MAKING THE CASE TO THE BOARD:

Why Cloud and App Modernization Can't Wait

Equipping IT leaders to secure executive buy-in for cloud investment and AI readiness

unisys

EXECUTIVE SUMMARY

Investment in cloud continues to rise, yet the gap between spending and value realization is growing wider. IT leaders can either secure approval for strategic modernization or watch competitors take advantage of the agility, innovation and operational efficiency the cloud affords.

This guide equips you with the data, business language and strategic framework to make a compelling case to your board or C-suite executives for cloud and application modernization investments.

YOUR MESSAGE TO THE BOARD AND C-SUITE

The gap

Organizations are spending more on cloud while struggling to capture the business benefits that justified those investments in the first place.

The root cause

Many initiatives built on legacy infrastructure fail to deliver. Lifting and shifting applications to the cloud without modernization trades one set of problems for another: Complexity persists, costs remain high and agility stays out of reach.

The opportunity

Organizations that address infrastructure complexity and modernization gaps — whether through targeted optimization programs, comprehensive transformation or strategic rebalancing between cloud and on-premises environments — will be positioned for growth, resilience and competitive advantage. Boards should consider this rebalancing as a lever for aligning infrastructure decisions with business priorities.

THE NUMBERS TELL THE STORY: DATA WE'LL EXPLORE IN THIS GUIDE

82%

of business executives now view cloud and IT as profit centers, which is a fundamental shift in perception that creates opportunity for strategic investment. ↗

76%

of organizations are increasing cloud spending in 2025, demonstrating enterprise commitment to cloud as a foundation for growth. ↗

Only 43%

of executives are fully satisfied with their cloud ROI, revealing a critical disconnect between investment and value realization. ↗

What this guide provides

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The data is here to back you up.
Now it’s time to make your case.

01

The questions: Three questions your board and executives are asking

Now that we've established the gap between investment and value realization, let's address specific questions about cloud modernization. Understanding these questions — and having data-backed answers — positions you to lead a productive conversation.

QUESTION 1

Why isn't our cloud investment delivering the expected returns?

Real-world impact:

"We failed in our first cloud initiative, around early 2020, because we just wanted to move to the cloud without much thought about what it meant for the business. We were overwhelmed with unexpected costs." ↗

— CIO, U.S.-based global manufacturing company

The numbers reveal a disconnect: While 76% of organizations are increasing cloud spending in 2025, only 43% are fully satisfied with ROI on cloud investments. ↗

Business executives identify reducing infrastructure complexity as the primary way to unlock technology budgets, but complexity persists in most organizations. ↗

Nearly two-thirds of organizations haven't achieved the desired cloud value because they lifted and shifted without modernizing, trading one set of problems for another. ↗

What's at stake

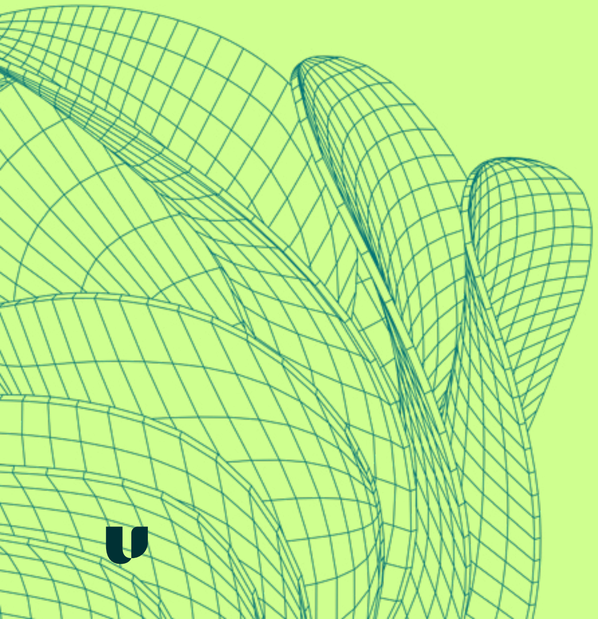
- Stagnant business metrics despite technology adoption
- Extended time-to-market for new products and services
- Budget overruns and compliance gaps
- IT teams maintaining systems instead of driving innovation

THE PATH FORWARD

Strategic modernization — rearchitecting applications for cloud-native capabilities, implementing automation and establishing cost governance — unlocks cloud's full potential. Organizations that modernize rather than migrate transform IT from a cost center into a strategic enabler that accelerates innovation, reduces complexity and delivers measurable ROI.

