



FinOps

Cloud Cost Optimization

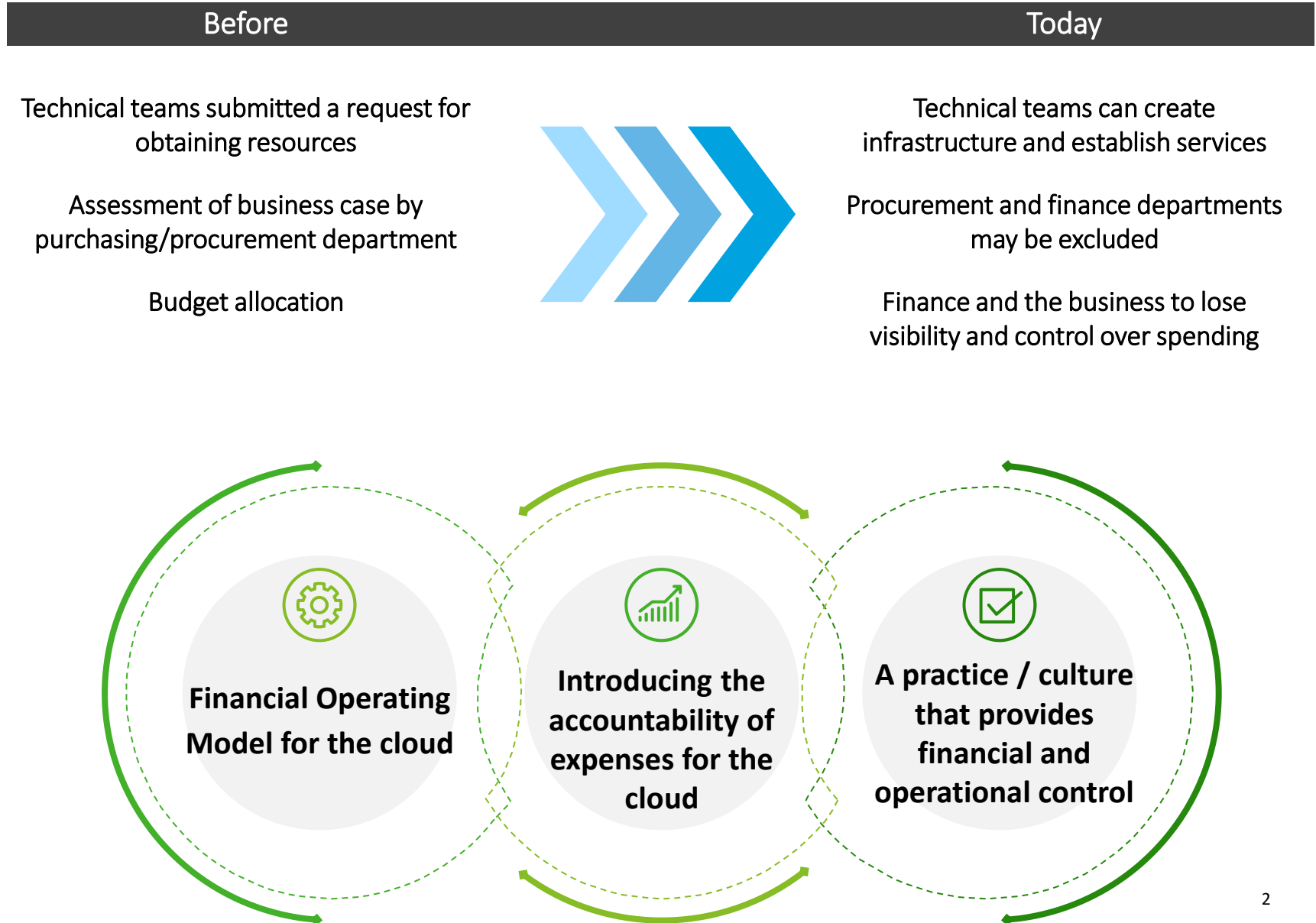


What is changing in finance with the advent of cloud?



What is FinOps?

An activity that involves Finance, Technology and Business together to control costs and maximize the value of the cloud in the organization.



The Reality of Cloud Adaption

IT organizations find it difficult to understand the cloud cost management due to numerous internal and external challenges



Realities – AFTER the implementation of the cloud

- **Rising costs** of development and test environments as R&D teams have unlimited access to infrastructure
- **Redundant allocation of resources** related to the lack of understanding of the requirements for their size combined with old habits ("over capacity").
- Technology development teams have **no visibility into cloud spending**
- Control and preventive decisions **are made too late** due to a lack of visibility and processes.
- Some applications have a usage **cost significantly higher** than before on-prem.
- Finance teams feel they are losing control and understanding about the cost basis of the cloud.



