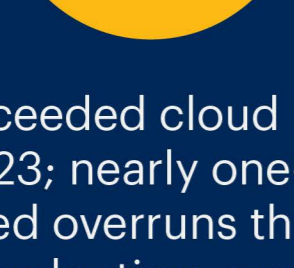


2024 Cloud Spending: IT Balances Costs with GenAI Innovations

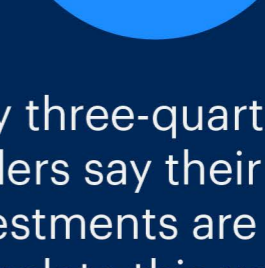
How are IT leaders managing cloud expenditures to prevent overruns, and are they anticipating increased spending in light of cloud resources needed for Generative AI?



Most exceeded cloud budgets in 2023; nearly one-third avoided overruns through careful budgeting, monitoring, and resource optimization



Cloud investments are poised to either rise or remain steady, with IT leaders citing reductions as rare



Nearly three-quarters of IT leaders say their cloud investments are set to escalate this year to accommodate GenAI

Data collection: Dec 1, 2023 - Jan 9, 2024

Respondents: 200 IT leaders [Director, VP, C-suite] who have visibility into their organization's cloud spending practices

About Gartner Peer Community One-Minute Insights:

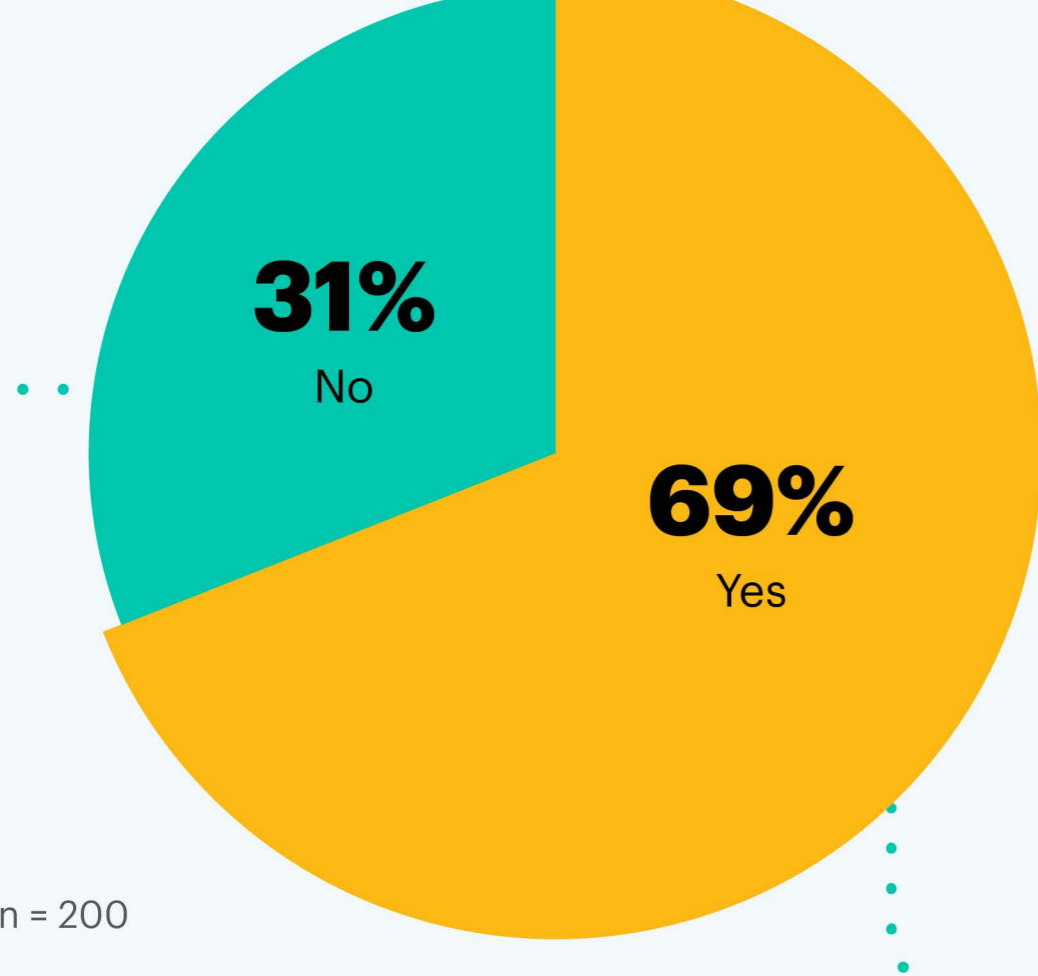
Gartner Peer Community is for technology and business leaders to engage in discussions with peers and share knowledge in real time.

