



The Deloitte On Cloud Podcast

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Title: The power of FinOps: Prudential's Pooja Kumar and Deloitte's Tim Potter on scaling FinOps and changing culture

Description: In this episode, Gary Arora talks with Prudential's Pooja Kumar and Deloitte's Tim Potter about the power of FinOps to help manage cloud costs and why rising costs aren't just a finance issue. The trio explores how FinOps drives cultural change, the importance of developer empowerment, and the role of AI in cloud automation and optimization. They also discuss cross-functional collaboration, cloud governance, and how to build the foundation for a trustworthy, cost-aware cloud ecosystem.

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Gary Arora:

Welcome back to the On Cloud podcast where we cut through the hype and get to the real stories behind enterprise technology. I'm Gary Arora, your host and chief architect of cloud and AI solutions at Deloitte. Today we are talking about a challenge that nearly every technology leader is wrestling with right now, cloud costs. As more workloads move into the cloud, spend starts to spike and suddenly, you're not just managing infrastructure across multiple clouds, you're managing unpredictability. But what if cost control wasn't just a finance issue? What if it became a product capability, a cultural shift, even a competitive edge? That's the story we are unpacking today. Joining me is Pooja Kumar, VP of FinOps at the Global CTO org, among many hats that she wears at Prudential Financial. Alongside her is Tim Potter, insurance, engineering, and cloud practice leader at Deloitte. Pooja, Tim, thank you both for joining us today.

Pooja Kumar:

Thank you for having me, Gary. Pleasure to be here.

Tim Potter:

Yeah. Thank you, Gary. Looking forward to the discussion.

Gary Arora:

Alright, let's dive in. Pooja, to help set the stage, Prudential's cloud spends grew from 4 million to over 50 million annually in just six years. Now, that kind of growth reflects real momentum, but it also introduces new levels of complexity and cost variability. At what point, did you realize we need FinOps now, and how did you frame that challenge internally to turn it into a strategic priority?

Pooja Kumar:

So, Gary, maybe a little bit of context about Prudential might help, I think, answer that question. So, if I'm going in a little bit more detail, feel free to stop me. So, obviously as you guys know we're a financial services industry, highly regulated. On top of that we're an insurance company and add that to 150-year-old insurance company. And, I say this to say is traditionally, we've been a very risk-smart company, and what that means is we've been very slow to adopt any emerging tech or any new technologies within our technology kind of strategy. So, as we started our cloud program, this is eight years ago now, a challenge was how do we build confidence in our businesses and CIOs and how do we start to show early success?

So, what happened is, as we introduced cloud computing within Prudential, I was honestly expecting very linear growth over the last few years. And the exponential growth, I think we grew at a 30% CAGR year over year, really surprised me and surprised our CIOs as well. That was kind of an inflection point

for us where the spend grew so fast. The CIO started to come to me and ask me questions like I'm spending all this money, how do I truly know that I'm getting all the value of cloud, talk about agility, elasticity, variable cost? And how do I know I'm optimally spending in the cloud? That coupled with, there was a lot of buzz in the industry about cost awareness. I was attending a lot of conferences and one number that really stuck in my mind was, inherently, there's a 30% waste introduced as soon as you deploy your first application in the cloud. So, that was kind of an eye-opening moment for me where we said, OK, you know what, we need to start looking at cost more closely and that's really what prompted us to think about FinOps and really making this a discipline and practice within Prudential and not just an after fact thought.

Gary Arora:

Wow. So, 30% exponential growth now that's certainly going to make a lot of the CIOs start asking questions around cost. Tim, from your vantage point at Deloitte, you have seen both the FinOps success stories and the ones that stall out, so what are few key patterns, or mindsets, or structures, or first steps that consistently tilt the odds towards real savings and long-term momentum?

Tim Potter:

I think, as with any well-run technology program, you have to have deep partnership with the business, whether that be the lines of business directly, the CEOs, the CFOs, or the business application teams. Much of financial optimization in the cloud, can be done centrally without the involvement of app teams, but so much of it's optimizing compute instances or storage or taking advantage of elasticity that's dependent on application teams adjusting the way that they use cloud resources. So, having that partnership is absolutely key, one thing I've seen, Prudential and others do extremely well is identifying optimization opportunities and then having those actively recorded in application team's backlog. So, maybe they don't act on it immediately, but they've got that they're visible and can be prioritized appropriately alongside direct business-enhancing features and other tech-debt elimination options.

And then transparency and open reporting is key. Pooja and her team did this extremely well at Prudential, not just to the technology organization and the Global CTO, CIO, but out to the lines of business to make them aware of what money had been saved, but what opportunity and potential still exists. Those are the things that I've seen work extremely well. One other thing that I'll add, I'll let Pooja build on this too, is the use of office hours, all hands meetings, different forums to engage the broader organization around like upping their game in terms of smarts or intelligence on how to be more cost conscious without sacrificing performance and true product features that are delivered to the business.

Gary Arora:

Yeah, I really like that. So, you're basically treating these cost optimization opportunities as regular user stories with a backlog that makes it core to the development cycle and not just an afterthought.

