

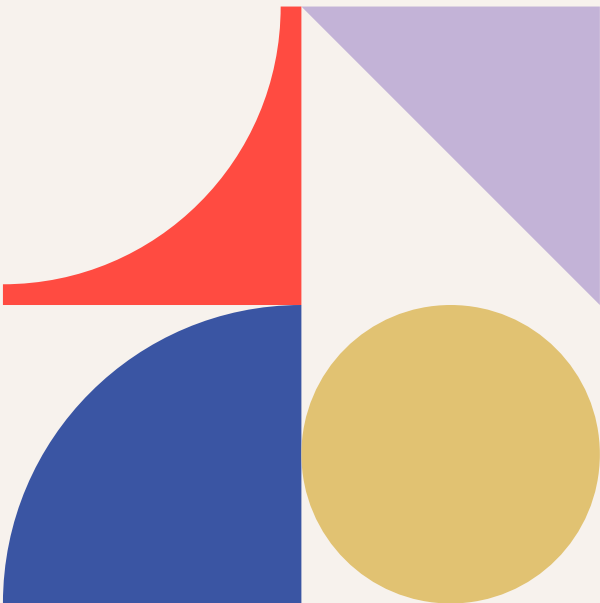
Cloud 2.0 and Neocloud: Moving from Migration to Business Value Realization

 Whitepaper



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Executive Summary

Cloud adoption has reached a tipping point. What started as a large-scale migration effort has evolved into something far more strategic — and far more demanding.

Although companies have transferred workloads to the cloud over the past 10 years, a tougher question now confronts them: Are we truly deriving business value from it?

The truth is that the cloud alone does not ensure transformation. When business objectives are not aligned, organizations may face higher costs, create disconnected architectures, and underutilize resources.



This is where Cloud 2.0 takes center stage.

This shift does not happen on its own in general-purpose infrastructure. As AI moves to the center of cloud strategy, a new class of specialized providers — neo clouds — has emerged to deliver the high-performance GPU compute that modern AI workloads depend on. Cloud 2.0 and neocloud together define how enterprises will turn cloud from a cost center into a measurable source of business value.

Cloud 2.0 represents a significant shift from simply "existing" in the cloud to

actively achieving measurable business benefits. This concept integrates AI, data, user experience, and continuous optimization to transform the cloud into a dynamic and evolving business platform.

This white paper outlines the practical applications of Cloud 2.0, the challenges organizations encounter in reaching this level, and how they can progress with clear intent and direction.





1. Introduction

Cloud technology has become standard, and people now expect it. Yet, despite years of investment, many enterprises still are not realizing the outcomes they envisioned. Conversations in boardrooms are changing. Leaders are no longer asking, “Have we moved to the cloud?” but rather, “What is the cloud doing for our business?”

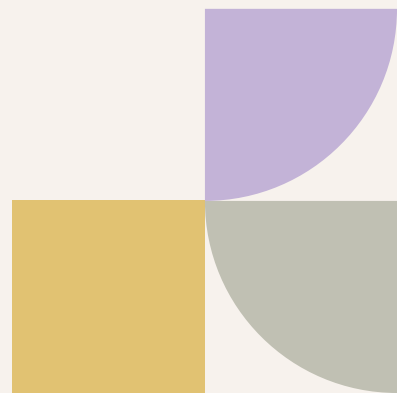
Across industries, several patterns are becoming clear:

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This shift defines Cloud 2.0, where —

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Organizations that adopt this mindset are seeing higher returns, faster innovation, and stronger competitive positioning.



2. Where Cloud Transformation Is Falling Short

1. The migration plateau

Most enterprises have already completed the first phase of cloud adoption. We have moved systems, transferred data, and modernized infrastructure — at least on the surface.

