

Preventing cloud sprawl: Insights on IT cost management complexities

cloud sprawl

[kloud sprôl]

1. The uncontrolled proliferation of an organization's cloud instances, services or providers
2. Typically occurs when an organization lacks visibility into, or control over, its cloud computing resources¹

As the proliferation of cloud services and SaaS solutions continues, it's increasingly difficult for organizations to maintain visibility into IT budgets and spend. To learn how organizations are addressing this budget upheaval, we surveyed over 1,500 IT decision makers across the globe. Here's what we found.

1. <https://searchcloudcomputing.techtarget.com/definition/cloud-sprawl>

Key takeaways

Broad confusion hinders results.



50% of IT decision makers lack a basic understanding of what cloud cost governance and cloud cost optimization are, and how they differ.

Why it matters?

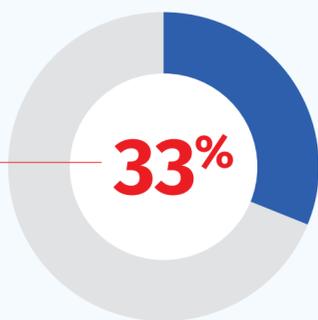
This confusion signals that organizations aren't properly governing and optimizing costs and could be wasting money. If your business falls into this category, you could be at risk of cloud sprawl.

Understand the difference

Cost Governance:
A strategy that guides all of your cost management approaches.

Cost Optimization
An ongoing method to meet your cost governance goals.

Shared budgets create new complexity.

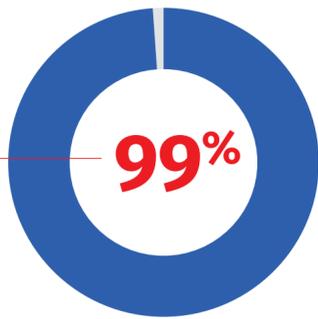


33% of IT budgets are held centrally and respondents report widespread involvement across as many as 11 teams and roles.

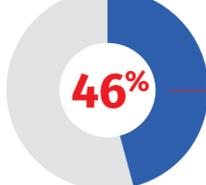
Why it matters?

With IT budgets distributed broadly across the organization (marketing, sales, manufacturing), understanding the what, where and how of IT spending is more important than ever.

IT leaders lack faith in budget decision makers.



99% of surveyed IT decision makers have a documented IT budget and dedicated resources to manage IT spend.

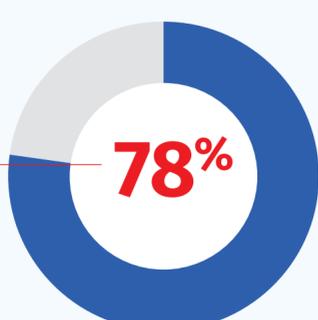


46% do not feel these resources have skills to be effective.

Why it matters?

IT leaders seek more expertise in the budget-making process to instill confidence in the choices made by decision makers.

COVID-19 created massive IT budget disruption.



78% report new concerns around budget or cost in the last three months.

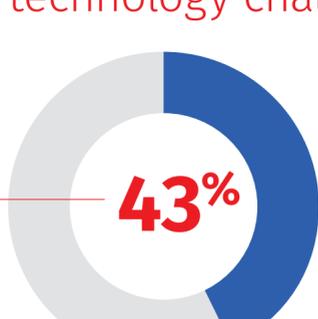


One in eight businesses reported an increase in spend to manage the effects of the pandemic.

Why it matters?

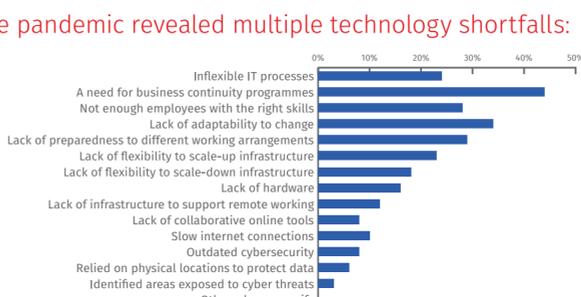
As different business units quickly adopt tools to maintain business continuity, SaaS tools costs can get lost in the shuffle and go untraced. Make sure you have visibility into the spend associated with all these new tools being adopted.

The crisis exposed unforeseen technology challenges.



43% report concern they will be unable to fund planned projects.

The pandemic revealed multiple technology shortfalls:



Why it matters?

Businesses have had to adapt quickly shift budget away from planned initiatives and toward obtaining the technology necessary to keep the business running. When things return to normal, businesses need to re-focus on cost governance and optimization programs.

Gain control of your cloud costs with Rackspace Technology.

Effective cost management practices help you save money, plan for the future and make valuable investments in innovation. The Cloud Optimization solution from Rackspace Technology provides.

- Comprehensive, end-to-end cost optimization service
- Deep expertise backed by 20+ years of experience
- Strategies to help you tackle the most complex cost management challenges

Take control of your future by removing the burden of complex cost management and empowering your IT team to drive innovation and create meaningful differentiators for your business.

Take the Next Step

Schedule a free discovery session to uncover the next steps on your optimization journey.

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