

# Don't Kill the Goose That Lays the Golden Egg

**In other words, don't cut the cloud that fuels your future**

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The cloud is fueling all things digital and will be the unrelenting force that propels your business onward and upward. So why on earth are you thinking of cutting the most strategic investment you must continue to make – cloud spend? I'm hearing it from company leaders across every industry, and this is my consistent reply: Don't kill (cut) the strategic goose (cloud) that lays the golden egg (your future)!

Yes, I know economic headwinds are fierce and unpredictable, and an abundance of caution is the smart thing for every boardroom to exhibit. However, I have to ask: Is now really the time to slow things down? Or is now the time to take full advantage of the cloud and create the differentiation that will leave your competitors in the dust?

The former is a simple reaction that will result in you delivering value to your customer slower – slower than before, and slower than the competition. The latter demands that you take affirmative action, including optimizing for peak performance and focusing on what is most important to take the organization further, faster. Be bold, and take the opportunity to aggressively reduce spend on all those legacy low-value analog activities that seem to claim automatic right of budgetary passage every year. You know the ones I am talking about.

When faced with a budget squeeze, don't simply cut cloud spending and risk compromising your future. Cloud really is your golden goose that, if adequately fed and cared for, will produce the strategic golden eggs that unleash your future for years to come. Put the golden goose on a strict diet, and yes, you will have an immediate birdseed savings. However, any golden eggs produced will be smaller and far less numerous.

Here are seven compelling reasons why optimizing cloud spending with an aim to prosper is a more thoughtful decision than cutting cloud spending with an aim to appease. The contrast is a stark one.





## 1 Reactive vs. Active

This isn't the first time we've faced economic headwinds, and yet it is often easier to react than act when faced with these challenges. The immediate response to a situation is driven more by instinct and habit, whereas taking more affirmative action demands overcoming these impulses and leveraging experience to make deliberate choices, including ones that involve taking risks. Simply doing less of something is the easy reactionary call to make to appease the mandate from above to "trim fat" or cut costs. Deciding what is the right thing to do to drive prosperity with the limited resources available requires not only information and insights but action – conscious effort that includes optimization and planning. It's an investment that will pay handsomely in the future.

## 2 Emotional vs. Rational

The desire to hastily move past problems often leads to a more impulsive and emotional decision without fully considering the broader consequences. Pressure to act fast, complemented with natural bias, often trumps facts, logic, and an understanding of inter-dependencies, resulting in a simplistic answer ("cut costs") with unintended consequences. A rational response is based on a thorough understanding of the situation and a commitment to finding the best solution through an objective, systematic, and evidence-based process. From this vantage point, you can more effectively stop low-value activities and double-down on the cloud investments that matter most.

## 3 Short-term vs. Longer-term

Note that I say "longer-term" rather than "long-term" as "long-term" is a somewhat defunct construct in the agile digital era. Cutting cloud costs to improve the bottom line is a false economy. The risk of taking the reactionary short-term action of cutting cloud spending rather than optimizing it could lead to longer-term implications and negative consequences. You wind up with decisions that are operationally unsustainable, that have lasting negative impact, or that mean missing out on more significant future opportunities – all of which can result in "saver's remorse." Again, optimizing for the longer-term can actually mean spending more on cloud while reducing less strategic activities.



#### **4 Tactical vs. Strategic**

If you see cloud as just an alternate modern technology to improve your business, then the flexibility of OpEx manifests itself as a tactical reduction of cloud spend – often done “across the board” and often done without genuine appreciation for the broader impact on the business as a whole. Make a tactical choice to cut cloud costs and you may impact a future business opportunity costing much more in terms of lost revenues than the nominal bottom-line savings you’ll get from “cutting cloud costs.” But suppose you correctly position the cloud as an organization-wide strategic opportunity – the rocket fuel of your digital ambitions. If this is your view, optimizing cloud spending around what matters most is the smarter decision to make.

#### **5 Unilateral vs. Collective**

Let's be honest – it's a lot easier to unilaterally stop doing something than to prioritize alternative options. Stopping or cutting something often requires less decision-making, less cognitive effort, and less collaborative muscle than taking the time necessary to evaluate credible options across multiple teams in service of the collective better decision. Death by a thousand cuts is still death and not the desired outcome of the board, who is asking for fiscal prudence in times of economic turmoil. The natural tendency to be the hero and cut the most flexible budgets under the misperception that the cloud is simply a throttled infrastructure must be fought at all levels and raised to a higher altitude of consideration. Take this opportunity to make collective decisions on where and how to optimize what will sustain your business and propel it forward.

