

Private Cloud Outlook 2026: Healthcare

The AI Tipping Point: Where Enterprise AI Goes to Scale Executive Update 2026

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Private Cloud Outlook 2026: Healthcare

The AI Tipping Point:
Where Enterprise AI Goes to Scale

Executive Update 2026

OVERVIEW

Private Cloud Outlook 2026

The second year of our study explores how Enterprise IT cloud strategy has shifted from 2025 to 2026 and how AI is re-shaping modern IT.

Insight Objectives

Impact of AI and evolving operating models on:

- 🔍 Infrastructure Modernization
- 🔧 Application Modernization
- 🛡️ Security Modernization
- 🌟 IT organizations, platform engineering teams and skills



Geographical Reach

1,800
Global
surveys

AMER:600

US, Brazil

EMEA:600

UK, France, Germany

APJ:600

India, Japan, Australia



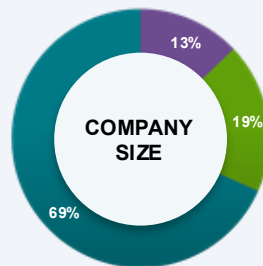
Methodology

Sample:

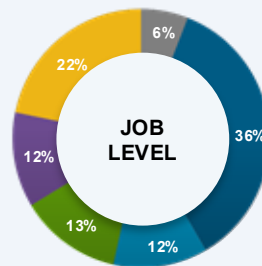
Web-based survey (20 mins)

Date Range:

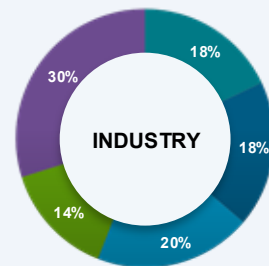
February 11 – March 13, 2026



- Small Enterprise (1000 - 2,499)
- Medium Enterprise (2,500-4,999)
- Large Enterprise (5,000+)



- Chairman, President, Principal, Partner, Owner
- C-Level Executive
- Senior Vice President
- Vice President
- Department or Function Head
- Director



- Financial Services
- Public Sector
- Healthcare
- Life Sciences/Pharma
- Other

The AI Tipping Point

Three forces driving private cloud adoption



The Inference Shift

56%

Run or plan to run inference / production AI on private cloud



The AI Cost Reckoning

59%

of healthcare IT leaders very or extremely concerned about **Gen AI / Agentic AI costs**



The Security Mandate



Top AI requirements are
#1 Data protection & privacy
#2 Security & control



The Talent Gap

#1

IT skills gap is AI infrastructure and cloud operations skills

80% claim to be platform teams - but only **1 in 4** operate as centralized team

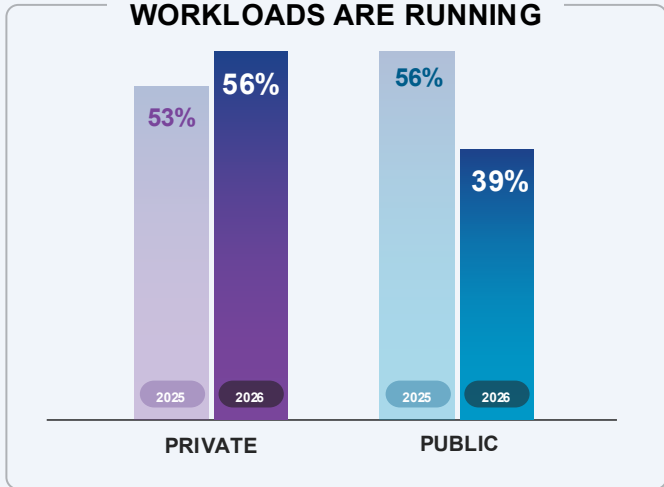
AI amplifies the 3 C's—Costs, Complexity, Control.
Private cloud delivers the answer.



The Inference Shift: AI Demands Governance and Cost Control

Private cloud is the preferred platform for production AI

WHERE AI INFERENCE WORKLOADS ARE RUNNING



Public Cloud use for
production inference fell

> **17%**

Q: Where AI-based applications or workloads currently run
n=1800

“AI models functioned smoothly during the testing phase but required significant optimization and adjustments after actual deployment. The associated costs were high, and the return on investment took a relatively long time to materialize.”