Surveys are designed by Gartner Peer Community editors and appear on the Gartner Peer Community platform. Once the respondent threshold is met, survey results are summarized in a One-Minute Insight.

The results of this summary are representative of the respondents that participated in the survey. It is not market representative.



Budget discipline and monitoring pays off

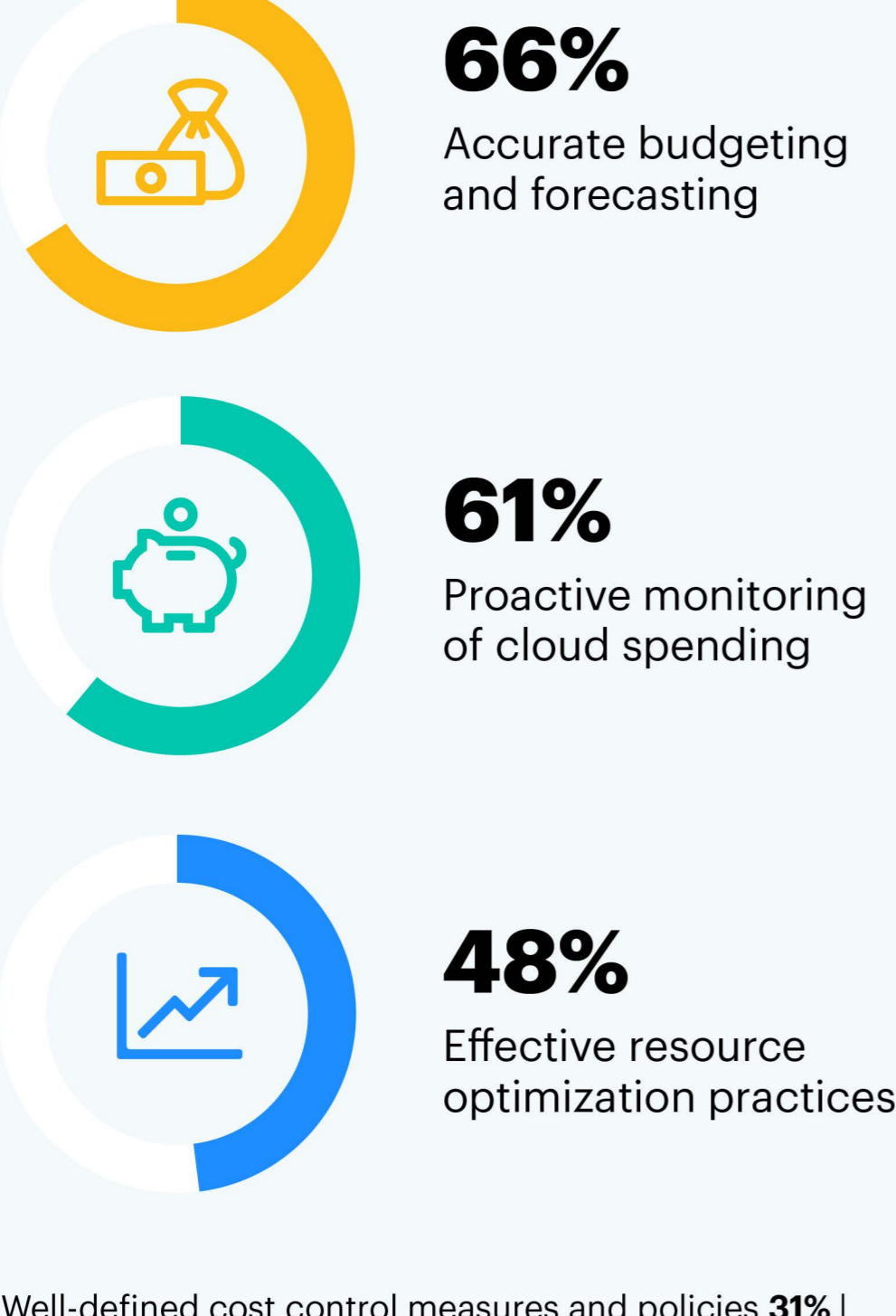


The majority (**69%**) of respondents reported budget overruns in their organization's cloud spending.

IT leaders who indicated their organizations remained within budget (n = 62) attributed it to accurate budgeting and forecasting (66%), proactive spend monitoring (61%), and effective resource optimization (48%).

In 2023, did your organization encounter cloud cost overruns?

If your organization did not experience cloud cost overruns in 2023, please select the primary reasons below that best explain why. Select up to three¹.



