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Addressing Fear with Facts: FinOps for Public Sector Cloud Decisions

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Cloud adoption is now a mainstream modernization effort across the public sector. Yet cloud adoption can create concerns for leaders who are expected to move quickly without compromising service continuity, fiscal stewardship, and data protection. That concern is often amplified by evolving policy direction, legacy architecture challenges, and security requirements, such as FedRAMP/GovRAMP. The cloud's strengths, such as elastic scaling and rapid innovation, can also feel like a loss of control in a fast-paced environment, which can lead to fear-based responses and subsequent cloud waste. These concerns are not a reflection of poor decision-making; they are a rational response to the real accountability pressures within the public sector.

FinOps offers a practical way to address that challenge, replacing uncertainty and over-engineered solutions with a disciplined approach to managing cloud consumption so agencies can modernize while staying operational, accountable, and secure. This analysis examines the common fears that arise in practical public sector cloud decisions, how typical responses can undermine cloud value, and how FinOps addresses those fears with facts.

Figure 1: Overview of common operating patterns that result in waste and the FinOps solutions in the public sector

Typical Public Sector Operating Pattern	Fear-based Logic Behind the Pattern	FinOps Informed Solution
Over-provision for infrequently occurring peak-demand moments, without a plan to optimize	If the app performance drops and causes service disruptions, the agency will lose public trust and be held accountable	Review historical demand, performance limits, and test results to determine peak needs; confidently scale according to demand
Cushion the cloud budget and address overruns later through reactive funding actions rather than proactive cost governance	Consumption-based cloud costs fluctuate unpredictably, making it difficult to stay within fixed appropriations and annual budgeting cycles	Build the cloud budget from tagged usage data and cost drivers, monitor spend during the Period of Performance, and resolve variances before they become funding surprises
Postpone cloud optimizations until budget challenges become acute, then reactively apply cost-reduction measures under pressure	Cloud cost-cutting measures (e.g., shutting down environments or reducing service tiers) would be too aggressive and disrupt standard operations	Focus optimization where the usage is highest and the operational risk is manageable, start with the safest changes first, and then expand over time using the FinOps "Crawl, Walk, Run" approach

Operating Pattern: Over-provision for peak demand, without an improvement plan

Reliability in cloud-based environments is essential for consistent delivery and maintaining public trust. Agencies work diligently to prevent disruptions to critical services, fearful of lapses such as a benefits portal crashing during open enrollment or a public information page lagging in an emergency. This fear is compounded during cloud go-live events, where compressed timelines and mandates can increase pressure to prioritize performance and stability before cost management is addressed.

The typical operating pattern, driven by this fear, often over-provisions for rare peak demand without a clear plan to improve later. Agencies may choose to design for safety by using always-on capacity, high-availability configurations, and adding extra headroom to reduce operational risk. While this approach can lower the risk of service disruption, the costs are often disproportionately high. In on-premises environments, the impact of this overengineering mindset can feel less immediate because capacity is typically purchased and budgeted upfront. However, maintaining this mindset in a consumption-based billing environment, such as cloud, can result in unnecessary recurring costs.

The FinOps-informed solution can replace static overprovisioning with data-informed, dynamic capacity planning. It brings cloud stakeholders together to define cloud reliability requirements with a cost lens, guiding agencies toward a tailored solution rather than defaulting to maximum capacity.

This can take many forms, like total cost of ownership discussions, contract and procurement strategies, and support for spending decisions to agency leadership, oversight bodies, Congress, and interagency stakeholders. FinOps also establishes a post-go-live plan to revisit and confirm those initial sizing decisions as workloads can change over time. After an agreed-upon settling period, teams evaluate real usage and performance data, re-benchmark against original expectations, and right-size resources accordingly.

This approach is a broader shift in how agencies think about resilience. Rather than designing for every possible scenario, FinOps can help agencies make more deliberate decisions about where added resilience is needed and for what cost. It recognizes that trust is difficult to measure and that even a single outage can cause reputational harm. FinOps does not dismiss those concerns, instead it can help ground the conversation in data, using historical demand patterns, peak usage, and risk tolerance to show when better-suited approaches are available, rather than over-provisioning. FinOps also helps agencies continuously validate that their environments meet their requirements through operational reviews, performance monitoring, and year-over-year production evidence showing that service levels were maintained after optimization.

> Deloitte helped a Department of War entity cut total backup and storage costs by 30% through confirming recoverability needs, assessing existing backups, and addressing backup recovery fears to eliminate duplicative EC2 snapshots, EFS backups, and Recovery Manager (RMAN) backups in S3.

Operating Pattern: Cushion budgets and address overruns reactively instead of using proactive cost governance

Organizations and project managers fear budget overruns, or worse, budget cuts. However, in the public sector, where budgets might be set years in advance and agencies can take on new missions without additional funding, that fear can be more pronounced. This challenge is highlighted when agencies move applications to the cloud quickly, through lift-and-shift migrations to meet deadlines, carrying forward on-premises design assumptions that are not well suited to cloud cost management. Costs rise, forecasting becomes harder, and confidence in the value of cloud drops.