Tim Potter:

That's exactly right there, and then it leaves where the team is doing their work. and these user stories can exist for technology platform teams as well that have a role in optimizing costs. And then you leave it to them to prioritize where they pursue that, relative to other features and enhancements that may take greater precedent at the time.

Gary Arora:

Right. And Pooja, what struck me most about your success story is that you had just three engineers leading FinOps, yet you reached the entire development organization. So, what's the secret there? What were your force multipliers, Tim mentioned office hours, but what else were you doing that essentially helped you punch above your weight?

Pooja Kumar:

I think Tim almost stole my thunder a little bit, but I'll give him slack for that later. I will say though, people who know me, I don't believe in throwing people at solving problems. I'm not a believer of building empires to solve issues. I strongly believe in highly empowered teams. So, I think one of the best decisions I made now looking back, at that time it was a risk, but I hired very technically smart people, and these were engineers and I'd say architects who had like even professional architect degrees and certifications. So, I wanted to make sure that they don't just bring a financial point of view, they can actually face off with our developers and challenge them on some of the stuff that they're building and build the credibility that this team needed to.

The second thing, obviously coming people who know me ex-Deloitte, I've done a lot of work in operating model space. I built something where I believe in a federated model where I wanted to bring my business teams along, make them part of the solution. So, really focused on empowering them to own their own P&L, which they do. So, as they own the P&L, they should own the responsibility for cloud cost, as well. And then the last thing I'd say, and Tim alluded to office hours, the other thing I did was actually started a FinOps council, and my team hosts this monthly. And this kind of incorporates business leaders who are part of the council have finance. I have procurement, I have security, I have all the supporting functions as well that come along. And, really, we brainstorm on most pertinent FinOps issues that we want to deal with and come up with creative solutions. And that really helped me get buy in from the business versus trying to sell them something with data.

So, I think those, amongst other things, like we have our Slack channel, we have other things going on where real time we're looking at costs. I think that really helped me. Again, going back to like executive sponsorship, the buy in and really making sure we provide a platform for everyone to come and bring their problems, and we all solve them together. So, that really helped me keep the team lean and effective at the same time.

Gary Arora:

Yeah. And owning their own P&L is such a novel approach to get their skin in the game. With all these changes that you implemented, when did you know the culture had really shifted because developers do live in user stories and their go live deadline. So, there is a bit of a tradeoff that one has to negotiate, so what made this cost awareness feel relevant and even cool to your engineers and what were your measurement criteria?

Pooja Kumar:

I don't know if it's still cool, Gary. I'm still trying to figure that one out. But I think the cultural shift as you guys know as much as I do, it takes time, and I think that I'm still living it. All I can do is provide data and provide enough controls and put enough controls in place that will help people pause and think about the problem and think about cost as well. And, so, besides that my team was focusing initially a lot on detective controls.

We put a lot of detective controls in place, and I think there was fatigue setting in on my team as well in terms of just doing clean up and what that meant in terms of cost was we've already had cost overruns. So, there was no motivation for the team to say, "OK, what do we do now? We've already incurred the cost." That kind of prompted us to think about how we get to the developer space and again, this is more context. And we started to think about cost-aware architectures, and I call it frugal architecture and, really, that made us think about shifting left as far as possible and we started to implement a few things at that point.

Specifically, what we did was, we started to put limiting rules in place, so at least that brings out some awareness in terms of, "Hey, deploying this instance, this is like three generations old. You can do better and that will also impact your cost and save you 10% making this up." Then we started putting some heart controls in place right where we put preventative controls, and we literally stopped developers from deploying old instances. Or even things like, I'll give you another example, like GP2 to GP3 like there was this whole to move to a better instance type and have better performance. We literally integrated all of our controls within infrastructure as code and really put architectural guard rails is what I call them so that it prevents non-optimized architectures to be deployed.

And then the last thing we did was we actually created FinOps patterns and called it starter kits, or patterns, or optimization playbook that really helped educate the developers on what's the right way of doing building architectures and deploying applications into production. So, I think all of the above, like I said, these are actions that we took and to help shift the culture and have people focus on not just building for operations and building for security in mind, I call it the three-legged stool, building for cost in mind as well. So, really, optimally using all of those three levers to make sure that your architecture is best in class. and I'll put this plug in place, because this is our next best thing that we're working on, and that's really when we started to think about all these controls.

That's kind of really prompted me to think about the proof-pricing bot that we just released, and I thought about like why am I giving all these piecemeal controls or putting all these hurdles in place? Wouldn't it be nice for the developers to bring their own architecture, click of a button really help them get all of the cost right up front and help them make better decisions as they create new architectures. So, that's really where we are going in terms of true shifting left, and I obviously have more visions beyond pricing board that we're going to go into.

Gary Arora:

The pricing bot and the AI agents that auto-optimized cloud, it's a very intriguing space, it almost sounds like magic. So, could you elaborate more on how these new age tools were able to solve these issues better than your traditional tools and methods?