Well-defined cost control measures and policies **31%** | Adequate visibility into resource usage and spending **31%** | Efficient workload placement and resource allocation **19%** | Comprehensive cost management tools and solutions **13%** | Robust training and awareness on cloud cost management **10%** | Other (fill in)* **3%** | Don't know **0%**

*Other includes: "Have a minimum spend clause in place," "We overspent on reservations and were able to optimize resources"

n = 62

"We have hired a small team to optimize our expenses, reduce unused resources and to work with developers on optimization strategies for long-term cost reduction opportunities."

Director, software industry, 1,000 - 5,000 employees

Question: Do you plan to make any adjustments to your approach in optimizing cloud spending in the next year?

"Cost controls and monitoring are critical to ensuring we do not overspend."

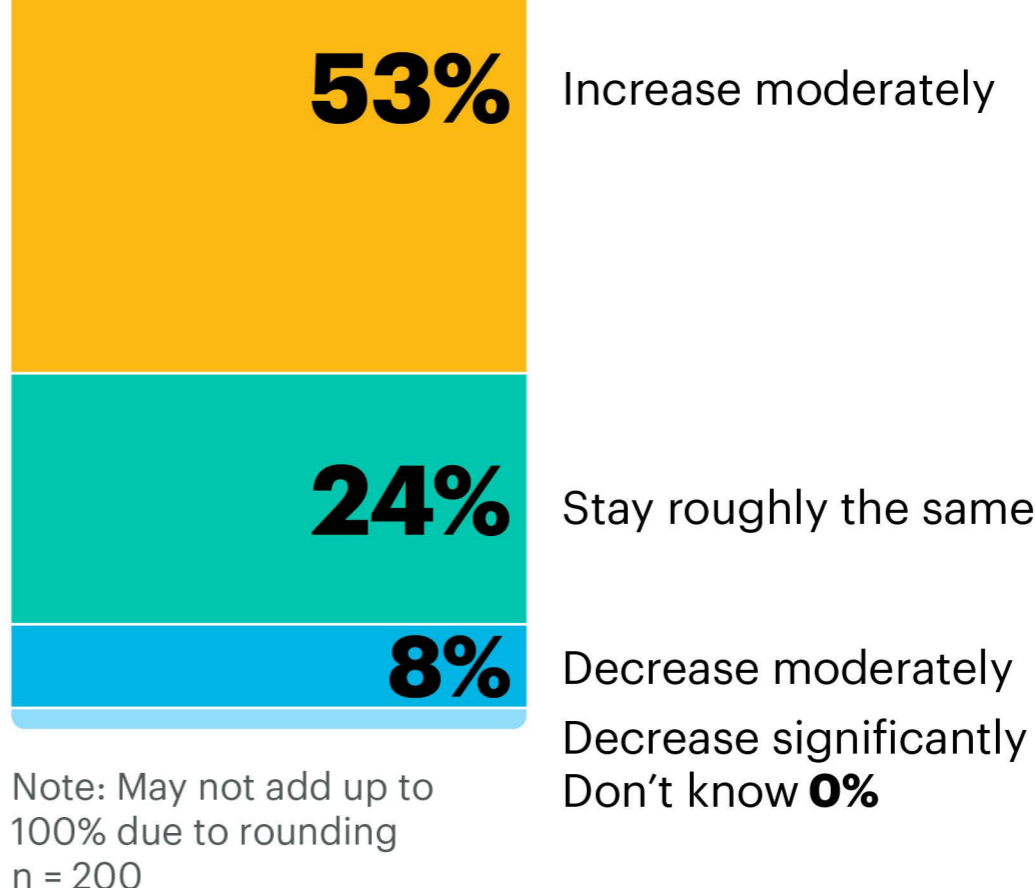
Director, software industry, 10,000+ employees