But a second, more complex challenge is now emerging: **unlocking real value from those investments.**

Across sectors such as hi-tech, telecom, manufacturing, and utilities, similar issues are showing up:

- Applications moved to the cloud without a meaningful redesign
- Multiple cloud environments growing without clear governance
- Costs increasing faster than expected
- Data scattered across systems, limiting its usefulness
- End-user experiences remain inconsistent or frustrating

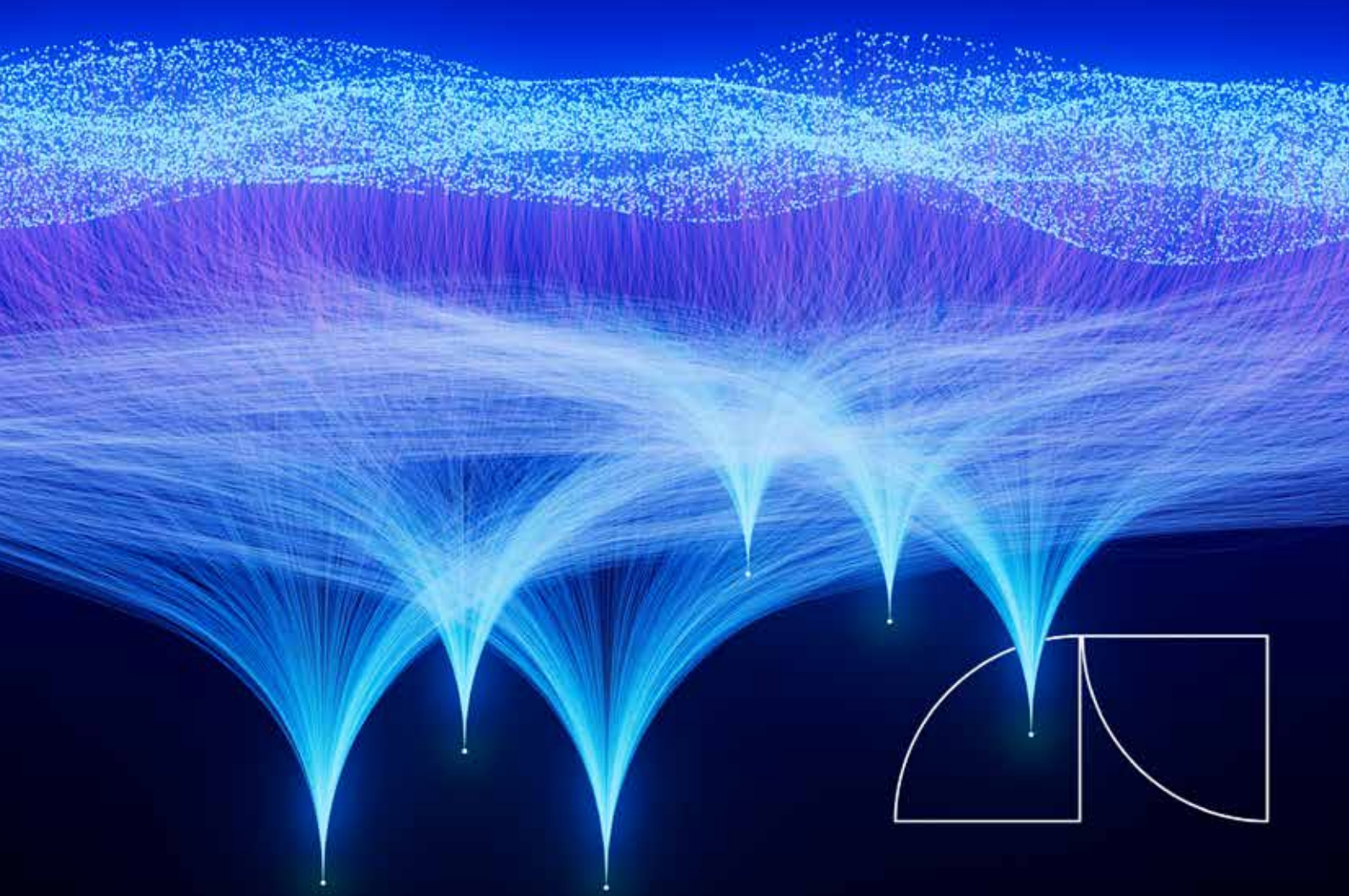
In many cases, clouds have improved where systems run, but not how the business performs.

2. The Cloud Value Gap

The Cloud Value Gap represents the difference between the potential of the cloud and its actual business impact.

Organizations typically have advanced infrastructure, flexible platforms, and access to powerful tools, but they often lack business alignment, integrated data strategies, experience-driven design, and continuous optimization discipline. Closing this gap requires a shift in mindset — and in execution.





3. What Cloud 2.0 Really Means

Cloud 2.0 rethinks how enterprises use the cloud, going beyond simple upgrades. At its core, it is about **making the cloud accountable to business outcomes**.

