CLOUDFLARE

POSITION PAPER

Accelerating digital investments by resolving IT complexity

How a connectivity cloud can resolve common blockers and increase digital time-to-value

Why do so many digital investments fail?

It goes without saying that most enterprises are investing heavily in a variety of digital projects. AI and cybersecurity are the two most common beneficiaries, each earning average budget boosts of more than 30% in 2025 according to Gartner. Other popular focus areas include modernizing applications, improving application performance, improving the resilience of apps and data, and making other technical improvements to ensure compliance with various regulations.

Successful investments have wide-ranging benefits — better customer experiences, reduced risk of breaches and outages, less exposure to compliance issues, and the ability to accomplish all of that with less time, people, and money.

So why are so many of those investments unlikely to bear fruit?

Key Takeaways

- 70% of digital investments are late, over- budget, and/or out of scope
- IT complexity is the cause of much digital failure
- A connectivity cloud can help resolve complexity and increase digital time-to-value

Digital failure is a widespread issue. The Boston Consulting Group found that 70% of technology projects are late, over budget, and/or do not deliver on their original scope. More specifically, McKinsey found that 75% of cloud migrations run over budget. And on the AI front, Gartner predicts that at least 30% of generative AI projects alone will be abandoned by the end of 2025.

Digital projects can fail for a variety of unique logistical reasons. Misaligned people and processes are both common culprits — as are shifting priorities, unrealistic goals, and budget reductions.

Yet our experience talking with enterprise technology leaders reveals an increasingly common technical reason for digital failure. Resolving it can't happen overnight. But as organizations take steps in the right direction, they empower themselves to weather the aforementioned challenges — and launch digital projects into the market with greater speed and reduced cost.

How IT complexity holds back digital investments

IT complexity describes a situation in which the services used to connect, protect, and build an organization's digital environment become too numerous and hard to manage. It may manifest differently in different contexts — here are three common examples:

1. **Legacy network complexity:** To accommodate shifts to hybrid work and the cloud, an organization decentralizes security and networking services — VPNs, firewalls, load balancers, cloud gateways, and much more — across a mix of individual providers. Duplicative services may exist on-premise and in the cloud.
2. **Regional expansion:** As the organization expands into a new region, it adopts a new cloud provider for performance or regulatory reasons. It also needs to support new users and user types. Both types of growth necessitate new and often duplicative services for access management, web application

security, content delivery, and much more.

3. **AI adoption:** AI workloads often require new cloud resources — and, potentially, new security and network services to manage said resources. The organization also has a variety of new APIs to monitor and secure.

How do these kinds of complexity slow down digital projects? Most immediately, more services to manage means more time (and people hours) wasted on basic tasks like policy updates, rule changes, and user and application onboarding. On the latter point, 48% of IT and security leaders say they are struggling to support evolving user types and a growing number of users, according to joint Forrester and Cloudflare research.

But even more importantly, complexity in the network or IT and security stack also makes it harder to add new digital services or adapt existing ones. The aforementioned BCG research found that over half of tech program failures were attributable at least in part to complex interdependencies.