QUESTION 2

Are we effectively using AI?



The AI readiness gap is evident in four key statistics. Around 78% of executives plan to increase generative AI investment in 2025 and 73% view agentic AI as critical to competitiveness.↗

Only 36% feel ready to support large-scale data workloads. ↗

Just 15% are currently using AI agents. ↗

However, as AI adoption accelerates, boards and IT leaders must carefully consider the rebalancing of workloads between cloud and on-premises environments:

Strategic opportunity

Boards should view rebalancing as an opportunity to align infrastructure decisions with business priorities. By evaluating which workloads are best suited for cloud versus on-premises, organizations can maximize agility, control and ROI.

Security and cost

Running AI workloads on-premises can offer greater control over sensitive data and may be more cost-effective for certain use cases, especially where data sovereignty or regulatory compliance is critical. On-premises AI can also reduce exposure to cloud-based security risks.

Cloud vendor lock-in

Relying solely on cloud platforms for AI can lead to vendor lock-in, limiting flexibility and potentially increasing long-term costs. A balanced approach that leverages both cloud and on-premises infrastructure can help organizations avoid lock-in and optimize costs.

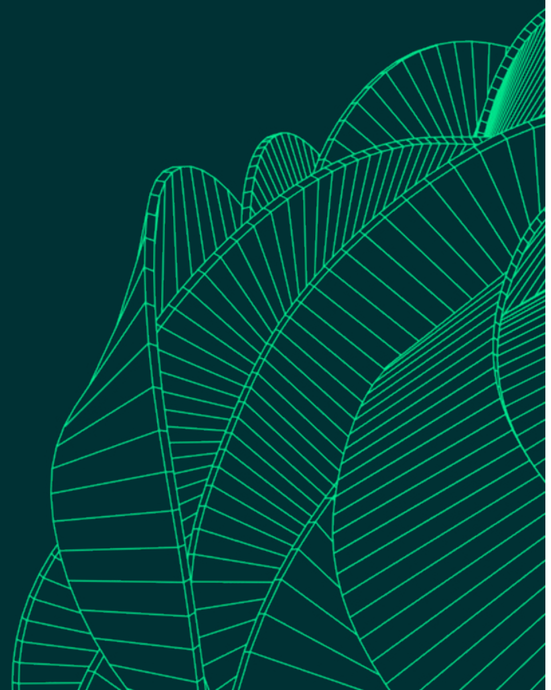
Addressing the rebalancing of AI and other critical workloads is essential for both security and cost optimization. Boards and C-suite leaders should ensure their modernization strategy includes a clear framework for evaluating and managing workload placement, minimizing vendor lock-in and supporting long-term business goals.

When infrastructure is AI-ready:

- Employee productivity improves by ~25% ↗
- Workflow efficiency increases by ~67% ↗
- Real-time customer interactions and personalized experiences become possible ↗

QUESTION 3

How can we drive more value from IT?



HERE'S THE OPPORTUNITY

82% of business executives now view cloud and IT as profit centers. But realizing that potential requires addressing what holds organizations back. ↗

