Reimagining Cloud ROI

Idea In Short

Cloud ROI in financial markets is moving from pure cost savings to strategic value creation, focusing on agility, scalability, innovation, and revenue impact. Firms now assess ROI by their ability to use cloud resources for rapid experimentation, on-demand scaling, and trusted data for AI initiatives. Hybrid models and advanced analytics are crucial for optimizing performance and empowering both technical and business teams to leverage data for true competitive advantage.

Today, it's a whole new ball game in the world of cloud adoption for financial markets. We've moved past the old debates about capital expenses versus operational expenses. These days, the cloud isn't just an option; it's the standard. But this shift brings a new, more complex set of challenges. The question is no longer "why" adopt the cloud, but "how" to use it to its full potential. We're now focused on getting the performance the front office needs, measuring a return on investment that goes way beyond just cutting costs and building a real competitive edge. The next phase of the cloud journey is less about infrastructure and more about empowering financial firms to innovate with data on a massive scale and on their own terms.

The Performance Puzzle

If you work with trading technology, it's no surprise that performance remains a major hurdle. Lagging systems and scalability issues are still top concerns for intra-day data and real-time data faces similar challenges. While the cloud has proven its worth for analyzing historical data, achieving the consistent, low-latency performance needed for real-time trading is still the final frontier.

It's crucial to understand that different data types have different needs. For example, real-time streaming data requires extremely fast and consistent performance, which is tough to achieve in the public cloud. Think of it like a Formula 1 race car needing a perfectly smooth

track to hit top speeds. In contrast, for static datasets like reference data or tick history, the cloud's ability to provide massive scale and on-demand availability is a well-established success story. This is more like using a vast, organized library to look up information.

The good news is that the gap is shrinking. Both cloud providers and data providers are working hard to engineer solutions. Their strategy is two-fold: first, they're physically moving resources closer to end-users to cut down on latency and second, they're optimizing technology for cloud-native environments. Using formats like Apache Parquet and Iceberg is key to making this happen. These formats help firms handle large, dynamic datasets with greater efficiency.

Empowerment, Not Efficiency: The New ROI

A major strategic shift is happening in how firms measure success. The top indicators for return on investment [ROI] are no longer about saving money. Instead, firms are prioritizing flexible capacity and scalability, along with revenue growth.

This is a powerful change, moving from a defensive, cost-cutting mindset to an offensive, value-creating one. As a client stakeholder once put it during one of our data strategy engagements on what he implied by data quality and accessibility:

> Just give me everything, how I want it, when I want it

This definition stuck with me, which I feel, should be the new definition of ROI.

It's the freedom to experiment, to scale and to access huge datasets without the traditional headaches of buying and setting up new hardware. Imagine having a gigantic warehouse of information at your fingertips and you only pay for the specific things you take off the shelf. That's the power of the pay-per-use model. It lets you explore vast datasets and innovate without a huge upfront investment, which is a significant competitive advantage.

With this massive scale on demand, firms can go beyond just using the same old data, but more cheaply. They can now generate entirely new insights from a much larger pool of information.

From Consumers to Creators

This strong demand for more control is reflected in a key technological trend: the shift from Software as a Service [SaaS] to Platform as a Service [PaaS]. This means firms are no longer content with just using off-the-shelf applications; they're increasingly focused on building their own proprietary solutions.

Think of it this way. The old SaaS model was like ordering a meal from a fixed menu. The more recent "all-you-can-eat" approach offered bulk access. But the current evolution, thanks to cloud platforms, is the essence of the PaaS model. It's like having a fully equipped, high-tech kitchen . We provide the high-quality ingredients—the data—and the best appliances—the cloud tools. The firms can then write their own queries and create their own unique recipes, generating valuable intellectual property that gives them a competitive edge.

Trusted Data: The AI Engine Fuel

One of the main drivers for this new wave of cloud-native development is Artificial Intelligence. A recent report found that nearly all firms (91%) are either already using or plan to use cloud services to build their AI and machine learning capabilities. But as the old saying goes:

> garbage in, garbage out

This puts a huge focus on the data itself. Clients need more content to fuel their AI initiatives—deeper history, greater diversity and cleaner data. Most importantly, they need data they can absolutely trust. This trust is so critical that data providers are even using AI internally to improve their own data quality.

The cloud makes it possible to deliver the massive, petabyte-scale historical datasets needed to train effective AI models. But, scale alone isn't enough. The data must be clean, reliable and trustworthy. This combination of trusted data and scalable cloud compute is the foundation for the industry's AI ambitions.

Ultimately, the technical and financial obstacles to cloud adoption have largely been overcome. The new challenge is a strategic one. The opportunity is to take the age-old

framework of:

> better, faster, cheaper

and elevate it. It's no longer just about being on the cloud, but about how effectively and creatively you use the data and tools within it to out-think the market and gain a competitive edge.

Summary

Financial institutions increasingly measure cloud ROI by business outcomes: enhanced resilience, revenue growth, and speed of innovation, rather than only IT expense reduction. New frameworks track metrics like time-to-market, customer engagement, share of wallet, and the strategic enablement of AI—not just infrastructure costs—reflecting a fundamental shift toward cloud-powered, market-driven decision-making.