Key shifts:

From infrastructure to business platforms:

Cloud becomes the engine for new products, services, and revenue streams.

From technology-first to experience-first thinking:

User journeys, not system architecture, drive design decisions.

From static systems to intelligent ecosystems:

AI enables systems to learn, adapt, and improve continuously.

From one-time transformation to continuous evolution:

Cloud environments are constantly optimized and refined.

This shift moves cloud from a technical asset to a strategic capability.

4. A Practical Framework for Cloud 2.0

To operationalize Cloud 2.0, organizations need a structured approach that goes beyond isolated initiatives. A five-layer model provides a clear way forward:

1. Modernize for impact



Migration alone isn't sufficient; you must redesign applications to fully leverage cloud-native capabilities. This includes breaking monolithic systems into modular services, enabling API-led connectivity, and building event-driven architectures. When done right, this leads to faster releases, improved scalability, and greater flexibility.

2. Build a strong data foundation



Data is the backbone of Cloud 2.0. Without it, AI and advanced analytics cannot deliver value. This requires unified data platforms, real-time data pipelines, and strong governance and data quality frameworks. The goal is simple — make data **accessible, reliable, and actionable**.

3. Embed intelligence into operations



Cloud operations need to evolve from manual oversight to intelligent automation. With AIOps, organizations can predict issues before they occur, automate workload management, and improve system resilience. This reduces downtime and frees teams to focus on higher-value work.

4. Design for experience from day one



Technology decisions must translate into better experiences. This means creating seamless omnichannel journeys, personalizing interactions using AI, and orchestrating experiences across touchpoints. When done well, cloud investments become directly visible to customers and employees.

5. Adopt continuous optimization



Cloud is not “set and forget.” It requires ongoing tuning. Finops practices help organizations track and control costs in real time, align spending with business priorities, and drive accountability across teams. Continuous optimization ensures that value is not only created but sustained.

5. The Maturity Journey

Organizations move through distinct stages as they evolve:

Stage	What it looks like	Outcome
Adopt	Initial migration	Increased agility
Optimize	Cost and performance focus	Improved efficiency
Transform	Modern apps and integrated data	Business agility
Intelligent	AI-driven operations	Better decision-making
Autonomous	Self-optimizing systems	Continuous value creation

Most companies today are between **Optimize and Transform**. The leaders are pushing ahead into **Intelligent and Autonomous states**.



6. How Cloud 2.0 Comes to Life across Industries

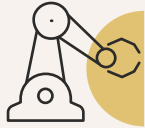
In the hi-tech sector, speed is everything.



1. Cloud 2.0 helps organizations:

- Deliver continuous software updates
- Build platform-based business models
- Embed AI directly into products

The result is a faster time-to-market and stronger differentiation.



3. Manufacturing: Connecting the value chain

Manufacturers are using the cloud to move beyond isolated digitization.

Key focus areas include:

- Smart factories powered by IoT
- Predictive maintenance
- Connected supply chains

The outcome is improved efficiency, lower downtime, and better decision-making.



2. Telecom: Redefining customer experience

Telecom providers are under pressure to move beyond connectivity.

Cloud 2.0 enables:

- Real-time service personalization
- Intelligent network management
- Consistent customer experiences

This reduces churn and improves lifetime value.



4. Utilities: Building resilience and trust

Utilities operate in highly regulated, customer-sensitive environments.

Cloud 2.0 supports:

- Real-time monitoring of energy systems
- Better outage management
- Improved customer communication

This strengthens both operational resilience and customer trust.



7. Why AI Is Central to Cloud 2.0

AI is not just an add-on. It is what makes Cloud 2.0 work.

AI enables systems to move from reactive to predictive, manual to automated, and static to adaptive. In practical terms, this means systems that anticipate user needs, platforms that optimize themselves, and decisions that are faster and more informed. In the coming years, cloud and AI will become inseparable.



8. Neocloud: The AI-Native Layer of Cloud 2.0

If Cloud 2.0 is about making the cloud accountable to business outcomes, Neocloud is about making AI economically and technically viable at scale. As AI moves from pilots to production, the question is no longer only how an organization uses the cloud, but where its AI compute runs — and at what cost.