What's blocking value

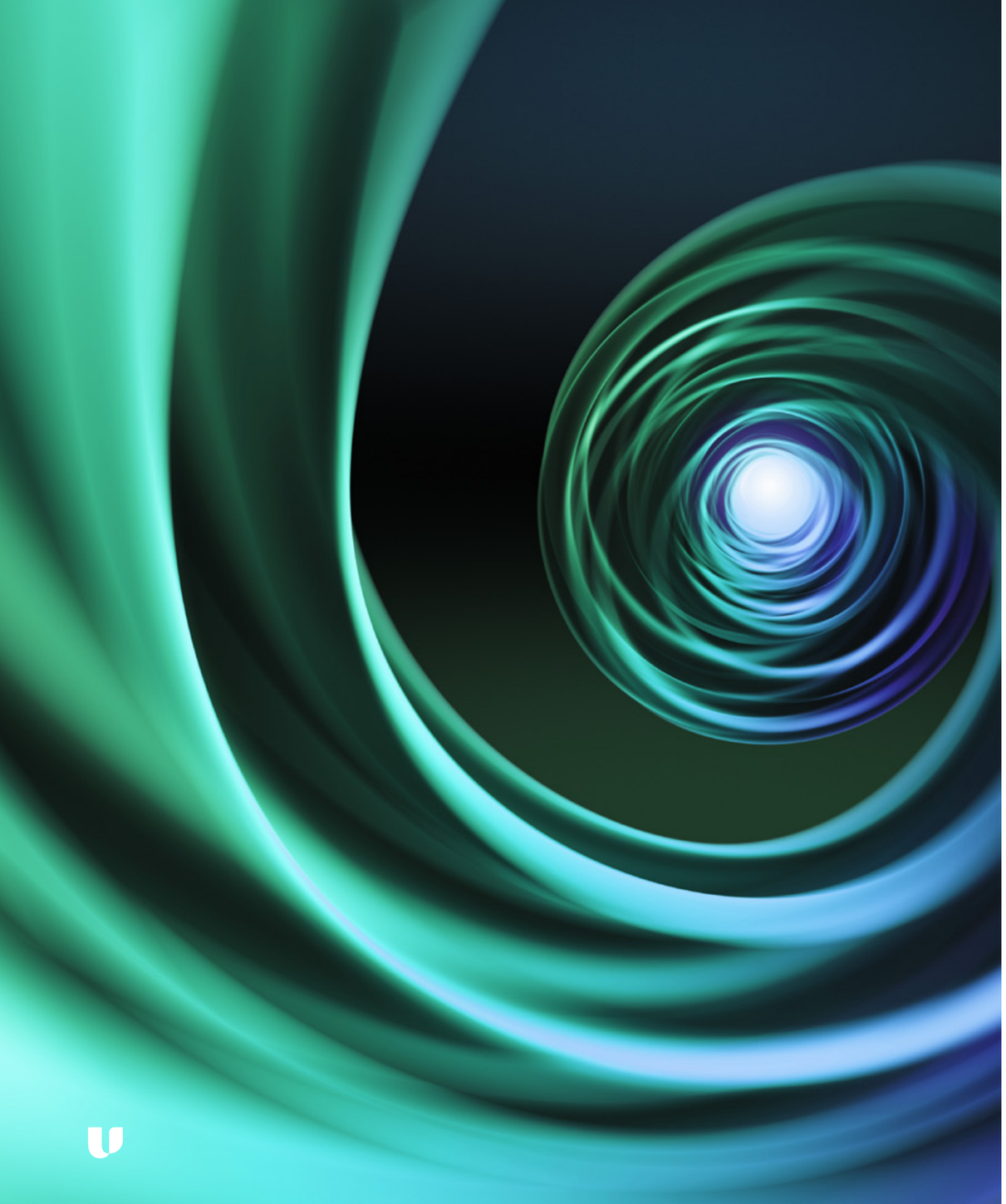
- Complex legacy environments slow time-to-market
- Technical debt accumulates, increasing operational costs
- Business units can't access the agility they need to compete
- IT teams are stretched maintaining outdated systems

The shift from cost center to value driver requires the right modernization approach — one that addresses infrastructure complexity while enabling the agility your business demands.

02

The framework: Show boards and executives what they care about most

With these questions answered, you can now translate technical modernization into the business outcomes your board and C-suite expect. This framework helps you speak their language: connecting infrastructure decisions to financial discipline, risk management, growth and competitive positioning.



Boards and executives prioritize business outcomes over technical specifications. Frame modernization around what matters most to them:

Financial discipline

Predictable ROI, cost optimization and treating IT as a profit center

Risk and resilience

Secure, compliant operations that reduce exposure

Growth enablement

Faster time-to-market, innovation readiness and future-proof infrastructure that scales with business evolution