Question: Anything else you'd like to add about how your IT organization is approaching cloud cost optimization?

Cloud budgets either climb or hold steady in 2024

A majority of respondent organizations (**68%**) plan to increase their total cloud spend in 2024, while 24% intend to keep spending roughly the same.

How does your organization plan to manage its total cloud spend in 2024?



"Our cloud optimization is a critical component of our cost management in 2024. We're still looking at (ways) to ensure that we utilize this solution while effectively managing the run rate."

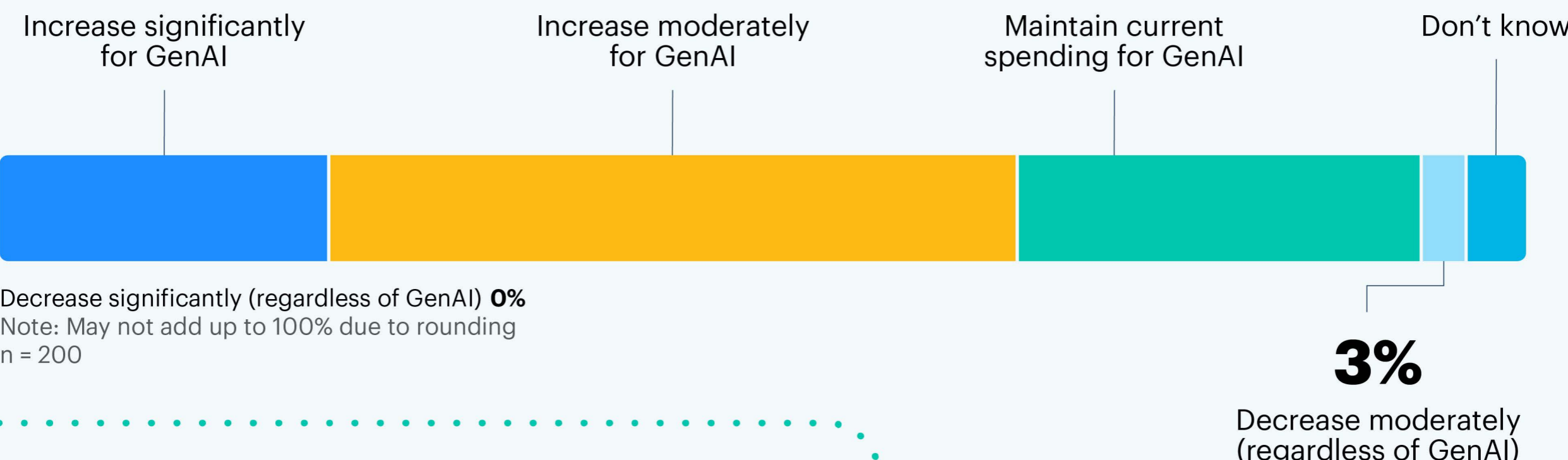
VP, telecommunications industry, 1,000 - 5,000 employees

Question: Anything else you'd like to add about how your IT organization is approaching cloud cost optimization?

Cloud spending ramping up for GenAI

68% of respondent organizations will be taking on more cloud spending for GenAI in 2024.

