A FinOps culture where innovation and cost awareness go hand in hand

Prudential Financial accelerated its ambitious cloud journey by shifting cost avoidance and optimization to the "left" in the delivery cycle.

THE PUBLIC CLOUD DELIVERED BENEFITS. BUT HOW HAD IT DELIVERED VALUE?

THE SITUATION

Many companies begin their cloud journey after an event, such as a mandate to close company-owned data centers, but that wasn't the case for Prudential Financial. With a consistent focus on innovation, the 150-year-old company aimed to use emerging technology that was fit for purpose for its business needs. Pooja Kumar, vice president, Cloud Strategy & Transformation, explained, "Not every innovation is going to succeed, but there's no failure. Everything is learning."

Prudential started leveraging the public cloud in 2018 to accelerate innovation and customer value through digital transformation. The team members leading the transformation efforts wanted to start small. They wanted to build confidence and credibility in the new technology and pressure test it before they scaled—which they thought would take time.

It didn't.

Quickly, even early skeptics within the organization began to recognize how the public cloud could unlock greater business, technical, and cost agility. They started asking questions: What can we build and how can we build it? How can we make it successful?

Early wins followed—reduced time from concept to value, faster integration of new technologies to power business capabilities, a transition to variable cost models—and drove an increase in the number and complexity of workloads deployed on Prudential's cloud platforms. The annual cloud workload expenditure also grew significantly, from $4 million in the first year to $50 million in 2024.

As cloud costs had increased, Kumar recounted, leaders around the organization aligned on a different question: How do we know we're getting what we are paying for?

At that time, Kumar was part of the cloud transformation group leading all financial operations (FinOps) for Prudential as well as enterprise adoption of cloud across the globe. And she recognized the need for data to reflect the value Prudential was getting from the public cloud. She says, "We needed a formal structure to give us a goal post and the ability to demonstrate progress against it over time."

In this case, Kumar opted to forgo the DIY route. "I'd rather learn and not reinvent the wheel," she said. "If someone is doing it better, then I would love to take their advice."

THE SOLVE

Kumar knew exactly where that advice could come from. Deloitte had been alongside Prudential as it stood up its cloud program in 2018, and Kumar was a member of the engagement team. She had deep knowledge of Deloitte's capabilities, and Deloitte had a holistic understanding of Prudential's needs at the enterprise level. Together, they could build the formal structure Kumar envisioned.

The first step, in 2021, was to establish a dedicated FinOps function to optimize spending and ensure efficient consumption across business and technology teams. They focused on four key capabilities:

• Waste management: Identifying and eliminating unused or underutilized resources to reduce unnecessary spending

• Purchasing management: Negotiating and securing favorable pricing and discounts to lower overall cloud expenditure

• Consumption management: Monitoring and managing cloud resource usage to ensure alignment with business needs and cost efficiency

• Cost-aware architecture: Designing systems and applications with cost efficiency in mind

Deloitte worked with Prudential to configure a framework that supported the company's cloud journey, offering insights—including cost analyses—Kumar described as "eye-opening," particularly around often-overlooked expenses like unused instances or storage. Throughout this process, Prudential's end users encompassed a diverse group of stakeholders, from executives and CIOs to finance, procurement and technology teams. As Kumar and her team established the FinOps function and focused on optimizing cloud costs, they drew on the technical specifications of the Deloitte framework, recognizing the importance of engaging developers early in the architecture design and code creation stages.

The goal was to ignite a cultural shift in how Prudential developers approach product design and architecture—a move to innovative product development *with* cost controls. Kumar said that while teams were deeply committed to building high-quality products, cost considerations were not always front of mind prior to deployment. In collaborating with Deloitte, Kumar and her team worked alongside developers to promote technology-driven practices that fostered greater cost awareness throughout the organization.

"We brought the developers into the solution," Kumar said. "It was about making sure we were all working together to get the developers what they need while getting our FinOps principles met as well."

Prudential empowered its development teams with new capabilities, leveraging service providers' native tools with an eye toward compliance and security, and automated wherever possible. An alert system was implemented to notify developers of cost anomalies and optimization opportunities, and cost controls were put in place to prevent overspending. Prudential established policies for the automatic deletion of unused resources in nonproduction environments. And Kumar established a FinOps council to serve as a governance body overseeing FinOps practices and driving continuous improvement across business technology teams.

In addition to increasing cost and architecture awareness, Kumar said, "a big part of our goal was to make developers' lives easier." That inspired a further "shift left" in Prudential's development cycle. A focused FinOps team of three experienced cloud engineers wrote guides, solutions and code to empower development teams to optimize their spend, and the company began equipping developers with "starter kits"—a collection of tools, resources, and documentation designed to help them quickly start building software applications or systems aligned with best practices.

