision of what cloud can generate for their business—our research backs that up. So, how do they deliver on that vision? I asked some of my colleagues—who've had in-the-trenches experience in cloud transformation—what they think:

Divya:

““I'm Divya Bharti, a director in Deloitte Canada's cloud engineering practice, so to deliver that vision, first and foremost, you need your business plan and your technology plan to align. This is to ensure that your cloud and AI strategies align with your broader business objectives. Your investment priorities across both business and technology must be in sync. If they're not, it's going to be really hard to evolve your cloud footprint and support the development of AI and industry cloud solutions.”

Rene:

“I'm Rene Heroux, financial services cloud transformation leader at Deloitte Canada –and from my experience, you better be sure your capabilities are ready to meet your aspiration. If you really want to harness GenAI, you need a secure data platform. If you want innovation and faster time to market,



you're going to need more modern architecture and engineering practices. For many large organizations, these things are still a work in progress."

Christian:

"I'm Christian Ierullo, senior manager in Deloitte Canada's cloud engineering practice – in my view you need to have a relentless focus on realizing value. This includes the basics, like strong financial governance to track and manage the costs, but it also requires expanding our definition of value. We've got to help leaders stop viewing cloud as an operational expense and start seeing it as a business investment.

KY:

That brings us to the end *Cresting the cloud horizon*, thanks for listening. I'm Kevin Young, Deloitte Canada's cloud transformation leader, and if you'd like to discover more about our research into cloud in Canada, you can download the full report at [Deloitte.ca/cloudhorizon](https://Deloitte.ca/cloudhorizon).