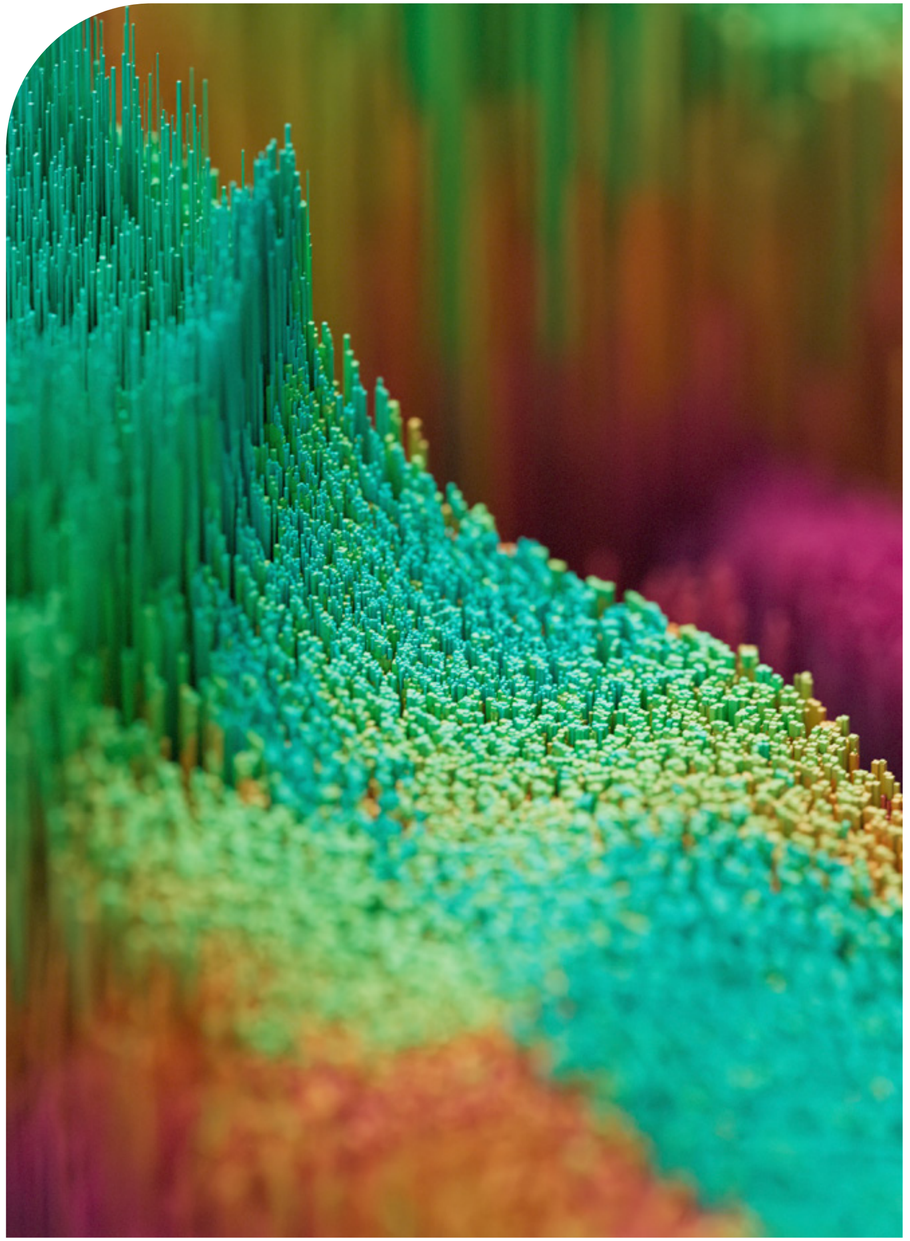
Competitive positioning

AI- and data-ready infrastructure to capture market advantage

Future-proofing isn't abstract. It's about building infrastructure flexibility that supports growth you can't fully predict today. Organizations that modernize strategically position themselves to adopt emerging technologies, enter new markets and scale operations without costly rearchitecture. This adaptability becomes a competitive advantage when market conditions shift.

TRANSLATING MODERNIZATION INTO BOARD AND C-SUITE LANGUAGE

Business priority	Modernization action	Business impact	How a partner like Unisys can help
Cost-efficiency	Reduce infrastructure complexity	Unlock budgets, lower OPEX, improve ROI	**Phased cloud migration factory approach**
Resilience and compliance	Adopt continuous modernization with embedded security	Reduce downtime, ensure audit readiness	**Secure containerization, governance frameworks**
Growth enablement	Begin agile application transformation	Improve time-to-market and customer experience	**AI-powered app portfolio rationalization (6R framework)**
Competitive positioning	Build an AI-ready cloud foundation	Enable AI capabilities, sustained market advantage	**Data workload modernization, scalable cloud architectures**



REAL RESULTS: WHAT VALUE ARE ENTERPRISES REALIZING WITH CLOUD AND APPLICATION MODERNIZATION?

These outcomes aren't theoretical. They're based on real transformations Unisys has delivered for organizations across industries. The following examples demonstrate how strategic modernization translates into measurable business value, from faster software delivery to improved scalability and operational efficiency.