Deloitte has also helped Prudential develop an interactive pricing model called Pru's Pricing Bot, which is powered by AWS services. Currently in the testing stage, the bot enables interactive discussions with developers to design cost-optimized architectures by providing real-time cost estimates based on the application and infrastructure configuration code. The pricing bot shifts the focus from a reactive FinOps strategy to a more proactive approach to predict costs ahead of time at the point of development.

"If I can avoid it, I don't want to incur that one extra dollar," Kumar said, but it's not frugality that drives her. A dollar saved is a dollar that can be directed elsewhere. "The goal is to take advantage of the best technology and make sure that FinOps is centered and core to everything we do around it."

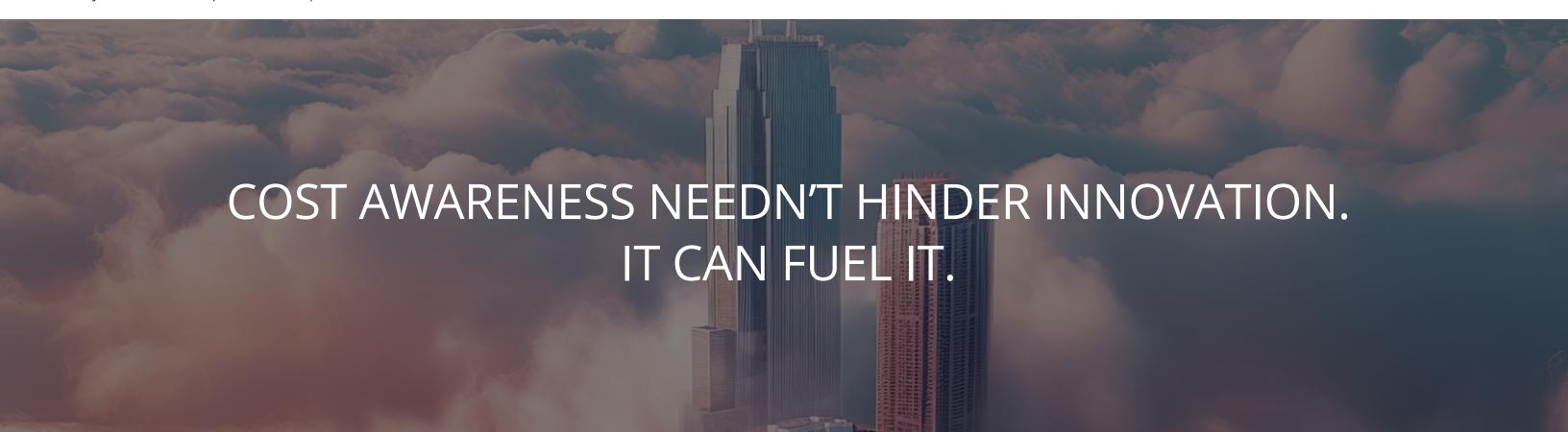# WHEN PEOPLE KNOW BETTER, THEY CAN OPTIMIZE COSTS AND SPEND BETTER.

THE IMPACT

To date, Prudential has made significant progress in driving cost optimization and avoidance as a core pillar of its development life cycle. Through continued collaboration with Deloitte, and by leveraging Deloitte's framework and capabilities, Prudential has avoided more than 21% of its previous annual cloud expenses across all active development teams. And there's more to come.

Kumar and Deloitte have begun to build on the initial success of the pricing bot by exploring how FinOps AI agents might expand FinOps' impact by autonomously processing real-time cost alerts and generating actionable insights. The intent is to drive efficiency across teams and free up bandwidth for critical tasks by removing the need to manually triage costs and usage. These agents could also enhance operational efficiency by automating repetitive tasks, reducing human error, and accelerating response times.

Prudential's journey has driven a culture shift across Kumar's organization. She believes in making it "easy for people to adopt the things you're trying to evangelize in the company." She also believes in making it fun. Kumar has used gamification and badges to drive the FinOps agenda forward, because "healthy competition is never a bad idea."

It's easy to see projects or initiatives like this as one-offs, but Kumar maintains a broader view. "I don't like to even call it a program anymore," she said. "This is about how you make FinOps and cost part of the DNA."

COST AWARENESS NEEDN'T HINDER INNOVATION.
IT CAN FUEL IT.

LET'S CONNECT.

Do these challenges sound familiar?

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