Director of IT, Public Sector, United States



Prediction:

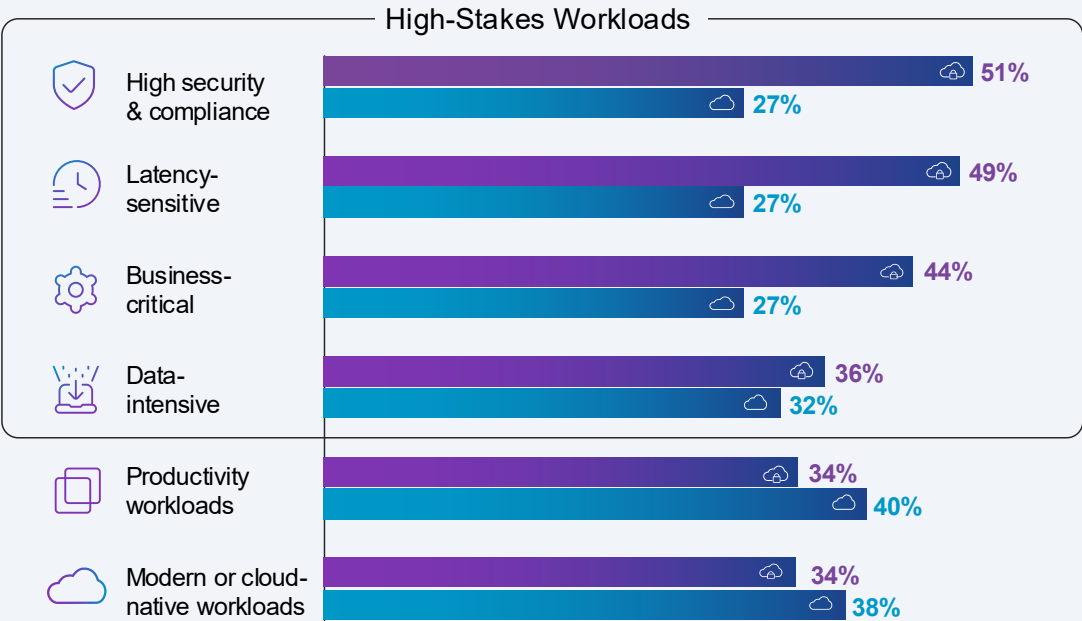
AI is changing cloud economics; 3 Cs – costs, complexity and control are driving to private cloud solutions



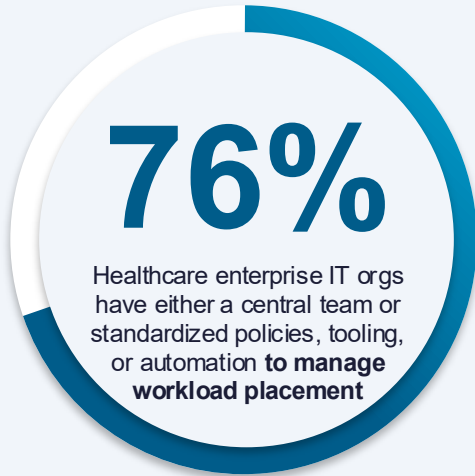
Private Cloud Leads for High-Stakes Workloads

Most Enterprise IT teams have a standardized workload placement strategy

FOR MANY HIGH-STAKES WORKLOADS, PRIVATE CLOUD LEADS BY A WIDE MARGIN



Q: Preferred cloud environment for workload types
n=1800



Q: How workload placement is managed across mix of public and private cloud n=1736



The Cloud Cost Reckoning: Wasted Public Cloud Spend Continues

Cost overtakes security as top public cloud concern in healthcare

TOP 3 PUBLIC CLOUD CHALLENGES

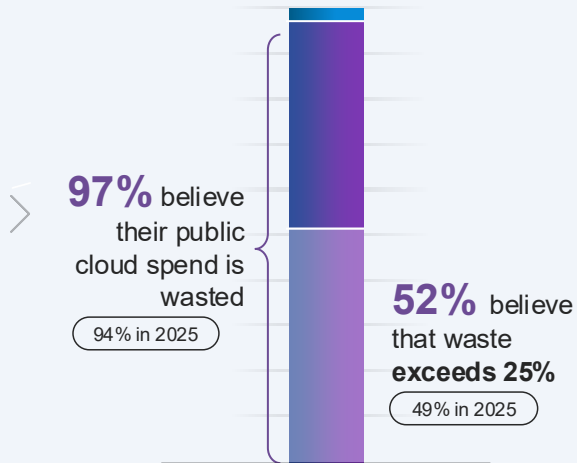
33% Cost Management
26% in 2025

30% Security Risks
29% in 2025

28% Compliance
24% in 2025

Q: Top three challenges faced with public cloud adoption n=1800

WASTED PUBLIC CLOUD SPEND



Q: How much public cloud spend is believed to be wasted n=1736

*"Actual costs of cloud-based AI infrastructure were higher due to **hidden fees and bandwidth charges.**"*

