Broadcom's Private Cloud Outlook 2025 Report Reveals Definitive Cloud Reset

May 29, 2025

- *Private cloud now rated as a strategic equal to public cloud, driven by cost predictability, GenAI requirements, and trust in delivering on security and compliance needs*
- *53% surveyed say private cloud is their top priority for deploying new workloads over the next three years*
- *84% use private cloud for both traditional enterprise apps and modern, cloud-native workloads*

PALO ALTO, Calif., May 29, 2025 (GLOBE NEWSWIRE) -- Private clouds are no longer playing catch-up, and public clouds are no longer the default as organizations recalibrate their cloud strategies. This "cloud reset" was the key takeaway from the *Private Cloud Outlook 2025* report, an in-depth global survey of 1,800 senior IT leaders conducted by Illuminas, in partnership with Broadcom Inc. (NASDAQ: AVGO). More than half (53%) of survey respondents say private cloud is their top priority for deploying new workloads over the next three years, while 69% are considering workload repatriation from public to private cloud, with one-third having already done so. Private cloud is also now a strategic equal for AI and cloud-native apps, with 66% preferring to run container and Kubernetes-based applications on private cloud or a mix of public and private, while 55% prefer private cloud for AI model training, tuning and inference.

"This report makes it clear: private cloud is a strategic platform for IT modernization," said Prashanth Shenoy, vice president of product marketing, VMware Cloud Foundation Division (VCF) at Broadcom. "Customers are intentionally architecting for flexibility, placing workloads in environments that offer the best balance of performance, control, and cost efficiency. The cloud reset presents an opportunity to create a more effective, secure and cost-efficient IT environment. Organizations that strategically adopt a modern private cloud can better support secure GenAI innovation, improve fiscal visibility, and accelerate workload repatriation."

Security, GenAI, and Cost Predictability Accelerate the Shift to Private Cloud
As IT leaders modernize their infrastructure, they are increasingly turning to private cloud to meet a range of critical needs, from securing sensitive data to managing unpredictable GenAI workloads to improving financial visibility.

Security and compliance

- 92% trust private cloud for security and compliance needs.
- 66% are "very" or "extremely" concerned about public cloud compliance, and security is cited as the leading driver for workload repatriation from public cloud.

Generative AI requirements

- Data privacy and security concerns (49%) top the list of GenAI adoption challenges.
- Organizations are choosing private cloud environments for AI workloads at nearly the same rate as public cloud (55% vs. 56%).

Cost predictability and reduction

- 90% value private cloud's financial visibility and predictability.
- 94% report at least some level of waste on public cloud spend.
- 49% believe more than 25% of their public cloud spend is wasted, creating significant optimization opportunities.

Accelerating the Private Cloud Momentum
Real-world public cloud experiences, the rapid rise of GenAI workloads, and increasing demands for security, compliance, and cost predictability are driving this strategic cloud realignment. To fully capitalize on private cloud advantages, organizations must address two key challenges: overcoming siloed IT teams and a perpetuating skills gap. Respondents identified siloed IT teams present the greatest challenge to private cloud adoption (33%), and 30% cite a lack of in-house skills/expertise as a barrier to private cloud adoption. Organizations that transition from technology silos to platform teams can focus on upskilling staff to permanently close the skills gap and reduce reliance on professional services. The report found that 81% are now structuring their technical organizations around a platform team rather than technology silos.

View the full survey and learn about additional report findings here.

Survey Methodology and Definitions
The *Private Cloud Outlook 2025* is based on a global survey conducted by market research firm Illuminas on behalf of Broadcom. The survey was fielded from March 6 to April 4, 2025, and included 1,800 senior IT decision-makers across small, medium-sized, and large enterprises in North America, Europe, and Asia Pacific. Respondents represented sectors such as financial services, government, healthcare, insurance, and pharmaceuticals. The study presented the following descriptions of cloud for reference to participants, aligned with Broadcom's definitions as well as with NIST standards:

- Cloud computing is a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly

provisioned and released with minimal management effort or service provider interaction.

- Private cloud is a dedicated cloud infrastructure provisioned for the exclusive use of a single organization. This infrastructure may be managed by the organization itself or by a third party and can be located on-premises or at a co-location facility.
- Public cloud is shared cloud infrastructure run by a third-party service provider. It is accessible to anyone, including the general public, and, for the purposes of this survey, does not include SaaS such as Microsoft 365, Workday, or ServiceNow.

About Broadcom

Broadcom Inc. (NASDAQ: AVGO) is a global technology leader that designs, develops, and supplies a broad range of semiconductor, enterprise software and security solutions. Broadcom's category-leading product portfolio serves critical markets including cloud, data center, networking, broadband, wireless, storage, industrial, and enterprise software. Our solutions include service provider and enterprise networking and storage, mobile device and broadband connectivity, mainframe, cybersecurity, and private and hybrid cloud infrastructure. Broadcom is a Delaware corporation headquartered in Palo Alto, CA. For more information, go to www.broadcom.com.

Broadcom, the pulse logo, and Connecting Everything are among the trademarks of Broadcom. The term "Broadcom" refers to Broadcom Inc., and/or its subsidiaries. Other trademarks are the property of their respective owners.

Media Contact:

Roger T. Fortier
VCF Communications, Broadcom Inc.
roger.fortier@broadcom.com
+1.408.348.1569

Source: Broadcom Inc.