# The Public Cloud Isn't for Everyone

## Let customers choose

**MATRIX42**

# Over 85% of European CIOs

consider cyber/information security as top 3 priority with planned investment increases in 2025*, and they are under growing pressure to comply with stringent digital sovereignty and data residency requirements. For many organizations —especially those in the public sector and with strict security requirements — it is essential to ensure that data stays within the EU, their home country or their own data center.

Digital sovereignty, data residency and processing have become a significant concern for CIOs. More than 100 countries now have data protection and privacy laws in place (source: European Data Protection Supervisor), in addition to overarching regulation from entities like The European Union. It's crucial for you to understand how your data will be treated at rest and in motion, how it will be classified, and which data sets should move to the cloud and which should not.

Regulatory bodies, such as European C5 in Germany, ANSSI in France, ENS in Spain, MSB in Sweden, and KATAKRI in Finland, are setting data protection standards and ensuring compliance across their respective regions.

Public cloud spending is another increasing concern. "In the rush to the public cloud, a lot of people didn't think about pricing" says Tracy Woo, principal analyst at Forrester. Three out of every five organizations saw cloud spending increase in 2024, with nearly four in ten who faced cost increases exceeding 25% (source: Cost of Cloud report, Civo, 2024). As you advance your digital transformation efforts, more critical workloads and data are being moved to the public cloud, often resulting in rising costs. Ironically, many businesses initially embraced the public cloud to reduce the expenses of maintaining on-premises infrastructure and applications, only to find their cloud costs climbing instead.

Organizations need to navigate all these challenges with solutions that align well with their unique requirements and objectives. True progress comes from implementing approaches that scale and drive innovation while upholding established policies, operational standards, and industry best practices—without compromise.

*) Source: 2025 CIO Agenda: Top Priorities and Technology Plans, Europe

# Key definitions to begin with

**Below are the key definitions mentioned throughout this white paper:**

## Deployment model:

Refers to the location of application & computing resources, ownership and responsibilities as well as the deployment technology.

## Public cloud:

Deployment model where the provider is usually a large, multinational entity, that offers computing resources from their own datacenters. Public cloud resources usually are instantly available and can be deployed geographically to various places, at least to one location per continent. Major public cloud providers for European organizations are American and Asian providers: AWS, Microsoft Azure, Google Cloud Platform, IBM Cloud, Oracle Cloud, Alibaba Cloud and NTT Data.

## On-premises:

Deployment model where all computing infrastructure, software applications, and related resources are hosted and operated by and within an organization's own physical facilities and personnel.

## Private cloud:

In this context, private cloud is a deployment model where systems and data are hosted in a specific data center of the customer's choice. In this model, the organization oversees its own data center or public cloud subscription, while the SaaS provider manages the software application, offering the flexibility and efficiency of cloud technology, while retaining the SaaS experience for the customer, exactly like in a public cloud based deployment. This deployment model addresses today's security, privacy, and regulatory compliance requirements, putting data residency in the customers own hands.

Other common definition for private cloud is a deployment model which is exclusive to a single organization. It offers greater control and privacy, with infrastructure either hosted on-premises or by a third-party provider but not shared with other organizations. This is not the definition used in this white paper.

# Private cloud **gains momentum**

## Secure deployment models **are on the rise**

as companies solve sovereignty, cost, and data ownership/security challenges*. Most large and midsize companies like yours will further invest in deployment models addressing security, privacy, and regulatory compliance requirements e.g. in the context of pretraining and fine-tuning of Foundation Models (FM), Retrieval Augmented Generation (RAG) integration and AI agent automation.

In Europe, DORA and AI compliance put pressure on cloud data infrastructure, increasing momentum of private cloud. According to Forrester The Top 10 Trends In Cloud, 2024, uncertainty over the impact of the Digital Operational Resilience Act (DORA) has created disarray in IT budget planning for European banks and other highly regulated EU industries. The demand for Generative AI drives users to both public cloud for their AI services and local data centers for security, latency and cost reasons. These factors are prompting customer demand for better solutions to manage today's requirements related to cost and security.