Pricing Complexity



Cost Transparency



Cost Projections



Governance



Cloud Architecture

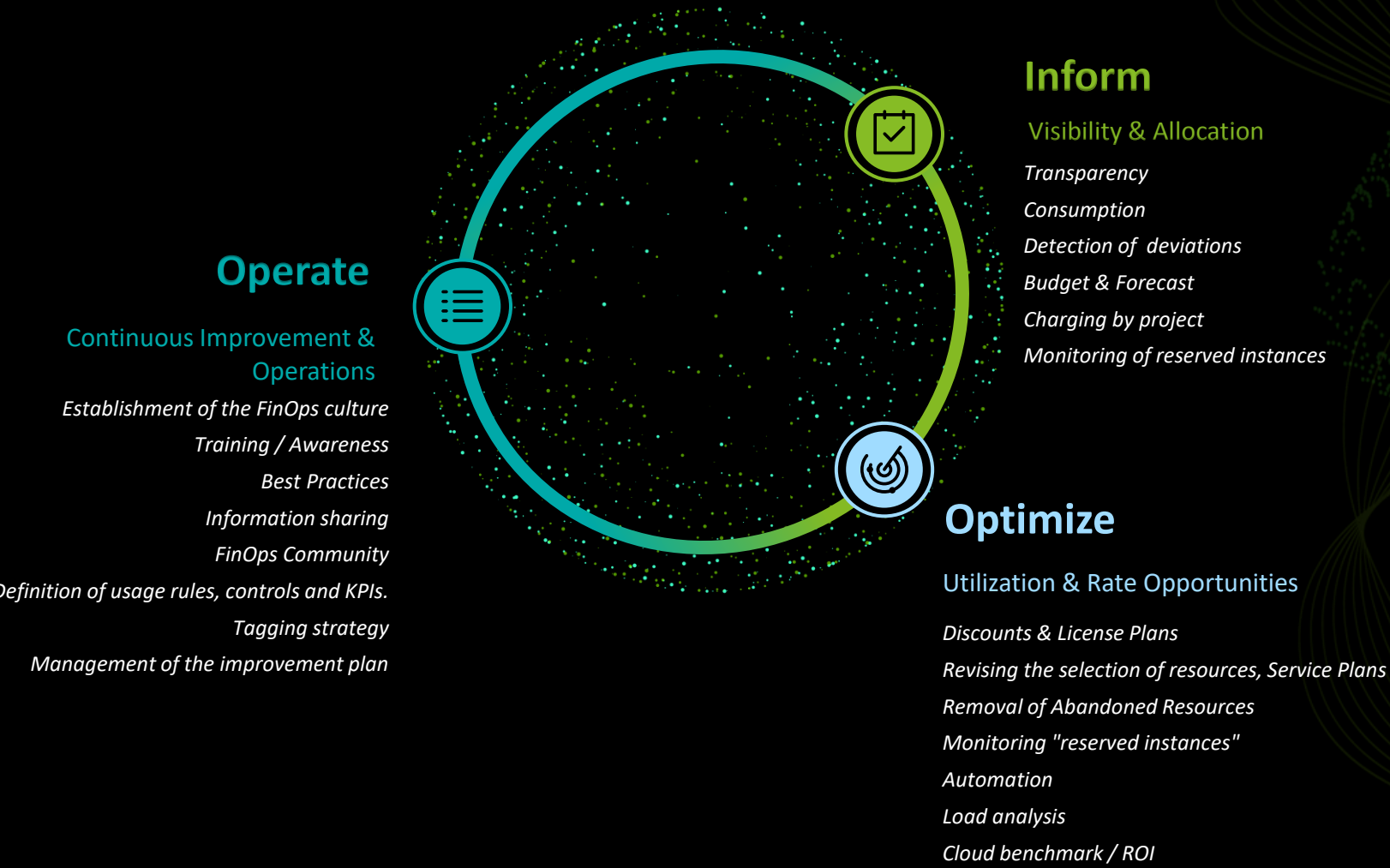


Cloud Provider Tools

CHALLENGES

- Difficulty in navigating through variations in prices across regions and configurations
- Risk of oversizing (waste) vs. under sizing (performance)
- Potential for IT cost to move above the line
- Lack of capacity reservation strategy (Reserved Instances versus On Demand)
- Costs are allocated to large initiatives and are not traced effectively
- Lack of granular understanding of current cloud spending
- Insufficient insights and flux in business requirements
- How to budget cloud?
- Difficulty in monitoring consumption
- Limited focus on waste elimination
- Lack of controls for usage and spend
- Repetitive overspent
- Non-cloud architectures
- Complex auto scaling capabilities and rules
- Account for new cloud costs like data transfer etc.
- Application immutability to enable resiliency
- Limited native cost optimization tools from CSPs
- Do not cover the full spectrum of optimization levers
- Lack of multi-cloud cost optimization strategies

FinOps Best Practice Life Cycle



Deloitte Approach



FinOps Workshop

- ❑ Cloud cost management knowledge transfer
- ❑ Deloitte guided review of Your cloud spend
- ❑ Action plan to get the Cloud consumption under control



Data Collection & Analysis

- ❑ Investigate resource utilization
- ❑ Cloud service breakdown
- ❑ Analyze specific products & optimization potential



Cost Saving Opportunities

- ❑ Summary report of current Cloud spend analysis & recommendations of potential cost saving opportunities
- ❑ Presentation of the project insights to relevant stakeholders



6 – 8 weeks

- ❑ From the Kick-off meeting through data collection, analysis to delivering customized recommendations and potential cost optimization opportunities

Contact



Zoltán Szöllősi

Partner

Risk Advisory



zszollosi@deloittece.com



Phone: +36 20 910 7644



Zsolt Schmidt

Manager

Risk Advisory



zschiidt@deloittece.com



Phone: +36 20 226 4334





Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services.

Our global network of member firms and related entities in more than 150 countries and territories (collectively, the “Deloitte organization”) serves four out of five Fortune Global 500® companies. Learn how Deloitte’s approximately 312,000 people make an impact that matters at www.deloitte.com

Deloitte Central Europe is a regional organization of entities organized under the umbrella of Deloitte Central Europe Holdings Limited, the member firm in Central Europe of Deloitte Touche Tohmatsu Limited. Services are provided by the subsidiaries and affiliates of, and firms associated with Deloitte Central Europe Holdings Limited, which are separate and independent legal entities. The subsidiaries and affiliates of, and firms associated with Deloitte Central Europe Holdings Limited are among the region’s leading professional services firms, providing services through nearly 7,000 people in 44 offices in 18 countries.

© 2024 For information, contact Deloitte Central Europe.