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FinOps Cloud Cost Optimization





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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.

What is changing in finance with the advent of cloud?

Before

Technical teams submitted a request for obtaining resources

Assessment of business case by purchasing/procurement department

Budget allocation



Today

Technical teams can create infrastructure and establish services

Procurement and finance departments may be excluded

Finance and the business to lose visibility and control over spending

Financial Operating Model for the cloud Introducing the accountability of expenses for the cloud

A practice / culture that provides financial and operational control

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 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

Operate

Continuous Improvement & Operations Establishment of the FinOps culture Training / Awareness Best Practices Information sharing FinOps Community Definition of usage rules, controls and KPIs.

Tagging strategy

Management of the improvement plan

Inform

Visibility & Allocation

Transparency Consumption Detection of deviations Budget & Forecast Charging by project Monitoring of reserved instances

Optimize

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Utilization & Rate Opportunities

Discounts & License Plans

Revising the selection of resources, Service Plans

Removal of Abandoned Resources

Monitoring "reserved instances"

Automation

Load analysis

Cloud benchmark / ROI

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



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