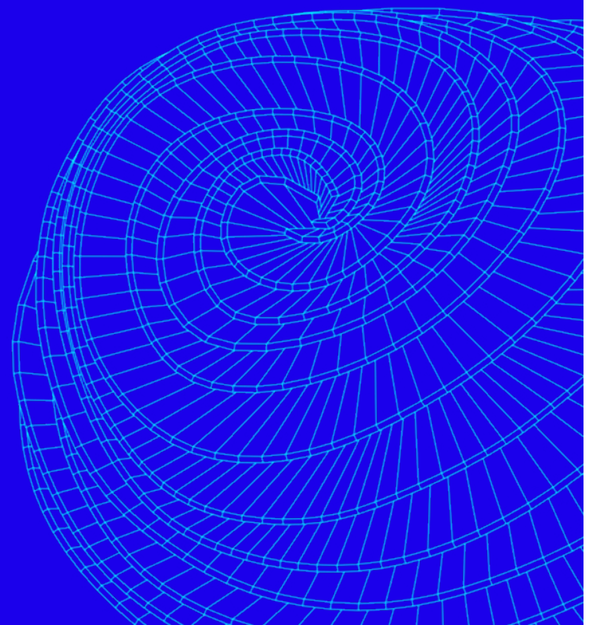
Outcome	Action	Link to the case study
Growth enablement: faster software delivery and analytics readiness	Migrated legacy workloads to a secure, cloud-ready environment	
Competitive positioning: accelerated public sector innovation	Modernized critical transport systems by implementing cloud-native infrastructure and improving data access	NZ TRANSPORT AGENCY WAKA KOTAHI
Growth enablement: enhanced scalability and user experience for millions of stakeholders	Deployed modern applications and automated services across hybrid cloud environments	EUIPO EUROPEAN UNION INTELLECTUAL PROPERTY OFFICE
Cost efficiency: streamlined supply chain management	Shifted to a flexible cloud platform that improves application uptime across production and retail networks	Benjamin Moore
Growth enablement: data-driven decision-making at scale	Adopted a unified, cloud-based platform to modernize administrative applications, supporting collaboration across campuses	CSU The California State University

03

The pathways: Modernization solutions

Discussing priorities is the first step. Next, you need to show how specific modernization approaches deliver the outcomes. These solution pathways provide concrete options, from targeted optimization to comprehensive transformation.

Modernization isn't one-size-fits-all. The right approach depends on your business objectives, risk tolerance and current state. Organizations can achieve success through targeted optimization programs that address specific challenges or comprehensive transformation initiatives that modernize across the portfolio.



CLOUD TRANSFORMATION

What it addresses: The challenge of optimizing application placement while maintaining business continuity, whether moving workloads to the cloud, adopting a hybrid approach or selectively returning some workloads to on-premises for strategic reasons.

Key capabilities

- Assessment of existing systems using advanced tooling and discovery techniques
- Customized migration strategies covering legacy modernization, pre- and post-deployment testing and hybrid/ on-premises integration where appropriate
- Design and build of target environments by certified architects
- Repeatable "migration factory" approach for efficiency and consistency
- Platform-agnostic methodology across AWS, Azure, Google Cloud Platform and on-premises environments

APPLICATION DEVELOPMENT AND TRANSFORMATION

What it addresses: The need to modernize applications to align technology with business objectives and remove barriers to innovation.

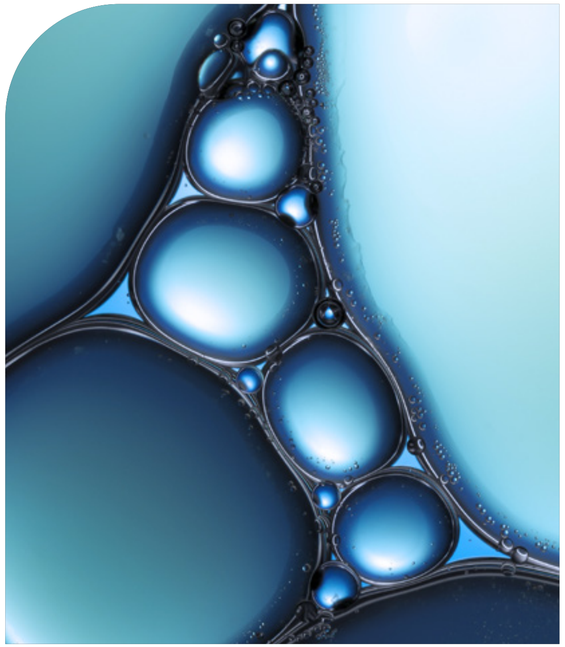
Key capabilities

- Business success planning sessions to determine the best approach for applications
- Application portfolio assessment using the 6R framework (rehost, replatform, refactor, rearchitect, retire, retain)
- Seamless migration while maintaining compatibility and data integrity
- Application modernization using the latest technologies, modern architectures and development practices
- Secure containerization for enhanced security and portability
- Digital transformation leadership advising on agentic AI and machine learning integration to accelerate transformation