C-Level Executive, Energy and Utilities, Australia



Prediction:

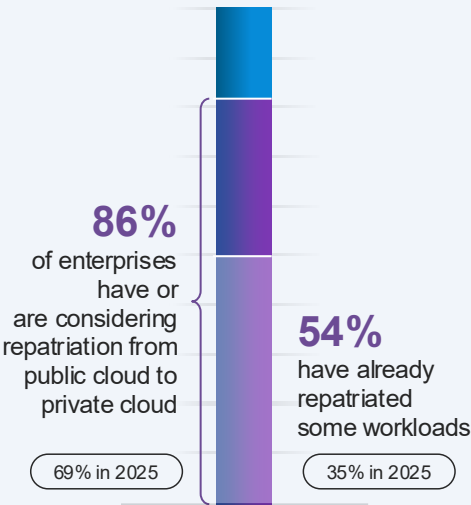
AI workloads will expose public cloud cost structures as unsustainable for production-scale



Repatriation Surges: 54% Moved Workloads Back — AI is Next

High security, data-intensive, business critical, and AI are among top applications

REPATRIATION TRENDS



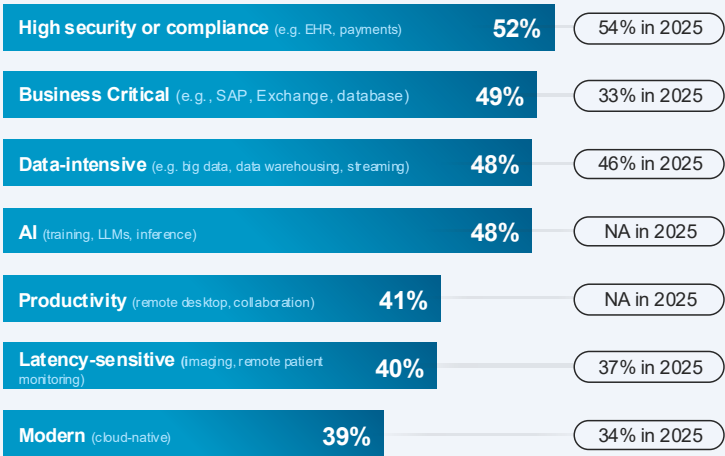
Q: Have you repatriated any workloads from public cloud to private n=1800

TOP REASONS FOR REPATRIATION



Q: Primary reasons for repatriation/considered repatriation from public to private n=1800

REPATRIATION WORKLOAD TYPES



Q: Types of workloads repatriated/considered repatriating from public to private n=1491



The New Non-Negotiable: Security, Sovereignty & Compliance

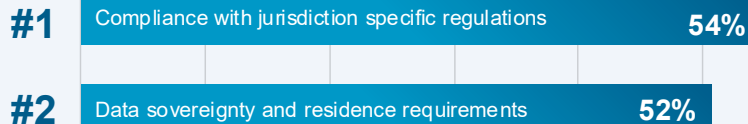
Geopolitics is Reshaping Enterprise IT



4 out of 5 IT leaders state **geopolitics and regulatory factors** affecting IT strategy and operations

Q: Extent geo-political or regulatory factors affecting IT strategy
n=1800

TOP IT ORGANIZATION IMPACTS DUE TO GEOPOLITICAL FACTORS



Q: Geo-political or regulatory factors impacting IT decisions today
n=1544

“The biggest gap lies in data sovereignty: while we expected to run AI workloads securely in the cloud, strict data protection laws have significantly restricted the processing of sensitive administrative data in public environments.”

IT Director, Public Sector, Germany

“I thought compliance would be a minor checklist item, but **governance requirements** reshaped our entire architecture.”

