AlixPartners

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Cloud Transformation at Scale – Insights from over $1bn of Change

Cloud transformation is no longer optional—it's the foundation for growth, resilience, and reinvention in a rapidly evolving digital economy

1. What's driving change?

Organizations are under pressure to modernize, optimize, and innovate simultaneously—and cloud has become a critical enabler of that shift.

- Legacy inertia: On-premise systems and outdated outsourcing contracts remain embedded in critical processes, slowing and raising the cost of modernization.
- End-of-life infrastructure: Aging platforms and unsupported technologies are forcing urgent decisions on cloud modernization.
- Post-merger complexity: Integrations expose fragmented IT estates, creating pressure to consolidate and standardize through cloud.
- Innovation bottlenecks: Siloed teams, manual processes, and legacy tooling limit the pace of product development and time-to-market.
- Resilience gaps: Frequent outages and poor recovery capabilities in legacy environments are driving demand for more robust cloud-native architectures.
- AI and data ambitions: Organizations are re-platforming to unlock the full potential of AI, analytics, and real-time decision-making.

2. Where can value be created?

Cloud transformation unlocks value across revenue, margin, agility, and resilience—but only when tightly linked to business outcomes.

Accelerated product delivery
Internal developer platforms and cloud-native architectures have reduced lead times for change by up to 80%.

Optimized infrastructure
Consolidated container platforms and increased density have driven economies of scale and reduced waste.

Strategic sourcing
Partnering with cloud vendors has unlocked 5x investment levels through co-funded initiatives and joint planning.

Modernized operating models
Synchronizing cloud, developer, and data platforms has reduced duplication and enabled scalable innovation.

Resilience and risk mitigation
Cloud-native services and platform consolidation have improved uptime and reduced incident frequency.

3. What's the quantifiable impact?

When executed well, cloud transformation creates measurable value across cost, speed, and operational performance. Organizations have achieved up to 2x revenue growth, 35% cloud cost savings, and 50% greater resilience.

Customer Experience

Cloud transformation empowers organizations to deliver faster, more personalized, and reliable digital experiences

e.g. Using AI to increase self-service from 19% to 45%, 20% fewer customer follow-ups and 50-80% reduction in handling times[3].

Product Development

Modern cloud platforms streamline development workflows, enabling rapid iteration and innovation at scale.

e.g. 80% reduction in lead time for change enabled through adoption of common automated development & cloud platforms[1].

Value-Creation

Revenue Growth

Cloud unlocks new monetization models and accelerates digital product delivery to drive top-line growth.

e.g. 2x revenue uplift – Enabled by SaaS transitions and digital product launches[1].

Market Expansion

Scalable cloud infrastructure supports seamless entry into new markets and integration across business units.

e.g., The leading four hyper-scalers have a collective 160+ hosting regions across 80+ cities and 40+ countries[1].

Agility

Cloud-native operating models enhance responsiveness and adaptability across teams and systems.

e.g. 20–40% labor efficiency gains across infrastructure, security, and application teams[1].

Resilience

Migrating to cloud-native architectures strengthens system reliability, recovery, and compliance.

e.g. 69% less time lost to unplanned downtime[3]

Cost

Cloud enables dynamic cost control through automation, consumption-based pricing, and operational efficiency.

e.g. 10–40% IT cost optimization – through opex shifts, automation, and FinOps discipline[1].

Value Protection

Sustainability

Optimized cloud environments reduce resource waste and support greener, more energy-efficient operations.

e.g. Cloud migration can reduce carbon emissions by up to 84%[2].

[1] AlixPartners internal analysis. [2] AWS [3] Microsoft.

4. What can erode value creation?

Programs often fall short when cloud is treated as a technology upgrade rather than a business-led transformation.

- Lack of ownership: Misalignment between business and technology leaders delays decision-making and execution.
- Outdated governance: Gate-heavy processes and manual reporting reduce agility and slow progress.
- Cloud waste: Poor design, unjustified modernization, and lack of FinOps engagement inflate costs.
- Fragmented platforms: Siloed environments reduce density and increase complexity across the stack.
- Insufficient change management: Teams unprepared for new ways of working stall adoption and scale.
- Over-engineering: Excessive customization increases cost without delivering proportional business value.
- Delayed intervention: Slow executive action leads to stranded investments and transformation fatigue.

5. What have we learned?

Successful cloud transformations are built on clarity, speed, and relentless focus on value.

Clarity of vision matters

Programs anchored in business outcomes outperform those driven by technology alone.

Speed is strategic

Decisive action—especially at the executive level—unlocks momentum and avoids cost overruns.

People are the pivot

Investing in enablement, incentives, and change management is essential for adoption and scale.

Data drives decisions

Application-level discovery and real-time metrics guide prioritization and sequencing.

One size doesn’t fit all

Thin platforms often outperform feature-heavy ones; not every product needs full modernization.

“Cloud isn't just tech change; it's business reinvention.

From more than $500M in transformations, we’ve seen that clarity, speed, and alignment drive up to 15x EBITDA impact.”

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ABOUT US

For more than forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges – circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line – a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA – so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.