04

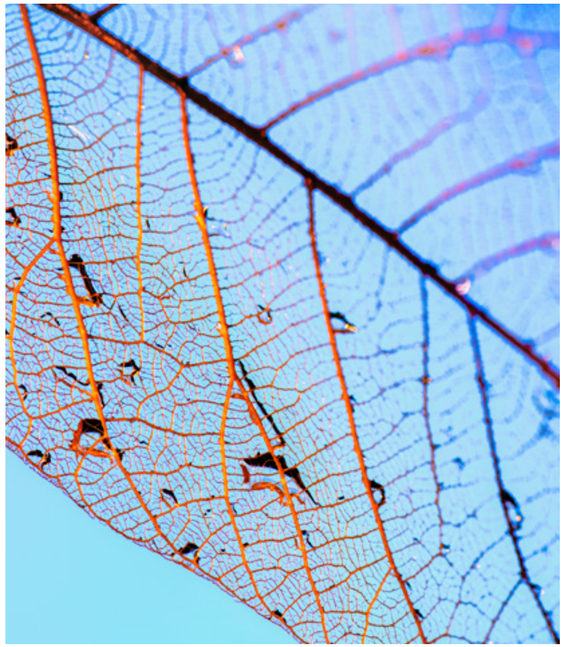
The ask: What IT leaders need from the board or C-suite

You've demonstrated the problem, quantified the opportunity and outlined the solution pathways. Now it's time to be clear about what you need to move forward.



Budget approval for modernization initiatives

Resources for cloud and application modernization with measurable milestones and clear ROI expectations



Endorsement for portfolio rationalization

Permission to retire or consolidate legacy applications that no longer serve business needs

Strategic integration beyond IT execution

Cross-functional collaboration and executive support for embedding modernization into business strategy

Investment in AI-ready infrastructure

Commitment to bridge the gap between AI ambition and readiness (the 73% who see value vs. 36% who feel ready to support large-scale data workloads) ↗

05

The payoff: What business outcomes boards and executives can expect

These business outcomes demonstrate how modernization translates into measurable value: reduced costs, accelerated time-to-market, improved ROI and competitive advantage.

CLOUD TRANSFORMATION FOR OPERATIONAL AND FINANCIAL BENEFITS

- Reduced infrastructure and IT staff costs while maintaining security and compliance
- Faster, more efficient application performance that supports business growth
- Seamless transition that brings products to market faster than competitors
- Scalable approach that reduces risk and aligns with business goals

Executive-level value

Addresses the ROI satisfaction gap by creating efficient, repeatable processes that deliver predictable results and optimize cloud spending.

APPLICATION DEVELOPMENT AND TRANSFORMATION FOR BUSINESS AGILITY AND INNOVATION

- Enhanced user experiences leading to higher customer satisfaction and loyalty
- Operational efficiency and cost savings through automation and resource optimization
- Faster time-to-market with expedited release cycles
- Increased innovation through rapid, secure development and deployment
- Security integrated into every application architecture layer

Executive-level value

Enables the shift from IT as a cost center to IT as a profit center. Modernized applications drive revenue growth, reduce technical debt and position the organization to capitalize on emerging technologies and market opportunities.

To sustain these cloud and application transformation benefits, many organizations pair modernization initiatives with managed services that provide continuous optimization and predictable performance.

06

The roadmap: Next steps for engaging with modernization partners and building your roadmap

Achieving these outcomes requires the right partner — one with proven expertise, global scale and a track record of success.

We've helped organizations worldwide close the gap between cloud investment and real business value. With cloud-certified staff in 110 countries and deep expertise in highly regulated industries, Unisys has the resources and experience to guide even the most complex modernization initiatives with:

Vendor-neutral guidance

Unbiased recommendations that prioritize your business goals over platform preferences. Our certified architects have expertise across AWS, Azure and Google Cloud Platform.

