

G-Cloud 15

Cost Reduction to Support Cloud
Lot 3: Cloud Support Services

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1 BCG'S CLOUD SERVICES

We understand the complexity of adopting cloud-enabled AI services.

Cloud services are essential to every modern private and public sector organisation: they support public service delivery, enable collaboration and productivity, and allow organisations to adapt, scale and transform their operations orders of magnitude faster than traditional “on premise” infrastructure. These well-understood benefits mean that transition to the cloud is far from a new phenomenon, and most organisations now have experience of using software, platforms or infrastructure as a service. That said, public sector organisations can do much more to unlock the full value of the cloud. We typically see four main challenges holding back organisations from releasing this value:

Common challenges in adopting cloud services and how we help address them

Challenge	How we can help
 Overcoming preconceptions “The Public Cloud is insecure”... “Traditional technology vendors are not innovative”... “Moving to the cloud always has a good business case”...	Our extensive experience in Cloud Transformation means we understand where constraints and opportunities truly are, and how to design projects to address them.
 Analysing a highly complex start point Aggregation of data across vendors/ systems is difficult, and analytics for each supplier are often unique. Not to mention that businesses often do not have a clear picture of their application landscape and estimating the potential of a cloud project is difficult.	We use our proprietary tools to diagnose readiness, including the use of our code-scanning SaaS CAST software to identify risks, costs and cloud readiness of the application estate.
 Designing a future organisation Cloud breaks new ground across an organisation; CapEx moving to OpEx, new technical, operational and vendor management processes, new security...	We have worked extensively with organisations to design business and IT functions that support cloud ways of working.
 Planning a seamless transition Often, end-state architecture and application migration plans are not defined.	Our experienced architects in BCG X can support you in producing a realistic and ambitious target state that recognises the reality of needing to “keep the lights on” during transition.

We have a suite of best-in-class services designed to address these challenges.

Our work encompasses the full range of cloud advisory and support services, across the full lifecycle of a cloud project. Each service can operate as a standalone project, can be combined with other services, or be modified to meet your specific requirements.

 STRATEGY Diagnose (true) problem(s) Understand the opportunity and value Set the ambition and defined roadmap	 SOURCING Explore market Set up procurement for success Select partners	 TOM and ORG Set baseline Design TOM and Org Set the implementation plan and support delivery	 IMPLEMENTATION Design target state architecture Outline detailed implementation plan Support delivery	 AI STRATEGY & ENABLEMENT Prioritise use-cases Define strategy, governance and roadmap Build readiness & capability	 E2E SERVICE TRx Baseline and diagnose current services Redesign journeys to improve usability / impact Prototype and scale solutions Scale digital delivery across services Reform systems and capability Embed agile governance and performance models
 CYBER Assess cyber culture, awareness, risk, maturity and resilience Set the ambition and define roadmap	 ANALYTICS Identify and prioritise use cases Deliver proof of concept Scale up highest value use cases on Cloud	 DE-RISKING Diagnose issues Plan resolution roadmap Provide ongoing QA support to high value projects	 COST REDUCTION Assess IT complexity and digital readiness Design and deliver cost reduction initiatives	 ERP TRx Business and IT design authority Benefits delivery PMO and programme governance	

Service	Your situation	Illustrative outputs
 Strategy for Cloud-based transformation	You are considering how to approach your cloud project, how to secure investment, what the benefits will be, how long the project will take, and what the high-level target state will look like.	• Technology baseline • Business case • Target state definition • High level TOM • Initial sourcing strategy • Implementation plan
 Sourcing and procurement advisory for Cloud	You are considering who within the market can provide your desired cloud services, how to approach them, and how to extract the best possible value from a procurement.	• Sourcing strategy • Preparation of RfP • Vendor evaluation & selection • Contract terms & structure • Contract negotiations
 TOM & org design for Cloud	You are considering how your organisation will need to change to support a new cloud service or services.	• Op model & org baseline • TOM design • Gap assessment • Implementation plan
 Cloud implementation planning	You are considering how to execute a cloud project, whether that be migration of existing apps, implementation of a new service, or improving the functionality of an existing service.	• Business case • Architecture target state • Implementation plan • Execution support