## Do you **know where your data** is?

The private cloud deployment model offers the perfect balance of control and convenience. You decide where your data is stored, where the software is run, and who can access it, while your provider handles operations, maintenance, updates, and upgrades of the standard solution. This way, customers enjoy the flexibility of cloud without compromising on oversight.

*) Source: Forrester Predictions 2025: Cloud Computing

# It's time to give customers the flexibility to choose

It's time to let customers choose from various deployment models, suited to different needs and strategies. In recent years, public cloud solutions have taken center stage, delivering scalability and rapid innovation. However, they may not be the ideal choice for everyone. For those who require control over their systems, private cloud solutions are a reliable and trusted choice. This approach allows them to avoid the complexities of on-premises management while consuming services as seamlessly as they would from any public cloud provider. It is emerging as a strategic approach, balancing the benefits of public cloud deployments with the adherence to strict security policies and IT infrastructure requirements.

The demand for this secure approach is on the rise and projected to grow further, driven by cost efficiencies and security needs. Increasingly, organizations want to operate their systems with the convenience and efficiency of the public cloud, but within their own data centers.

# Complete control over your cloud services

When it comes to cloud deployment, flexibility is everything. Cloud deployment requirements vary significantly across organizations. That's why, at Matrix42, we developed Cloud Your Way — an approach designed to provide you with complete control over the deployment of cloud services.

Legacy on-premises solutions—where software is installed, maintained, and operated entirely by customers—no longer align with today's best practices in security, scalability, and innovation.
With our modernized approach: **Cloud Your Way,** you get the benefits of a SaaS-driven platform while allowing deployment on your infrastructure, including fully offline environments. Unlike traditional on-premises software, Cloud Your Way is continuously supported, always up to date, and can be fully or partially operated by our team, ensuring security, compliance, and access to the latest features, including AI-powered capabilities.

# Our Cloud Your Way approach offers the following options:

## Matrix42 Cloud:

The perfect solution If you need systems and data to stay within your home country. In this model we partner with well-known local cloud infrastructure providers. This is a turn-key service provided by Matrix42.

## Matrix42 Private Cloud:

Perfect for organizations that require their systems and data to be hosted in a specific data center without the burden of managing and operating the software themselves. The organization oversees its own data center or cloud subscription, while Matrix42 manages the software application, offering the flexibility and efficiency of cloud technology, while retaining the SaaS experience for the customer, exactly as in Matrix42 cloud.

## Matrix42 On-premises:

This approach is ideal for organizations that require their systems to be in isolation. For customers who need to manage and operate systems entirely in-house. Customer maintains both the software and infrastructure, and the organization ensures total autonomy and control for most security critical business applications.

Matrix42 software products are the same independently of the deployment model.

# Cloud Your Way offers these key advantages:

Enhanced Security and Control: Decide exactly where your data and applications are housed — either onsite, in a private cloud, or with public providers. Focus on Your Business: Whether you choose a cloud or private cloud solution, our expert team takes care of all monitoring, updates, and support. This allows you to focus entirely on what matters most to your organization.

Whether you need the scalability of a public cloud, the security of a private cloud, or the full isolation of on-premises deployments, the Matrix42 Cloud Your Way approach empowers your organization to choose the solution that best fits your needs.

> **Private cloud has been working well for us, upon the chosen infrastructural decisions made and the collaboration with Matrix42. Cloud Services managing the actual software has worked impeccably for years now.**
>
> University of Helsinki, Tommi Ekholm , January, 2025

# The **European Choice**
## in Service Management

Matrix42 stands as the European Choice for Service Management, offering a distinctive combination of local expertise and strong innovation. With solid regional presence, Matrix42 understands the importance of operating in your local language and within a shared cultural context.

Committed to compliance with European data privacy laws and regulations, we prioritize respect for data sovereignty, providing flexible cloud solutions through our Cloud Your Way approach. By positioning decision-makers and experts nearby, Matrix42 ensures swift and effective response capabilities, fostering trust and collaboration.

Additionally, our ethical and transparent AI underscores our dedication to responsible innovation, making us a reliable and forward-thinking partner for businesses across Europe.

## Get Started Today!

Speak with our cloud experts and explore solutions that address your requirements.

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