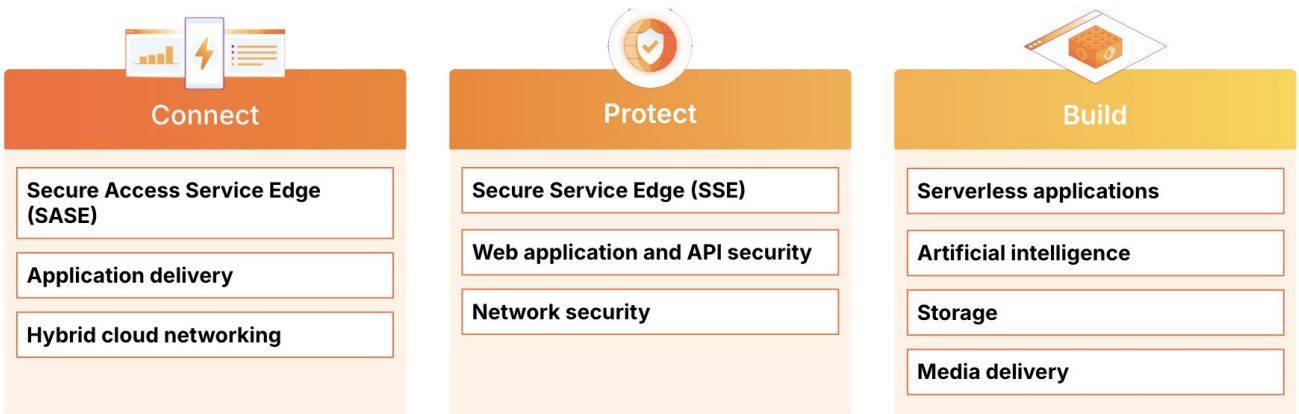
For example, consider onboarding an important new corporate SaaS application. The more security services that process depends on, the longer that SaaS application's time-to-value becomes. Or consider incorporating a third-party AI chatbot to a customer-facing web application. How many services does the organization need to work in to get the chatbot connected and secured? If something breaks, or if demand exceeds expectations, how long will a fix take? And how easy can developers add the chatbot to multiple digital experiences? Crucially, recent research from the RAND National Security Research Division identifies lack of the right supporting infrastructure as a key reason for failed AI projects.

These examples do not even touch on security risks of complexity: incident response and analysis can become dangerously slow. They also don't include other cost considerations: using too many IT and security services usually means paying for features you never use. Small wonder, then, that 60% of security leaders are already consolidating their stack, or have plans to start.

But how do you reduce complexity in a way that doesn't close doors in the future? Put another way — how can organizations meet the seemingly paradoxical need to simplify their environment while still investing in new digital projects?

Connectivity cloud: A unified platform for reducing complexity in the digital environment

Organizations need a platform for security, connectivity, and development that doesn't stand in the way of digital growth. A connectivity cloud is that platform. Specifically, it is a unified platform of cloud-native services — powered by a programmable global network — that helps organizations more easily connect, protect, and build their digital environment across a variety of use cases:



But the defining features of a connectivity cloud is how those services work together. Thanks to their unified architecture, reliability, programmability, and simplified management, they provide secure, infinitely scalable connectivity across networks, applications, and people. As a result, organizations can save millions of dollars by reducing network complexity, cutting key types of risk, and accelerate time-to-value for new digital services:

CONNECTIVITY CLOUD QUALITY	IMPACT ON DIGITAL PROJECTS
Unified architecture: • *All services delivered from a single platform on a single network.* • *Broad global presence, deep interconnectivity with other networks.* • *Every service built to run on any server in any location.*	• *Stronger digital resiliency* • *Better performance and reliability during regional expansion* • *Protection from global threat landscape* • *Easier compliance with data locality regulations*
Reliability and scale: • *Network capacity orders of magnitude larger than the largest attacks and traffic spikes.* • *Anycast routing to improve service performance and provide automatic failover during localized outages.*	• *Protection from the largest attacks* • *Better resiliency during launches and promotions* • *Protection from localized network outages*
Composable, programmable services: • *Customize existing services with serverless code that can run globally* • *Limit caching, traffic inspection, and more to specific countries*	• *Fewer feature compromises with new digital experiences* • *Easier compliance with data locality regulations*
Simplified management • *All services on a single UI* • *Easy API management + automation* • *Logging service integrations*	• *Easier to incorporate security and performance into digital launches* • *Faster incident response*

The value of Cloudflare's connectivity cloud

Cloudflare's connectivity cloud can deliver all of the above benefits. Powered by a global network spanning 335+ cities, Cloudflare's programmable cloud-native services provide secure, low-latency, and infinitely scalable connectivity across applications, global user and customer bases, APIs, and hybrid networks.

All of this translates to higher returns on digital projects. A recent Forrester Total Economic Impact study on the Cloudflare platform found that an organization can achieve a 238% ROI over three years, driven by specific outcomes like improved efficiency, less complex networks, and stronger security and resiliency. These are exactly the capabilities which help organizations achieve faster time-to-value on a range of digital investments.

Next steps:

→ Learn more about the economic impact of Cloudflare's connectivity cloud

→ Talk with a member of the Cloudflare team