 Cyber security	You want to review the security of your cloud services and organisation, want to build your cyber capabilities or standards, or build a roadmap to improved cyber security.	• Immersive cyber-attack simulation • Cyber culture, awareness, maturity & resilience assessment • Quantified cyber risk • Cyber improvement roadmap
 Analytics on the Cloud	You are considering where advanced analytics or AI can be applied to drive value, want to build a proof of concept, and / or are considering how these use cases can be scaled using the cloud.	• List of potential AI and advanced analytics use cases, with estimate of value • Proof of concept delivery • Architecture target state • Implementation plan • Execution support
 De-risking a Cloud project	Your cloud project is failing and you want to design specific interventions to bring it back on track; you want to ensure that a new project is set up for success; or you want to supplement your teams' expertise with an independent expert advisory function to ensure a project stays on track.	• Embedded BCG "activist PMO" in large projects • Embedded BCG QA function for medium projects • Light BCG QA function for medium projects with specific expertise needs • Project health check and remediation plans
 Cost reduction to support Cloud services	You are looking to reduce costs in your IT organisation to support a transition to cloud services.	• IT complexity and digital readiness assessment • Cost and risk driver report • Cost reduction initiative design and delivery
 E2E Service Transformation	You would like to either build or improve a internal or customer service running on the cloud. You want to run a discovery on either the key requirements for that service or the key issues in an existing service, and rapidly design and build the new or transformed service.	• Service baseline • End-to-end service redesign • Rapid prototyping • Scaled AI and Software solutions • Reforms to systems and capabilities
 ERP Transformation	You are embarking on, or delivering an ERP transformation, and want to improve control over benefits delivery, transparency over performance and programme decisions, and simplify and accelerate delivery.	• Business and IT design authority • Simplified DDP architecture • Readiness measures and resource demand visibility • Substantiating value



AI Strategy and Enablement Support

You are exploring how to apply Artificial Intelligence and Generative AI to improve services, operations, or policymaking.

You want to identify practical, high-impact use cases, define a responsible AI strategy, and plan the roadmap for cloud-based scaling — including governance, skills, and data readiness.

- Prioritised AI/GenAI use cases aligned to value
- Responsible strategy and governance model
- Operating model, risk and policy guardrails
- Capability uplift and change roadmap
- Implementation and sourcing planning

2 WHAT IS OUR COST REDUCTION TO SUPPORT CLOUD SERVICE?

The primary advantages of moving to the cloud are improved service delivery, whether that be through increased speed and agility (e.g. provisioning times), or higher performance (e.g. faster infrastructure refresh cycles). Another important factor is of course cost reduction, and in our experience, a reduction of between 15% to 40% of IT operating costs is achievable through moving services from on-premise to cloud infrastructure.

This cost reduction must be assessed in the context of a wider programme of IT cost reduction opportunities. Our Cost Reduction to Support Cloud service uses our “Simplify IT” framework and associated tools to identify complexity and opportunities for cost reduction.

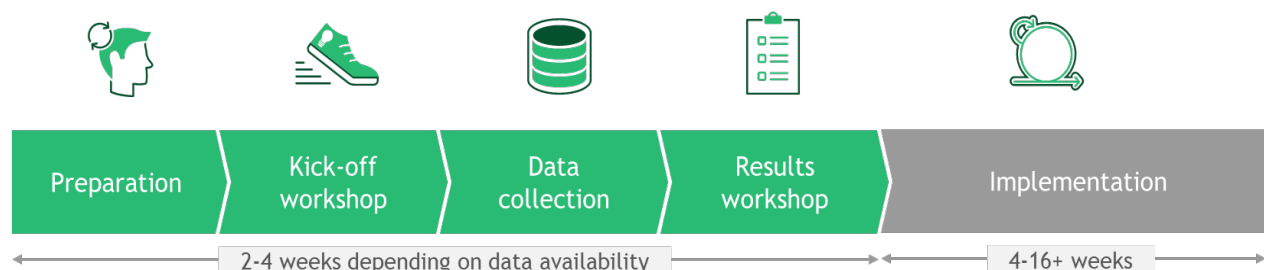
Typical outcomes include:

	Intelligent demand management	• Business-IT interaction quality ↑ • IT business demand 10-15% ↓ • IT costs 4-8% ↓
	Application and data simplification	• Adaptability to changing requirements ↑ • Maintenance and change efforts ↓ • IT costs 15-20% ↓
	Infrastructure technology-pat reduction	• Scalability to fluctuating demand ↑ • Maintenance and change efforts ↓ • IT costs 5-15% ↓
	Simplified IT organisation and an enabled IT workforce	• Skill bottlenecks and quality gaps ↓ • Decision-making speed ↑ • Management overhead 20-30% ↓
	Effective governance and simplified processes	• Agility in development ↑ • Time-to-release 20-60% ↓ • Delivery staff requirements 20-40% ↓
	Shared-services model and optimised sourcing	• Resource flexibility and utilization ↑ • Supplier collaboration quality ↑ • IT costs 10-30% ↓

In a very short amount of time (two-four weeks depending on data availability and scope), we apply our proprietary tools, methods and databases to rapidly assess the potential for cost reduction based on the complexity of your existing estate. We then use the results of this rapid assessment to design and support you in implementing a cost reduction programme.

3 WHAT IS OUR APPROACH?

For cost reduction initiatives we follow a two phased approach. We first conduct a rapid two-four week assessment to identify the highest priority opportunities, and then follow this up with an implementation phase where we help you execute the agreed initiatives.



Phase 1: Rapid Assessment

2-4 weeks



Preparation

Discussion and agreement with CIO to conduct Quick Assessment and provisioning of questionnaire to understand scope of analysis.



Kick-off workshop

Kick-off workshop with CIO and potentially IT executive team to explain approach, walk-through questionnaire, answer questions and identify key contacts for interaction.



Data collection

Completion of questionnaire through CIO/IT management, (IT) controlling and key business stakeholders (for business view section).



Results workshop

Provisioning of analysis and result document by BCG team. Final workshop, typically with CIO (and IT executive team) and BCG team to discuss findings.

Phase 2: Implementation

4-16+ weeks



Initiatives implementation

We use agile methodology to deliver identified and agreed cost reduction initiatives. Duration could vary based on the size and complexity of the programme and number of initiatives.

4 WHERE HAVE WE DELIVERED VALUE ELSEWHERE?

BCG have delivered over 30 projects in the last 3 years helping clients with **Cost Reduction to Support Cloud**. A selection of projects from our work follows:

Client context and summary: This loss-making client needed a full turn-around plan, which included an objective to reduce their IT cost base by ~30%. BCG provided an outside-in perspective on opportunity potential, a redesigned IT operating model and the strategy for the future application landscape (including cloud readiness assessment per application).



- Built cost saving roadmap that cuts IT costs by ~50%
- Reduced IT headcount by ~30%
- Newly defined target operating model for IT, including new in/outsourced model

Client context and summary: The Client is a global automotive company which operates a data and analytics platform that ingests and processes data from various source systems and makes it available for 5000+ individual users. While scaling the platform, cost have grown exponentially.



- Over 50 measures identified to significantly drive down infrastructure cost of the cloud digital and analytics platform by 25-40%.
- Dashboard for cost monitoring with drilldown functionality up to costs per operation developed.