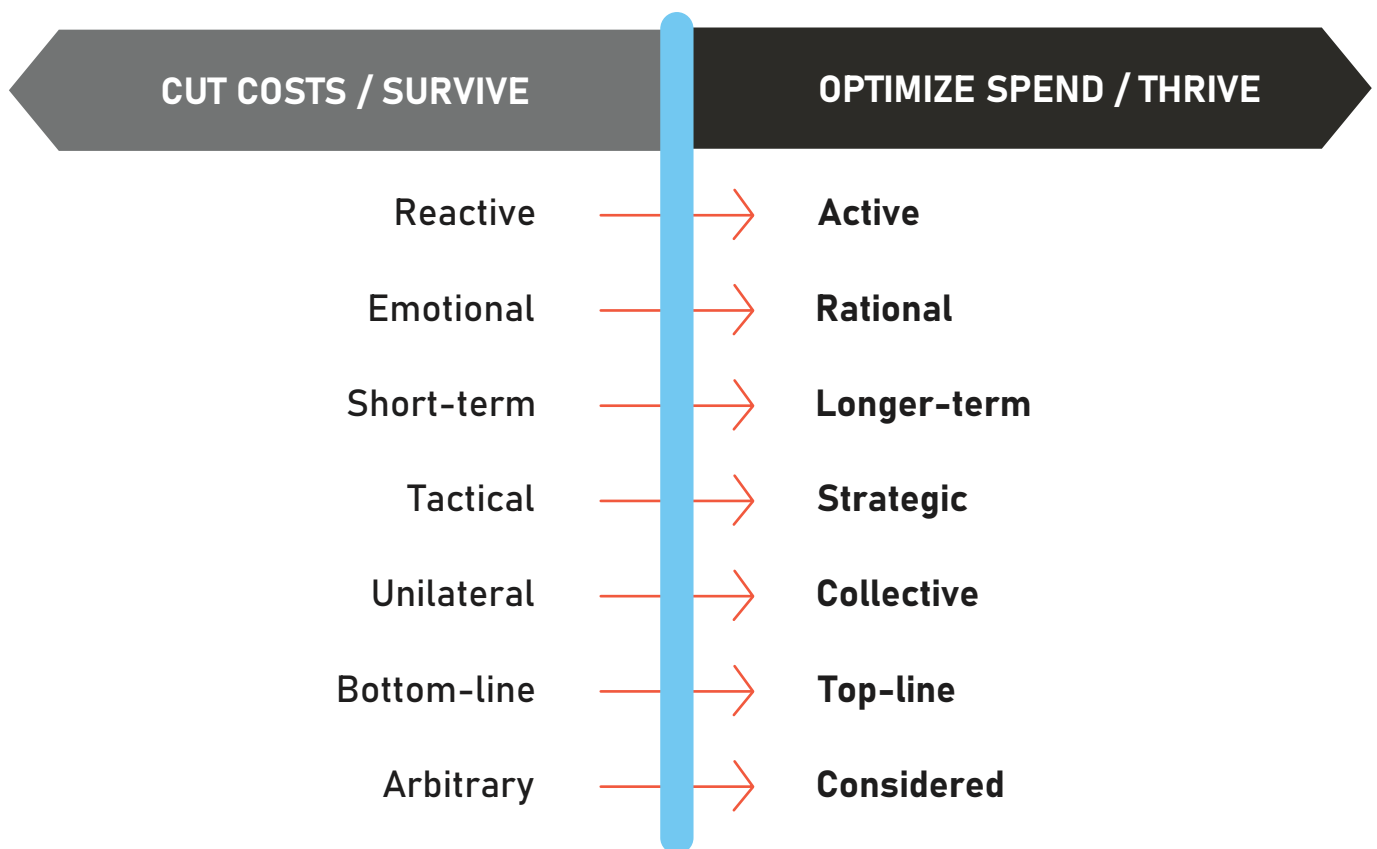
#### **6 Bottom-line vs. Top-line**

Investment decisions must also include what you stop investing in – often the harder of the two conversations. The point is that simply reacting and cutting expenses – in this case, cloud spending – can be a one-way race to the bottom. Yes, cloud spend is easy to cut, quick to cut, and will make you look like a corporate fiscal warrior. In reality, the impact you make will be a percentage of cloud spend reduction of a percentage of the IT budget of a percentage of COGS – not something material enough to change the trajectory of the company. If you optimize cloud spending in ways that could help impact 100% of top-line revenues, then you have the boardroom's attention, and in the best possible way.



## 7 Arbitrary vs. Considered

Too often, when “cuts” are rampant in an organization’s system, the explanation offered to employees lands flat, at best. “Random,” “illogical,” and “unfair” are all words used to express the decisions made in these situations. And it’s just too easy to claim there was “no choice but to cut,” leaving an unsettled workforce waiting for that arbitrary axe to land on them next. Admit it – we have all been there. That said, when the conversation vectors more towards optimizing cloud spending in a way that aligns with the organization’s mission, vision, and strategic priorities – a considered, what-matters-most conversation – then the outcome demonstrates the gravitas the situation deserves and a leadership maturity that gives confidence.



So, let me ask again: Why are you thinking of cutting cloud spending when you know it's fueling all things digital and will be the unrelenting force that propels your business onward and upward? This is a time to optimize spend, build resilience, and do everything possible to maintain speed and strategic advantage. Cloud is the golden goose that, if done right, will produce the golden eggs that are your future. Position the cloud correctly, invest in it as part of spend optimization, govern it confidently, and the goose will produce more giant golden eggs faster than ever.

Apple's Tim Cook once said, "We don't believe you can save your way to prosperity. We think you invest your way to it." Having agreed that all roads digital lead to and from the cloud, the focus of every CEO should be how they can accelerate their investment in the cloud – from the data center to the edge and every place in between – to ensure they ride the innovation wave, including ChatGPT, AI, quantum computing, and whatever comes after that. You'll be in an even better competition position and have greater resilience when we have all stopped talking ourselves into a recession and the sun is once again shining bright.

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