In 2024, considering your cloud spending plans and any impact from Generative AI (GenAI) adoption, which best describes your organization's approach?



"Our whole organization is cost focused so we may spend more on AI in 2024, but it will mean reducing costs in other areas to drive overall cost reductions."

Director, manufacturing industry, 1,000 - 5,000 employees

Question: Anything else you'd like to add about how your IT organization is approaching cloud cost optimization?

In their own words...

"There needs to be a strong commercial mindset in the engineering teams to ensure they chase savings and optimisation. Policy and procedure alone does not get you there."

- Director, manufacturing industry, 10,000+ employees

Question: Anything else you'd like to add about how your IT organization is approaching cloud cost optimization?

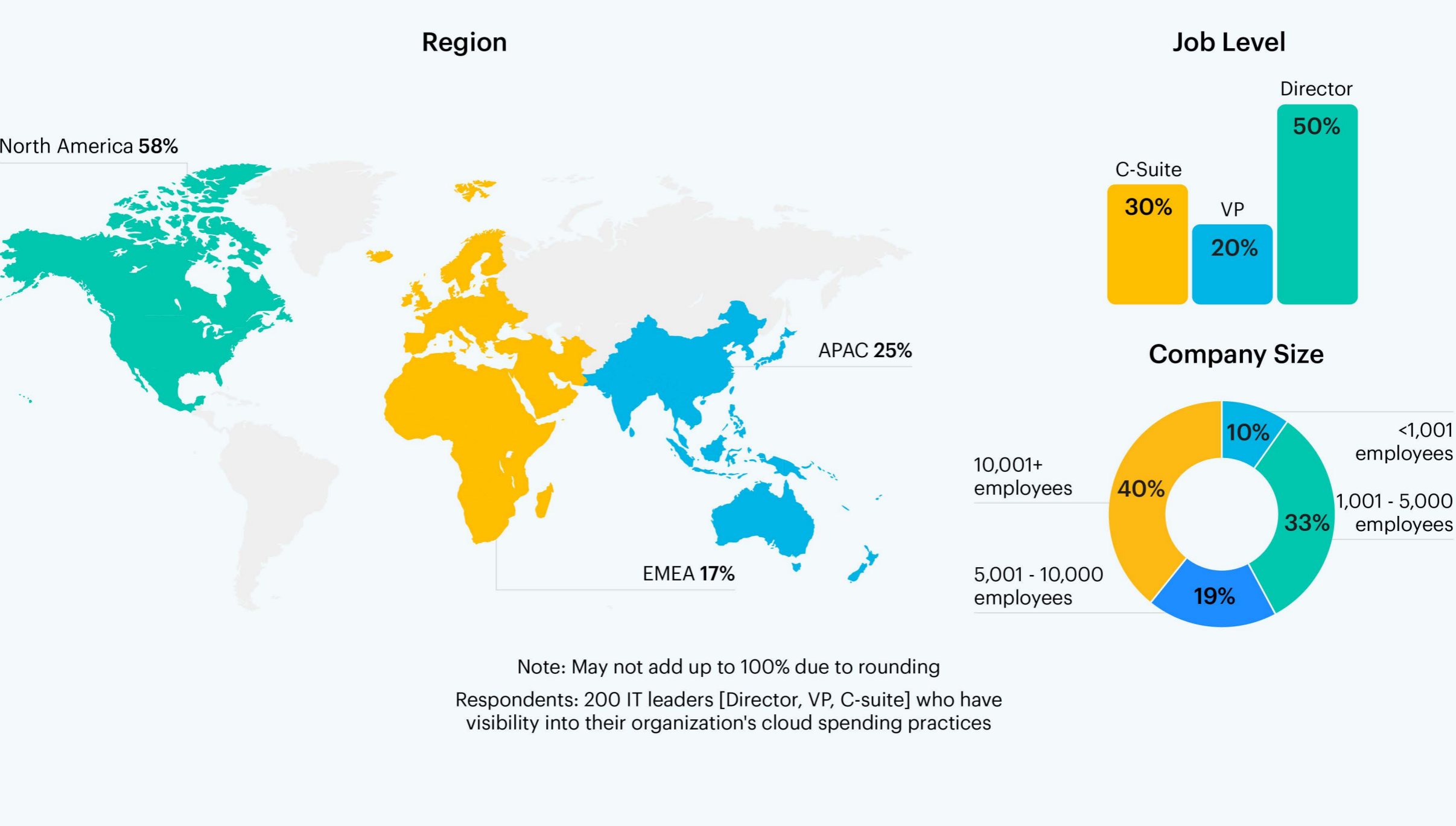
"We are looking to cut down (the) number of workloads in the cloud that are duplicate/replicating data."