In response, many agencies build an extra cushion into their cloud budgets to protect against uncertainty. Later, they may address overruns through out-of-cycle funding requests or reactive cost-cutting measures. However, the funding requests are not likely to solve the underlying problem. Funding requests may provide only temporary relief, and reactive cuts might not be optimally targeted to reduce costs safely, bring accountability to budgets, and outline whether new work can be supported within existing funding,or if additional funding is necessary.

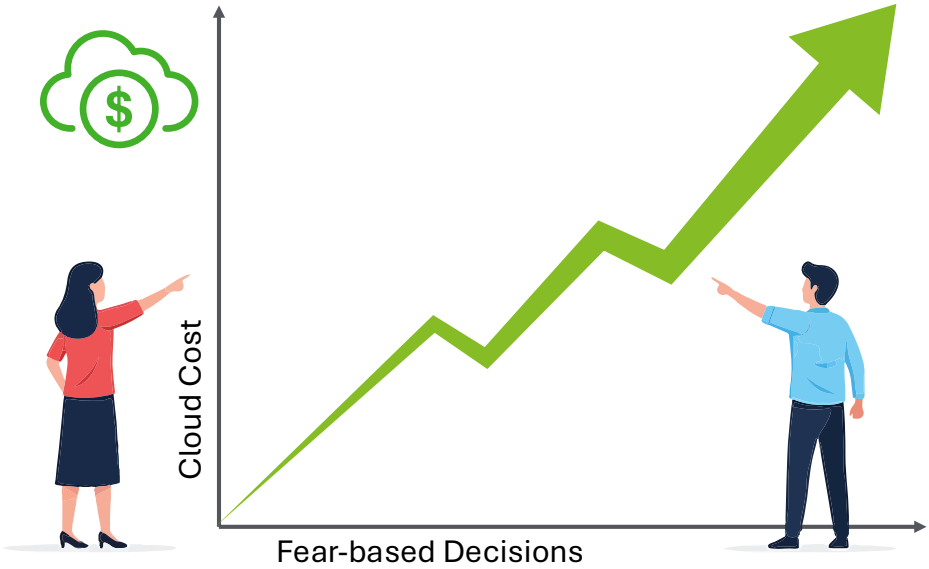
FinOps can help address these problems through proactive forecasting and adaptive budgeting based on tagged usage, cost drivers, and expected demand patterns, enabling continuous innovation. Additionally, FinOps increases visibility and understanding of cloud spend as it relates to mission outcomes (e.g., cost per case processed), leverages near-real-time data for continuous spend monitoring, and bridges the gap between engineers, procurement, and business leaders. The FinOps team guides agencies in implementing cost allocation models, dashboards, and KPIs that tie cloud spend directly to mission outcomes, helping leaders move from out-of-cycle funding requests and reactive cost-cutting to confidence that their cloud spend will stay within budget and deliver measurable value.

> Deloitte empowered a state agency to save 86% on their weekend EC2 spend by creating and implementing outcome-focused resource scheduling that aligned with their engineering, productivity, and system availability requirements.

Operating Pattern: Postpone cloud enhancements until facing budget challenges, then reactively cut costs

To some extent, both of these fears are grounded in a underlying concern that taking action to enhance cloud usage could have unknown consequences and disrupt environments that teams have worked hard to stabilize, make reliable, and forecast. When fear prevents decision makers from moving ahead with cloud solutions, the indecision can allow temporary exceptions to persist and cause delays in rightsizing.

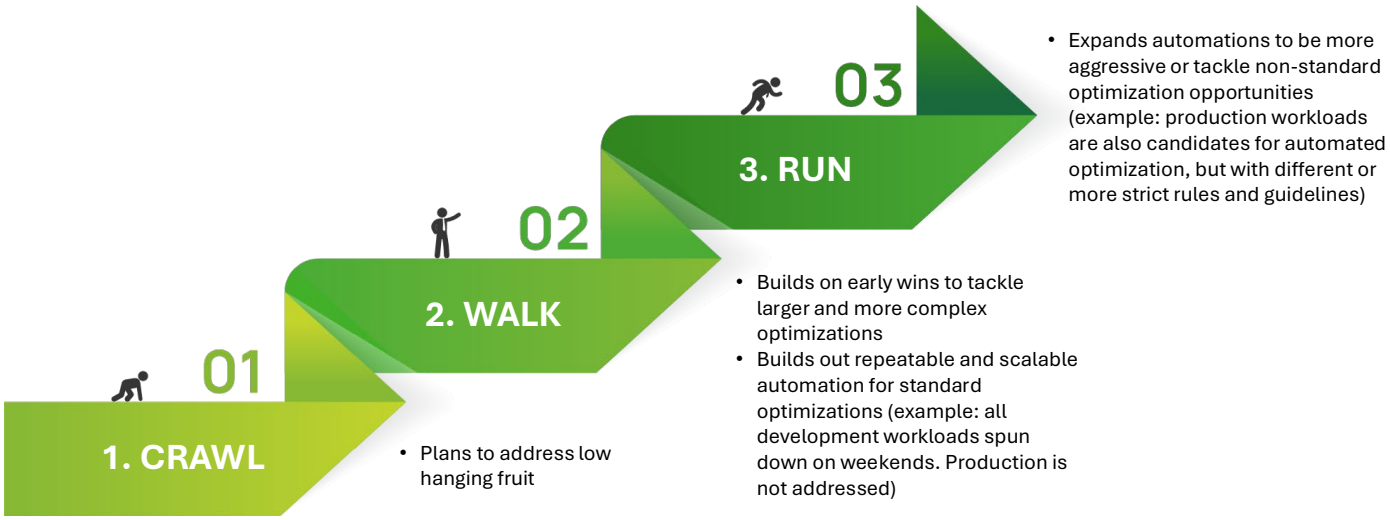
Figure 2: Direct relationship between fear-based decisions and cloud cost