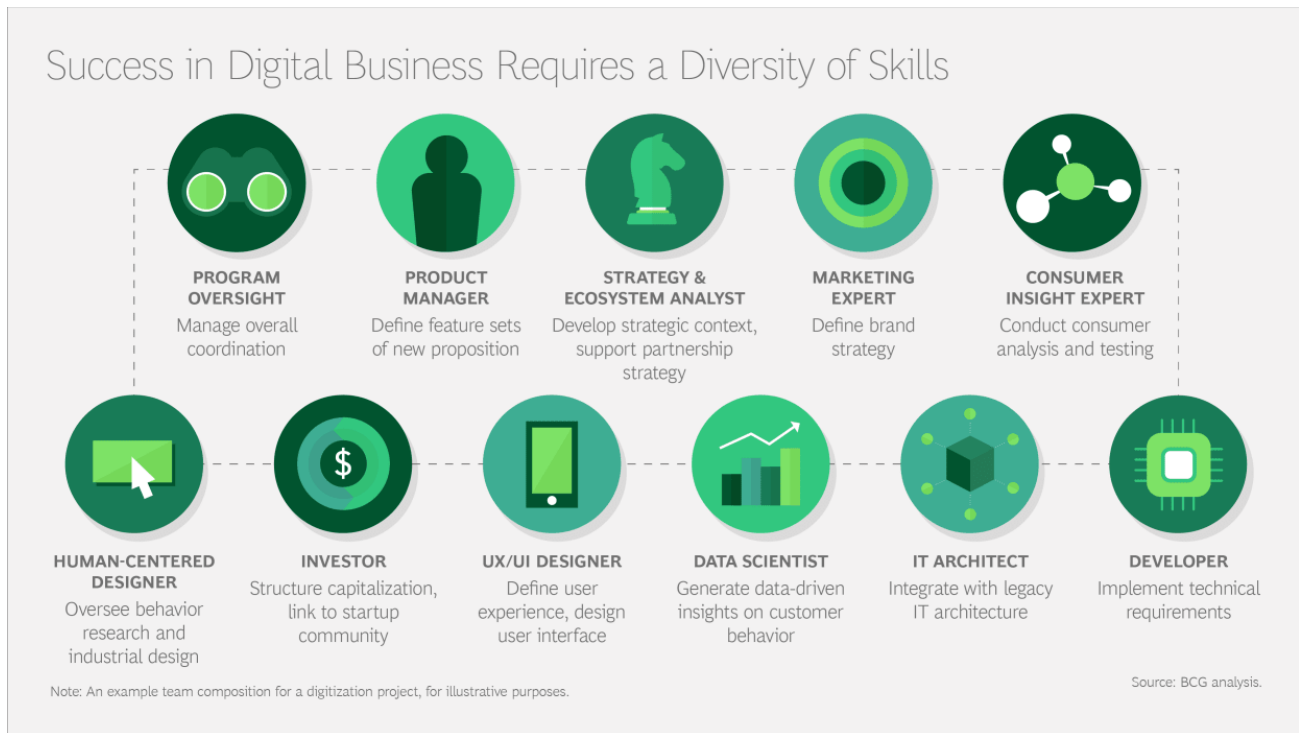
Client context and summary: The client was fully engaged in their cloud migration for several key IT systems. BCG were tasked with supporting cost reduction challenges - running 130% over budget.



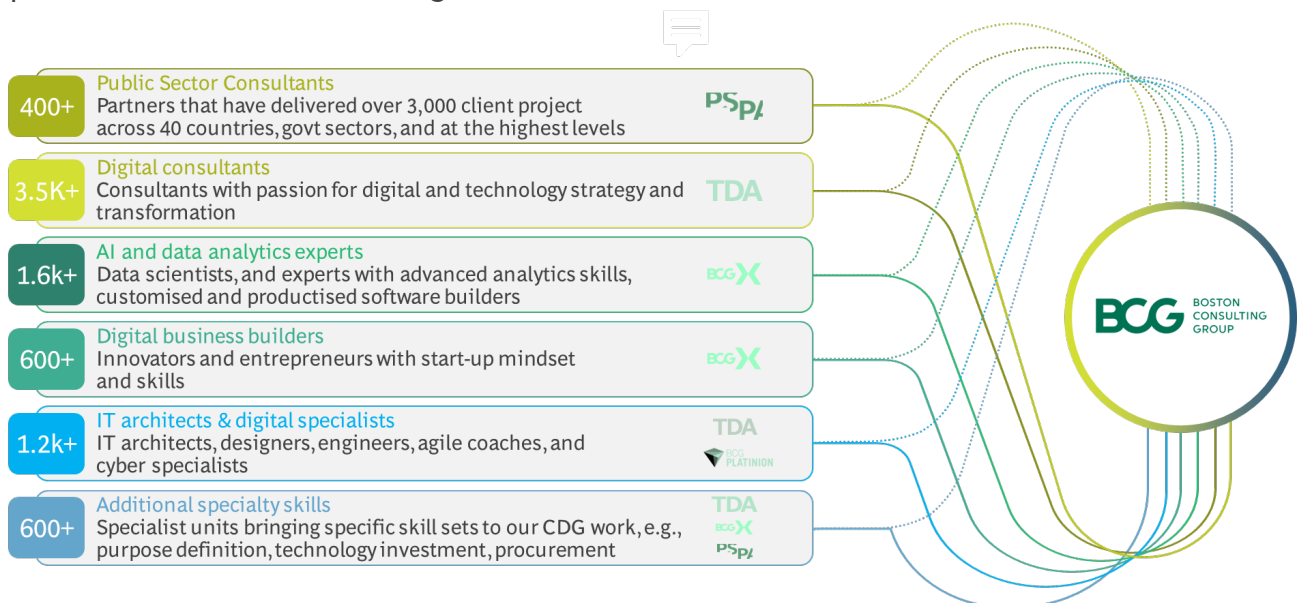
- Short term gains of 10-15%, reducing the baseline from 130% to 111-117%.
- Long term gains of 15-25%, resulting in reducing the baseline to 83-95%.
- Structurally improving org culture and governance

