

## Managing The Cloud's Unexpected Costs

Written by Marco Attard  
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As the IT services market inevitably heads towards the cloud services revolution CIOs must take steps to manage its risks and unexpected costs, Gartner warns.



The analyst says the market will determine whether cloud-based outsourcing will either kill off traditional outsourcing, lead to "as a service" products' convergence or result in outsourcing's next generation.

Cloud computing is driving discontinuity-- resulting in both exciting opportunities and costly challenges. This calls for realistic cloud sourcing strategy development and contracts reducing such risks.

Gartner says organisations need to understand the cloud's short- and long-term implications on both the demand and supply side and the life cycle's sourcing. The life cycle itself includes x4 elements-- sourcing strategy, vendor selection, contracting and management/governance.

The analyst forecasts 53% of organisations' IT services budgets will go for external services, spendings that will grow by 36.9% per year. Meanwhile new service categories see double-digit growth.

Go [Gartner Says CIOs Must Take Steps to Manage Cloud Sourcing Risks](#)

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