Proven methodologies

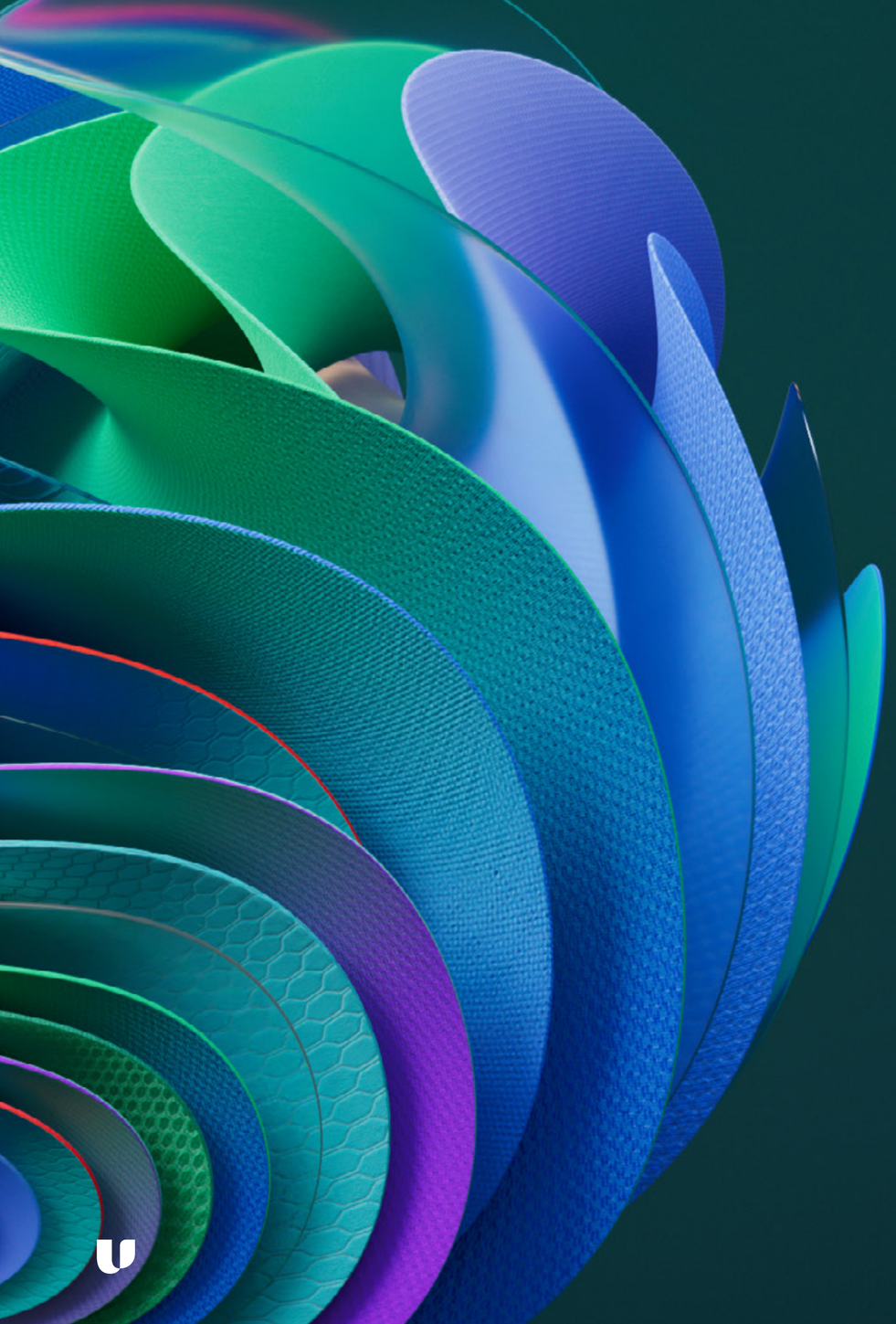
Repeatable processes, established frameworks and proven accelerators that reduce risk and deliver predictable results. Security and compliance are embedded in every engagement.

Solutions tailored to your priorities

Whether you need comprehensive cloud transformation, application modernization or targeted optimization programs, we design solutions that align with your board's priorities and your organization's timeline, budget and risk tolerance.

TAKE ACTION NOW

The gap between cloud investment and value realization won't close on its own. Organizations that act strategically — addressing infrastructure complexity, modernizing applications and building AI-ready foundations — will capture competitive advantage while others struggle with unrealized potential.



Ready to make your case?

