Kyndryl Cloud Readiness Report: Hybrid cloud shapes the future of AI and enterprise agility

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Organizations adopt strategic cloud architectures to drive innovation, strengthen governance, and secure AI value

NEW YORK, Nov. 12, 2025 /PRNewswire/ -- Kyndryl, a leading provider of mission-critical enterprise technology services, today released its 2025 Cloud Readiness Report, revealing how enterprises are navigating a pivotal shift in cloud strategy that can fuel AI adoption and enterprise agility.

The report reveals that while cloud computing has become the backbone of enterprise operations — growing into a more than $700 billion industry — 70% of CEOs state they arrived at their current cloud environment "by accident, rather than by design." Yet, the lack of a deliberate strategy hasn't slowed investment — organizations have increased cloud spending by over **30%** on average over the past year at a time when leaders are running into AI adoption challenges, increasing security demands, and new regulatory and governance requirements.

"The gap between a reactive and a deliberate cloud strategy has never been more consequential," said Nicolas Sekkaki, Global Cloud Practice Leader, Kyndryl. "With AI demanding seamless data access and governance requirements rapidly evolving, a hybrid cloud model is the differentiator that enables successful AI adoption. Organizations that design for interoperability, trust, and agility will unlock continuous innovation and integrate AI securely at scale."

Key findings from the report:

- **Sovereignty and security are reshaping cloud strategy – 75%** of leaders express concern about the geopolitical risks of storing and managing data in global cloud environments, while **65%** have already modified their strategies in response to new data sovereignty regulations.
- **Hybrid and multi-cloud are now the norm – 84%** of leaders intentionally use multiple clouds, and **41%** are repatriating at least some data to on-premises environments — balancing control, performance, and compliance.
- **AI depends on deliberate cloud design – 89%** of leaders say cloud investments have made it easier to use AI, but **35%** cite integration challenges as a top barrier to realizing ROI. Organizations are increasingly turning to specialized infrastructure, including private AI or neoclouds, both optimized for GPU-powered AI workloads, to balance computational power with cost control.
- **Cloud security is evolving for an AI era.** As threats rise — with **82%** of organizations experiencing a cyber-related outage this year — enterprises are responding with more adaptable architectures and enhanced security capabilities. **91%** say their cloud infrastructure provides the flexibility to adapt to new regulations, and **75%** are investing in AI for cybersecurity — more than any other AI capability.

From reactive to strategic: designing the future cloud

The report underscores that architecture now defines enterprise control. Enterprises that approach cloud as a strategic, intentional capability — aligning infrastructure, governance, and data — are best positioned to integrate AI securely, meet regulatory demands, manage costs, and accelerate innovation.

The rise of agentic AI is driving this shift. Organizations are increasingly training models in public clouds for scalability and running them in private

environments for governance — combining performance with trust. Hybrid architectures are emerging as the intelligent foundation that connects public and private environments seamlessly, enabling enterprises to balance performance, security, and cost as they operationalize AI.

Security and sovereignty are no longer constraints, but design principles for trust and interoperability – essential for the AI-ready enterprise**.** Global hyperscalers are localizing infrastructure to meet new regulatory standards, while enterprises are building architectures that allow data to move securely across borders and providers.

Drawing on insights from Kyndryl's Readiness Report of 3,700 senior leaders across 21 countries and the Kyndryl Cloud Innovation Survey, data from the Cloud Readiness Report show organizations reassessing their cloud infrastructure amid AI adoption challenges, increasing security demands, and new governance expectations.

To read the report, visit Kyndryl's Cloud Readiness Report

About Kyndryl
Kyndryl (NYSE: KD) is a leading provider of mission-critical enterprise technology services, offering advisory, implementation and managed service capabilities to thousands of customers in more than 60 countries. As the world's largest IT infrastructure services provider, the company designs, builds, manages and modernizes the complex information systems that the world depends on every day. For more information, visit www.kyndryl.com.

Kyndryl press contact
press@kyndryl.com

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