C-Suite Executive, Healthcare, United States



Prediction:

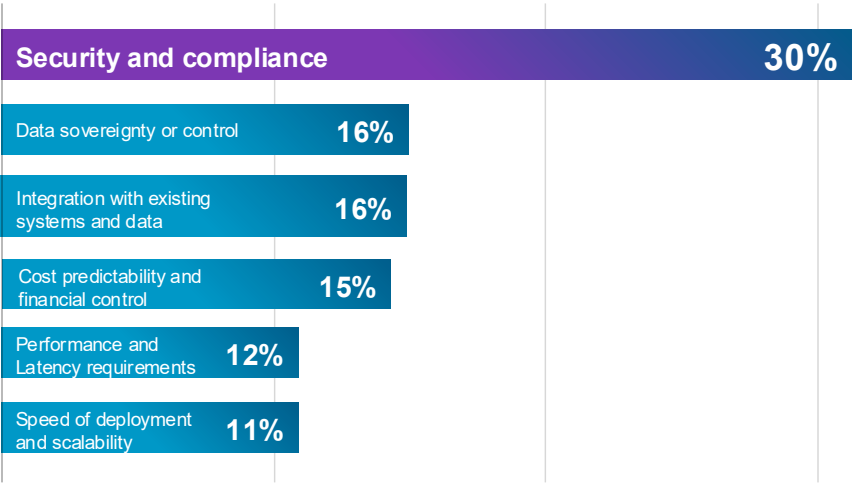
Data sovereignty will rank alongside cybersecurity as a board-level infrastructure priority



AI Demands Control — Private Cloud Delivers It

Top AI requirements focus on privacy and security

MOST CRITICAL FACTOR FOR WORKLOAD PLACEMENT



Q: What factor takes priority when mission-critical workload placement decisions involve trade-offs n=1800



BIGGEST NEW REQUIREMENTS FROM AI

36%

Data Protection
& Privacy

34%

Security
and Control

Q: Where AI is creating the biggest new requirements for IT n=1800

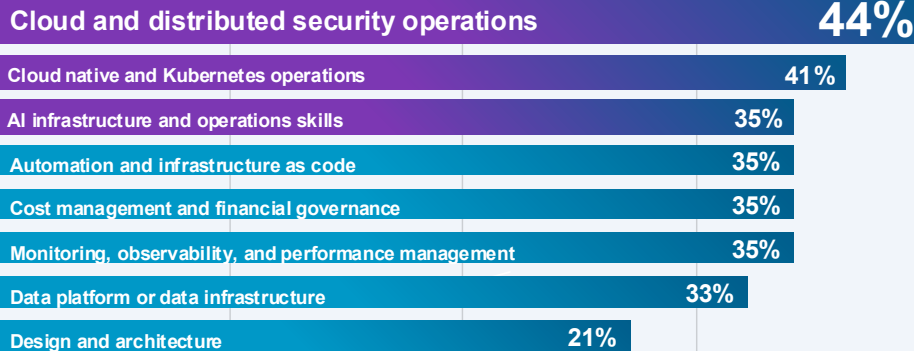
Data is based on a global survey conducted by Radius Tech in partnership with Broadcom. Radius Tech surveyed 1,800 senior IT decision-makers in February - March 2026 across 8 countries in North America, Europe, and Asia-Pacific.



The Cloud and AI Talent Gaps

AI and cloud complexity are too big to go alone: IT leaders partner to close skills gaps

GREATEST SKILLS GAP WITHIN IT INFRASTRUCTURE & OPERATIONS TEAMS



Q: Greatest people-related skills or experience gaps within IT n=1800

80% of Enterprises **fully outsource or use professional services for cloud-related needs.**

Q: Using external professional services n=1800

"The complexity of the AI tools exceeded our team's expertise, requiring extensive training and external consulting"

VP, Financial Services, Japan

"The lack of in-house skills for teams piloting AI workload deployments – meaning external help needed."