A neocloud is a specialized cloud provider built almost entirely around high-performance GPU compute for AI and high-performance computing workloads. Unlike general-purpose hyperscalers, which offer hundreds of services, neoclouds focus on one thing: delivering Graphics Processing Unit-as-a-Service (GPUaaS) with the latest hardware, high-speed networking, and simple, consumption-based pricing. Leading providers include Core Weave, Lambda, Nebius, Crusoe, and Nscale.

1. Why Neocloud is rising now

Hyperscalers cannot fully absorb the AI demand driving the shift.

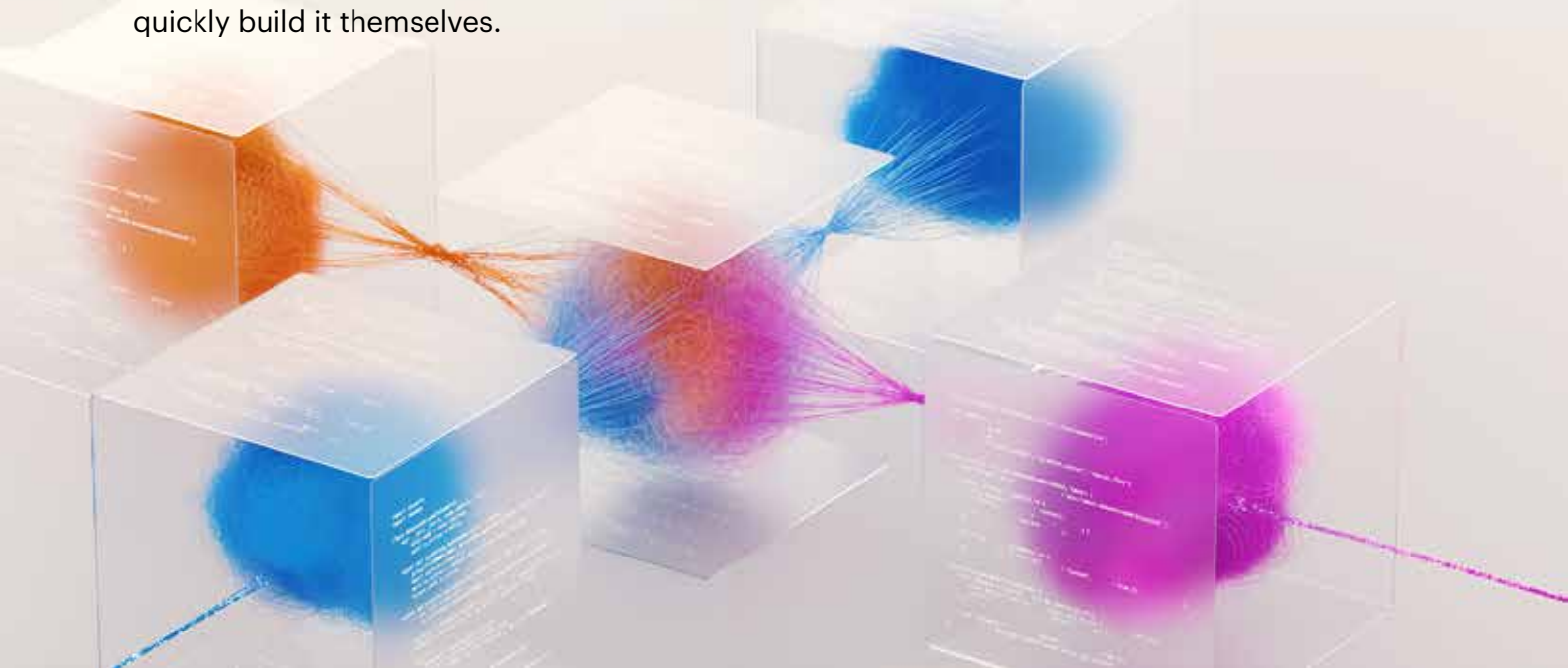
Capacity constraints: Hyperscale data-center capacity is largely sold out through 2028-2029, while neoclouds that secured power early can stand up GPU clusters in months rather than years.

Specialization: Since they run only GPU fleets, neoclouds adopt the newest accelerators first and tune their networks for AI training and inference.

Economics: GPU-first design and simpler pricing often make neoclouds faster and cheaper to access for AI workloads than repurposed general-purpose infrastructure.

Sovereignty: Several neoclouds offer region-specific, sovereign AI infrastructure — an increasing requirement for regulated industries.