5 WHY BCG?

Digital and AI technologies are transforming every aspect of business, and no turnkey solution will equip you to keep pace. BCG engagements are designed to deliver immediate value, while also building the capabilities, processes, and mind-sets necessary to sustain your digital transformation. Governments and public sector agencies that are succeeding in the digital world are those who embrace digital diversity: diverse perspectives, skills and capabilities.



BCG reflect this diversity, combining digital-savvy consultants with a full spectrum of digital specialists from our dedicated digital subsidiaries.



BCG has offices in more than 100 cities in over 50 countries and has more than 30,000 employees, 1,500 partners, and 23,000 alumni. BCG combine this strategic heritage with cutting-edge capabilities in data science, digital business building, and deep expertise in IT.

We are externally recognised for our leadership and capabilities

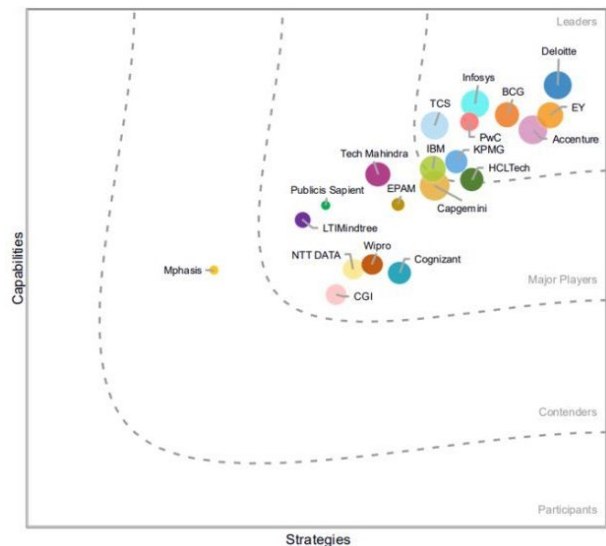
In the second half of 2025, Boston Consulting Group (BCG) was recognized as a Leader in several key analyst reports:

- IDC MarketScape: Worldwide Artificial Intelligence Services 2025 Vendor Assessment
- IDC MarketScape: Worldwide Digital Business Strategy Consulting Services 2025 Vendor Assessment
- IDC MarketScape: Worldwide Experience Design Services 2025 Vendor Assessment
- The Forrester Wave™: Digital Transformation Services, Q3 2025.

BCG ranked as LEADERS by THE FORRESTER WAVE™: Digital Transformation Services Q3 2025



BCG ranked as LEADERS by IDC MARKETSCAPE: AI Services 2025



We have delivered 150+ AI and digital government cases in the past 5 years, spanning all sectors and regions of the world. We are a global thought leader, and in the past two years alone, have published >100 pieces of research and articles related to cloud, AI and digital transformation:

- [A Roadmap to Sustainable Cloud Optimization | BCG X](#)
- [How Four Companies Use AI for Cost Transformation | BCG](#)
- [Cloud Transformation Without the Risk | BCG](#)
- [Cloud Cover: Price, Sovereignty Demands, and Waste | BCG](#)
- [Keeping Government Digitization on-Time & on-Budget | BCG](#)

Finally, our team are supported by a vast ecosystem of partners and proprietary tools. Both ensure that we bring the very best to your cloud project and capitalise on our global experience.

6 HOW TO CONTACT US

Through executing a project with BCG, you are gaining access to the world leading strategy consultancy's resources, expertise and thought leaders. We always ensure we are bringing the "best of BCG" on our projects and teams, whether through inclusion of international experts in their field, delivery partners, or our extensive Senior Advisor network.

Contact us to find out how we can help you overcome your AI, digital and cloud challenges. For the quickest response, please direct queries to PublicSectorUK@bcg.com. For any other queries about our UK public sector and cloud services:



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