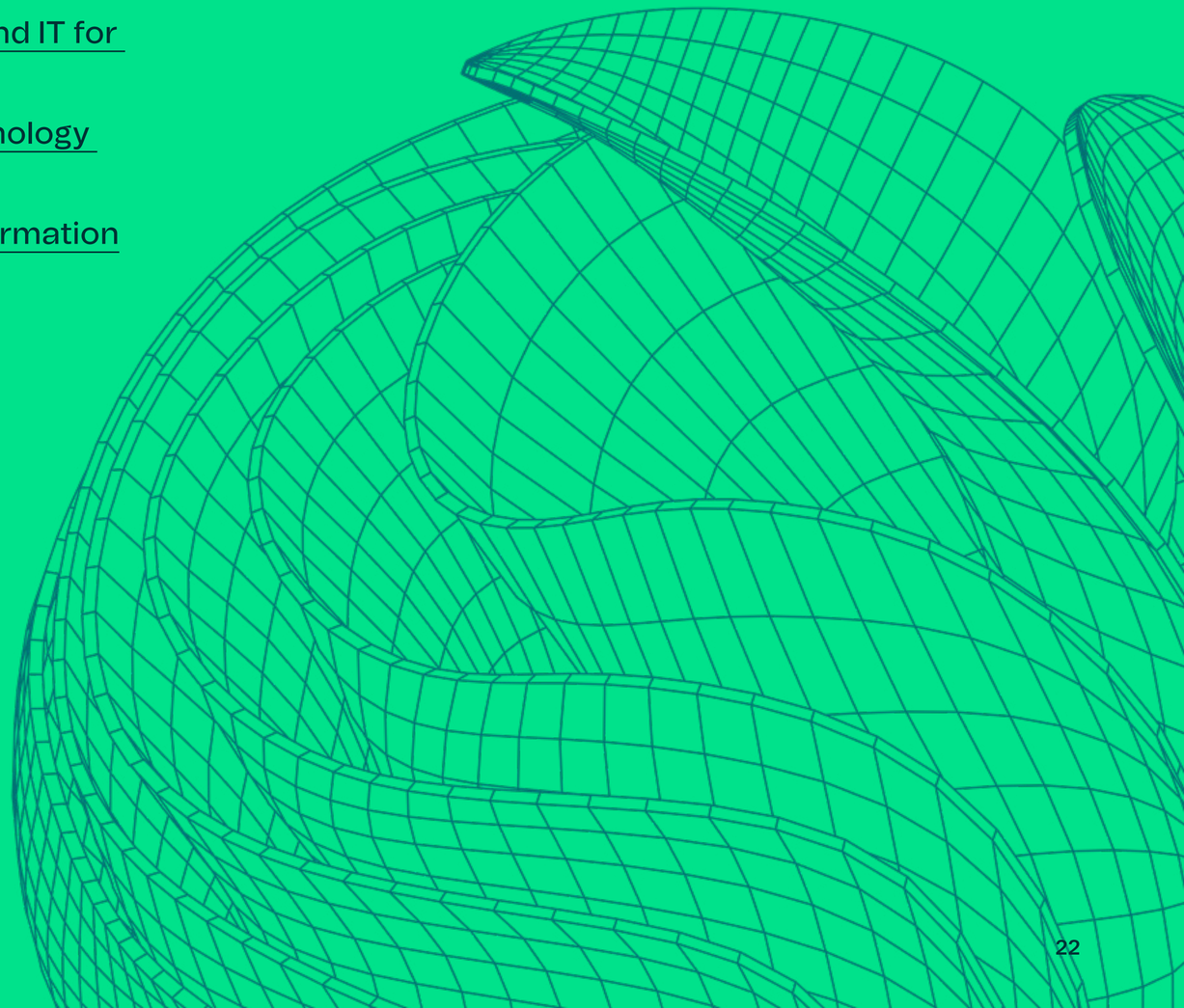
Visit Unisys.com to find out more or schedule an assessment of your current environment.

We'll help you:

- Identify your highest-priority modernization opportunities
- Understand the business case aligned to your board and C-suite's concerns
- Develop a roadmap that delivers measurable value at every phase

Appendix

- Unisys Cloud Insights 2025: From Complexity to Clarity: Modernizing Cloud and IT for What Comes Next – Cloud Insights Report 2025
- Everest Group point of view: Differentiate and disrupt: How continuous technology modernization fuels competitive advantage
- Solution briefs: Cloud Transformation, Application Development and Transformation



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