The market signals are significant. Analysts project that neocloud revenue will reach approximately \$20 billion by 2026 and will approach \$180 billion by 2030. They also expect the broader GPU-as-a-Service market to grow nearly 30% each year. Industry estimates indicate that about one in three AI workloads currently run on a neocloud instead of a hyperscaler. Even the largest cloud providers are now purchasing neocloud capacity to meet demand, but they cannot quickly build it themselves.





2. How neocloud fits the value-realization agenda

Neocloud is not a replacement for the enterprise cloud estate. It is a new option within it — and, used well, a direct lever on the same Cloud 2.0 goals set out earlier in this paper:

- **Modernize for impact:** Run AI training and inference where price-performance is best, while keeping core systems on the platforms that already serve them well.
- **Data foundation:** Place compute close to where data and models live, reducing movement cost and latency across AI pipelines.
- **Intelligence in operations:** Access cutting-edge GPUs on demand to ensure that AIOps and model-driven services aren't held back by hardware availability.
- **Continuous optimization:** Extend finops discipline to GPU spend, routing workloads across hyperscaler and neocloud capacity based on cost, performance, and availability.

For most enterprises, the practical model is hybrid: hyperscalers for breadth of managed services and integration, neoclouds for dense, cost-efficient AI compute. The discipline of Cloud 2.0 — business alignment, integrated data, and continuous optimization — is exactly what makes that combination deliver value rather than sprawl.

3. What leaders should watch out for

Neocloud brings real advantages, but also concentrated risks that belong in any board-level cloud strategy:

- **Concentration risk:** Many neoclouds depend on a small number of large customers and a handful of hardware suppliers, which can affect availability and pricing stability.
- **Portability:** Avoid lock-in by standardizing containerized workloads, open frameworks, and portable MLOps tooling, enabling workloads to move between providers.
- **Governance:** Extend security, compliance, and data-protection controls to neocloud environments from day one, not as an afterthought.
- **Total cost of ownership:** Judge the neocloud on delivered price-performance for the workload, not on headline GPU rates alone.

For most organizations, the real question isn't choosing between hyperscalers and neoclouds; it's about how to orchestrate both under a single governance, data, and finops model. This approach ensures that organizations meet their AI ambitions while maintaining control over risk.

9. Zensar's Perspective: Turning Cloud into a Value Engine

At Zensar, we view cloud transformation through a simple but powerful lens: If it does not deliver measurable business outcomes, it is not complete.

This approach relies on three guiding principles:

- **AI-first approach:** Intelligence is built into every layer, not added later.
- **Experience-led design:** Technology decisions are guided by how they impact users.
- **Industry context matters:** Real-world challenges across industries shape solutions, rather than relying on generic frameworks. The goal is not just to modernize systems, but to enable meaningful business change.

What the future looks like

Cloud 2.0 is still evolving, but the direction is clear. In the next phase, we will see:

- Systems that fix issues before users even notice them
- Real-time decision-making powered by AI
- Seamless integration across entire ecosystems

Cloud will no longer be something organizations “implement.” It will be something they continuously refine and rely on.





10. Conclusion

The cloud journey is not over; it is entering its most important phase. Moving workloads was the first step. Creating value from them is the real challenge.

Organizations that succeed will align cloud with business outcomes, integrate AI deeply into their operations, focus on experience and not just efficiency, and commit to continuous improvement.

Cloud 2.0 is not about doing more in the cloud.

It is about **getting more from the cloud.**

And that is what will define the next generation of digital leaders.



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Glossary

1. AIOps: AI-driven IT operations
2. Finops: Cloud cost management discipline
3. Microservices: Modular application components
4. Containerization: Lightweight deployment model
5. Data Fabric: Integrated data architecture
6. Omnichannel: Unified cross-channel experience
7. Autonomous Systems: Self-managing systems
8. Neocloud: A specialized GPU-first cloud provider built for AI workloads
9. GPUaaS: GPU-as-a-Service — renting high-performance GPUs on demand
10. Hyperscaler: Large general-purpose cloud provider (e.g., AWS, Azure, GCP)
11. Sovereign AI: AI infrastructure kept within a specific jurisdiction
12. MLOps: Machine Learning Operations - practices and tooling for deploying and managing AI/ML models in production
13. TCO: Total Cost of Ownership — the full cost of a solution beyond headline pricing