



Dave Kieffer, Vice President,
Research and Analysis

Will moving to the cloud save my institution money?

My initial answer is “don’t count on it.” Software companies often talk about moving to the cloud as a money-saving venture. We’ve observed that most institutions pay the same, or even a little more, but enjoy greater capabilities and benefits.

We advise institutions to think about what they will be able to offer after moving to the cloud, rather than what it will cost them, especially from an IT perspective. Technology leaders can think about costs in these two buckets:

1 What is it going to cost me to run this system?

- Costs are easy to understand in legacy and cloud environments.
- New software will most likely carry the same costs as what you are currently running—all costs included.

2 How can a cloud system help me reduce cost in the business function that it serves?

Business costs are more difficult to capture and compare because they take longer to actualize. Over time, leaders will find efficiencies in individual business units, creating opportunities to save money. It is important to understand that these savings will not happen on day one.