Function Head, Public Sector, UK



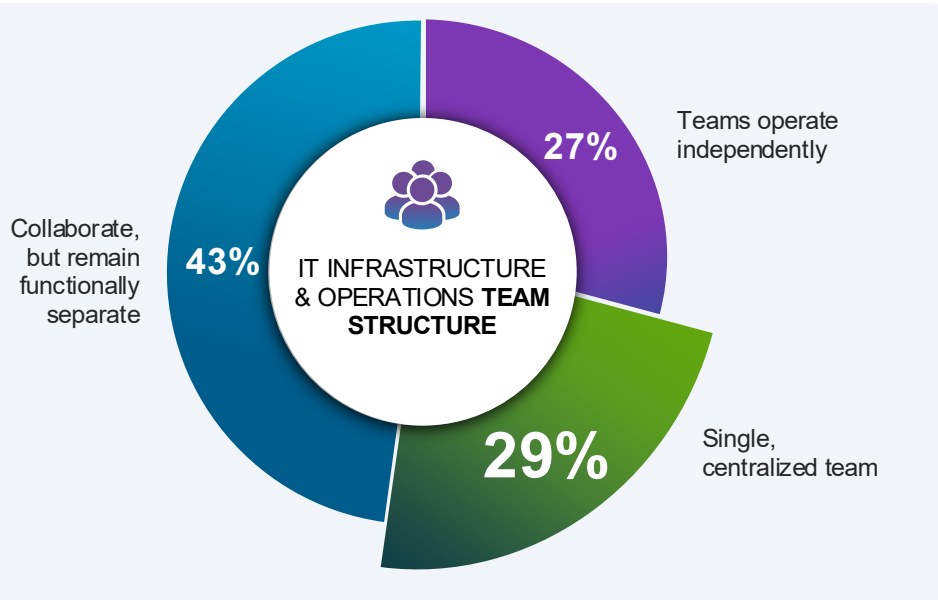
Prediction:

Enterprises that simplify their platform stack will close the AI skills gap faster



Few Enterprise IT Teams Run Platform-Oriented Operations

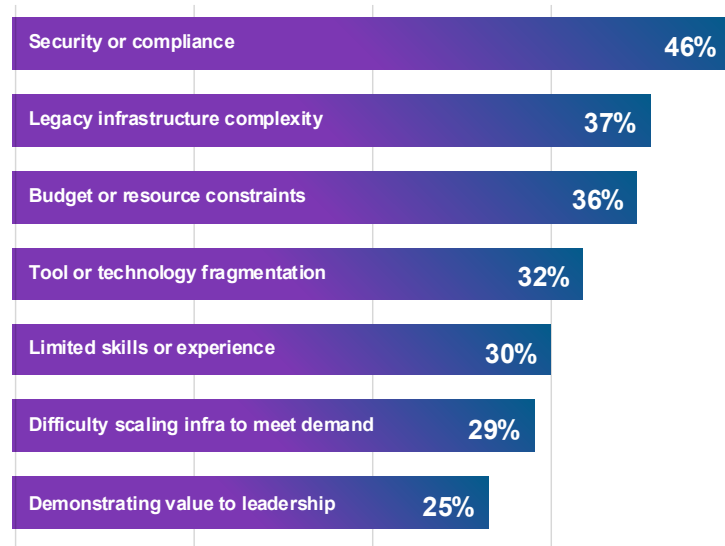
Security, Legacy and Skills Gaps hinder ability to reach platform goals



Q: How IT infrastructure and operations teams are organized n=1800

While 80% claim they are structured around platform oriented teams (vs. tech silos), **only 1 in 4 operate as a single, centralized team**

CHALLENGES LIMITING IT INFRASTRUCTURE & OPERATIONS TEAMS TO OPERATE IN AN INTEGRATED WAY



Q: Primary challenges limiting ability to operate infrastructure in an integrated way n=1800

Private Cloud Workloads Continue to Surge

Healthcare IT leaders prioritizing private cloud investment

#1 CLOUD PRIORITY: PRIVATE CLOUD WORKLOADS



of IT leaders chose building new workloads in private cloud a top 3-year priority

53% in 2025

Q: Expected plans for cloud strategy over the next 3 years n=1800

ENTERPRISES CLOUD STRATEGY BUDGET PLANNING FOR NEXT 3 YEARS

2025	2026	increase	
50%	71%	+21 budget intent increase private cloud	 Private cloud
62%	71%	+9 budget intent increase public cloud	 Public cloud

2x faster growth for private cloud

Q: Expected cloud spend changes in the next 3 years n=1800

Recommendations for IT Leaders

	 CIO	 CFO	 Infrastructure Leaders
 Lead with AI on Private Cloud	Build or partner for AI infrastructure expertise	Minimize platform redundancy (LLMs, containers, VM)	Prioritize private cloud for production AI workloads
 Reclaim Cloud Economics	Address cost pressures through private cloud predictability & efficiency	Address public cloud waste	Plan for repatriation of public cloud AI workloads scale
 Govern AI Before It Governs You	Audit cross-border data flows and repatriate regulated workloads	Review workload strategy to maintain regulatory compliance	Prepare for AI agent governance



Thank You