- Director, consumer goods industry, 1,000 - 5,000 employees

"We will be implementing forecasting tools to understand potential needs, and then track usage on a monthly basis to better address overages in a timely fashion."

- Director, arts and entertainment industry, 10,000+ employees

Respondent Breakdown



Want more insights like this from leaders like yourself?

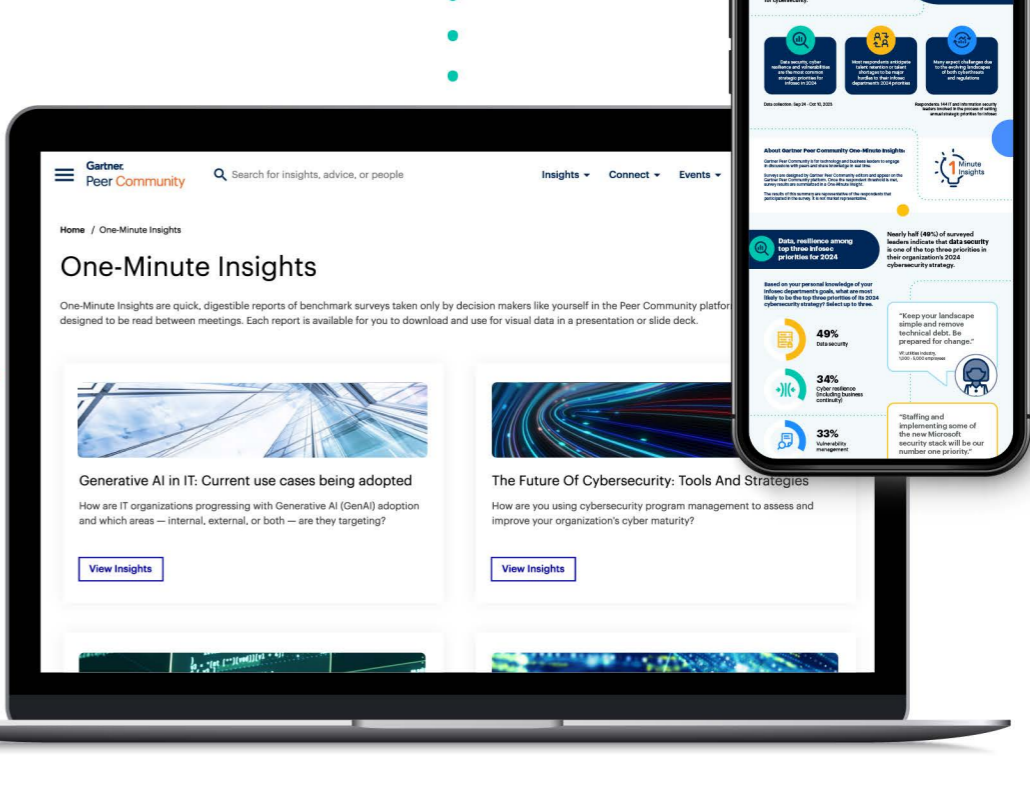
Click [here](#) to explore the revamped, retooled and reimaged Gartner Peer Community. You'll get access to synthesized insights and engaging discussions from a community of your peers.

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Source: Gartner Peer Community, Keeping cloud costs in check: IT leader perspectives survey

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¹ Question shown only to leaders who answered "No" to the question "In 2023, did your organization encounter cloud cost overruns?"