Pooja Kumar:

We're still figuring that out, but we have a prototype, we have the pricing bot in in our non-production space that we are using. And, obviously with all, I want to add on the layer of that governance plays an important role in this. As we start to use AI and GenAI to solve some of these problems, we work very closely with our data team and our responsible AI team to make sure that we are working within the confines of their framework and security top of mind for us. So, again it's a new concept we just released it. I think it's going to really help shave off, at least in early days, help us prevent 10%, if not more, of our cost overruns and with the vision that I have, I think the next level would be, we've been working with Deloitte on multi-agent architectures on how we take this and expand this concept to even better architectural recommendations. That's kind of where we are going with this concept.

So, there's a lot more to come, this is just a start of our journey, Gary, of shift left, and to be honest with you, the results are yet to be seen, but that's kind of what I suspect. I think the one thing it is going to solve is there is no such tool in place, at least from the market research I've done, that really helps you in the front end give you a good view on your cost and this is not just on demand cost, this is the bot that I've built. It brings in all of our pre-negotiated discounts and all of the internal, I'd say the construct that we've built for cost brings all of that together. So, I'd say amortize cost that you're looking at and get as close to the real cost as possible.

Tim Potter:

Hey, Gary, if you don't mind if I add, I think one of the key things just building what Pooja is saying, that's led to her great success at Prudential has been she's led with the carrot over the stick. Like, no doubt she's taken action where she can where it doesn't need the other team's platform, which is if it's an overall enterprise discount. She takes all the data and negotiates that on behalf of them, but where there's opportunity for them to optimize an architecture, she's taking a very consultative approach. Not a name and shame, but showed them a path to a more financially optimized way of delivering. And I think that the app, the platform teams, have really leaned into that approach and that's been one of the keys to success beyond releasing some pretty innovative solutions in order to drive cost optimization opportunities.

Gary Arora:

Right. And we have these new tools and frameworks including multi agents and AI to streamline a lot of the traditional friction that's been there with the older tools, but you are operating in a very regulated space. So, I've got to ask you this, how are you building trust into these new systems across audit, security, and engineering, so they're seen as reliable copilots and not rogue scripts, if you will?

Pooja Kumar:

I'll answer you in a very simple way, Gary, security and enterprise architecture: my best friends. I don't think I could do this without their support and collaboration, and I've made sure that they've been with us lockstep as we've been building this new framework and architecture for the pro bot. Along with the agent framework that we have in mind for the future, really, it's been a collaboration. You cannot do it without their support and without leaning into and making sure that you stay within, again the construct and frameworks whether it's called responsible AI framework or external frameworks. So, very much in tune, very conscious and like I said, I make friends with them very easily, so that really helps.

Gary Arora:

You got to keep your audit and compliance teams happy?

Pooja Kumar:

Exactly.

Gary Arora:

Right. Finally, and I want to ask both of you—for tech leaders staring at a growing cloud bill with perhaps no FinOps practice in place, or ones that are just not cutting it, what's the one thing they should be doing in the next 90 days that can actually move the needle? Tim, let's start with you.

Tim Potter:

If you have no FinOps practice in place right now, there's numerous foundational steps that you could take in order to realize some substantial gains, just looking at overall cloud computing resource use and utilization, and are you optimizing when you have certain workloads running on certain environments, are you optimizing where, at what time of day certain workloads are being run? Have you negotiated the optimal discounts with your cloud providers, things of that nature? Those are low hanging fruit, easy places to start, but I think you have to give someone like, Pooja took on the roles that she has that at Prudential to really lead this practice at your organization. You can't just state that you'd like to be more financially optimize and not goal or give someone the charter to go out and create a team focused on this to both educate, evangelize, and then take proactive steps to optimize cost. It starts with really assigning responsibility. Pooja, what are your thoughts on that?

Pooja Kumar:

I think I agree with you, Tim. And what I'd say is, maybe more tactically, I think it starts with cost visibility guys. I mean the more data you can show and present at the most granular level I think is really eye opening and you can invest in a tool, you have native tools available with all the service providers, or you can build your own. So, start with that and also hold people accountable. I've seen companies who've actually tied performance reviews to some of the outcomes that they should be achieving, so you could even go to that extent if you like. The other thing I'd say is, like maybe what I did, like you don't have to boil the ocean but build at least a small core team that's looking at cost. I think that really helps identify the low hanging fruit that Tim was talking about and there are some things that the core team can do on behalf of the enterprise.

You really don't need all the support and buy in from everyone to execute on some of these actions. And the last thing, and I know you asked for one thing, Gary, but I'll give you three because I'm so passionate about this topic. Don't have to do it yourself. It's been done before, engage companies like Deloitte and others, work with them because there's a lot that's been done in this space. So, don't feel like you're alone and leverage on some of the learnings, whether it's successes or learnings that we've had, other companies have had and take that and build on that, and I think that would be a great place to start if you haven't really focused on FinOps in the past.

Gary Arora:

I love it. So, a core team that is looking at cost starting with low hanging fruit and holding people accountable, I love the suggestion of tying in with your performance management. I think it makes it very real and brings in the ownership. Alright, that's it for the episode. Thank you for tuning in. A big thank you to our guest Pooja and Tim. If you like this episode, please be sure to leave us a review. Thanks for listening to the On Cloud podcast until next time, I'm Gary Arora.

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