Agencies may respond to uncertainty by preserving as much flexibility as possible, e.g., by avoiding commitment-based savings because future demand is unclear or by keeping non-production resources running in case they are needed. While understandable, this approach often increases cost and pushes optimization into a reactive, high-pressure exercise once budget challenges emerge, rather than making it part of a continuous, managed practice.

The FinOps enabled solution can reduce the perceived risk of cloud optimization by putting structure around how opportunities are identified, prioritized, and owned. It does this by clarifying decision rights, defining governance for optimization actions, and aligning cost-saving efforts to existing operational processes such as change management, testing, and rollback procedures. Through FinOps' Crawl, Walk, Run approach, agencies can tackle smaller, easier wins and then build up to larger, more scalable actions. This allows teams to focus on high-impact/lower risk opportunities, demonstrate savings, validate performance impacts, and then expand enhancement efforts over time as confidence grows.

Figure 3: From hesitation to controlled optimization using the Crawl, Walk, Run approach

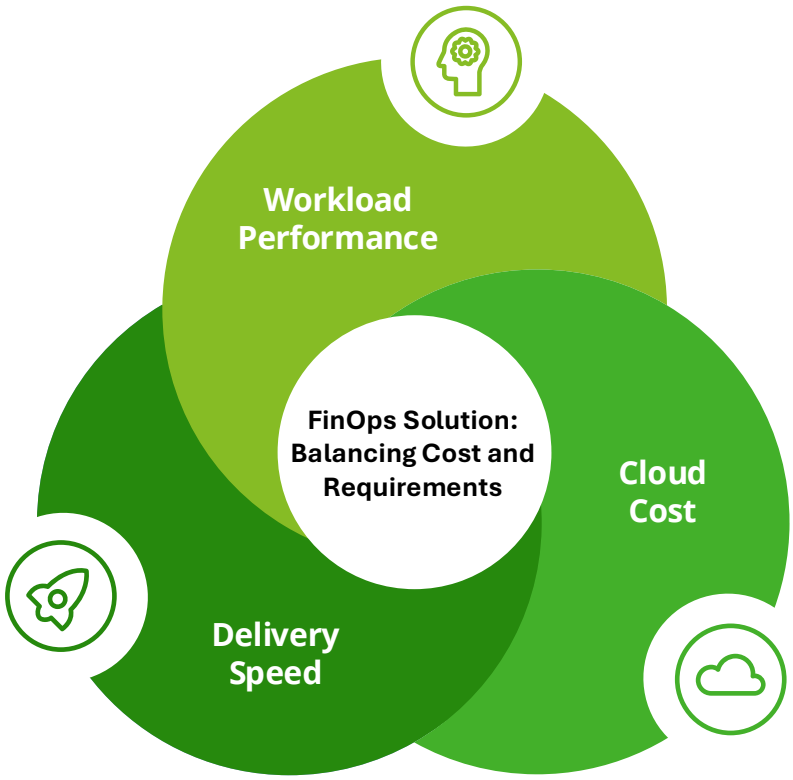


FinOps addresses fear with fact-based decisions

Cloud adoption can surface fears about visibility, predictability, reliability, compliance, and cost. This is especially true when cloud velocity and new services, such as AI, outpace traditional oversight. Left unchecked, those fears can cause agencies to miss some of cloud's benefits: scalable workloads, agility to meet mission demands, and fit-for-purpose native capabilities.

Our team of Deloitte GPS FinOps practitioners has worked with agencies to address their cloud modernization fears, using these FinOps strategies to deliver critical insights to balance cost with performance and delivery speed. Our FinOps strategies translate concerns into concrete decisions, whether your cloud journey is mature or just beginning. Together, we will enable chargeback and showback, build reliable forecasts, improve cost allocation, and deliver real-time cost visibility, so you can take control of your FinOps journey.

Figure 4: FinOps at the center of operations



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