



FinOptik



How to eliminate FinOps blind spots

Bryce Dickens

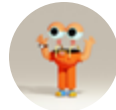
Principal FinOps Strategist

Rich Hoyer

Co-Founder & CEO, FinOptik

**"It's like the wild west -
technical owners can do
whatever they want"**

***[as a result expensive stuff gets
spun up in expensive regions]***



**"Our technical teams have
no way of seeing what
they're spending real-time...
...In fact, we don't know
which teams are generating
most of our spend!"**



**"We can't calculate cloud
cost by customer or
product, it's an issue for
revenue forecasting, and
that's blocking budget"**



**"We're going to need way
more rigor in why we
would be spending as
much as is in the commit"**

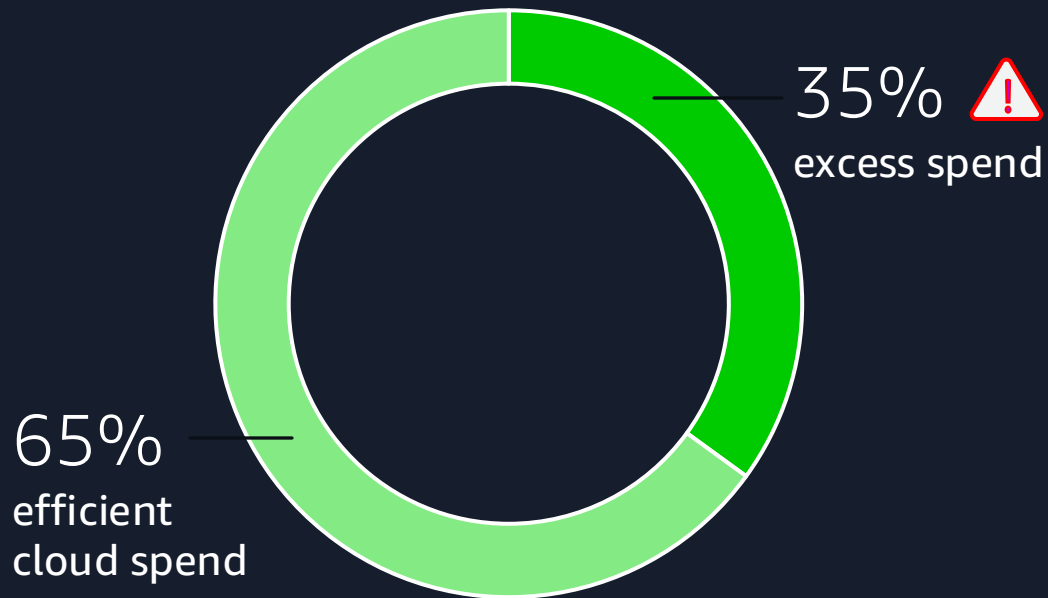


What is FinOps?

- FinOps is a set of principles and practices focused on managing and optimizing the financial aspects of cloud.
- Involves collaboration between IT, Finance, and the Business to provide transparency, enable accountability, and deliver business value to your organization.

Cloud without Financial Management

Traditional financial management processes cause up to \$10B+ in excess annual cloud spend



Poor cloud cost management impacts the business

80% of respondents acknowledge that **poor financial management** related to cloud costs has had a **negative impact on their business**

- Slows/halts cloud adoption (53%)
- Cripples innovation (25%)
- Lowers quality of service (38%)
- Leads to sprawl/underutilization of resources (40%)
- Increases cost (22%)

Sources:

1. RightScale 2020 State of the Cloud Report from Flexera;
2. (451 Research Report) Cost Management in the Cloud Age Enterprise readiness threatens innovation. (451 Research study commissioned by Cloudability)

Cloud Financial Management

Manage, optimize, and plan cost and usage

SEE



SAVE



PLAN



RUN



Cloud Financial Management

Manage, optimize, and plan cost and usage

SEE



- Measurement
- Accountability

SAVE



- Service Efficiencies
- Program Discounts

PLAN



- Budgeting
- Forecasting

RUN



- Operational Controls
- Cost Aware Culture

Cloud Financial Management: Who cares about what?

Enterprise Job Level	Cares about	Example messaging to client	What they need
CTO / CFO	<p>Not FinOps Directly EBITDA, Shareholders, Revenue, Culture, Risk, Forecasting,</p>	<p>Collaborate with your CTO / CFO Get the visibility you need to forecast</p>	
<p>VP Architecture / VP Tech Finance / Director of Cloud</p>	<p>Company-wide control, processes + standardization, oiling cross-company depts.</p> <p><i>"Our CCOE is up and running but, we're still finding cultural pain points across the org around adoption and spend."</i></p> <p><i>"It's like the wild west - budgeting and forecasting for all the different teams here is painstaking".</i></p> <p><i>"Our technical teams have no way of seeing what they're spending real-time... ...In fact, we don't know which teams are generating most of our spend!"</i></p>	<p>Make cloud investment decisions with confidence by augmenting control across company</p> <p>Build your FinOps Practice for your enterprises entire needs</p> <p>Get better insight and articulation of business value of cloud</p>	<p>People and Process, Cloud Financial Management</p>
<p>Infra / IT Managers</p>	<p>Cost Management <u>within</u> depts</p> <p><i>"Costs are spiraling but we don't know why." "Need to see the value of this workload"</i> <i>Maximize efficiency, reinvest savings into new cloud opportunities</i> <i>RI and Optimizations, Capacity and demand</i> <i>POC based Estimations, Business value for teams</i></p>	<p>"The Frugal Architect"</p> <p>Pay for what you need</p> <p>Figure out the causes for your overspend</p>	<p>Cloud Cost Management</p>
<p>FinOps Practitioner, Architects</p>	<p>Incremental dept wins</p> <p><i>"Saved 12% on this workload "</i> <i>"Reports aren't technical enough"</i> <i>Operational Efficiencies, Individual right sizing opts</i></p>	<p>Automate and get insight into how to deploy your workloads cost efficiently</p>	<p>Technology/ Automation</p>



Common Blind Spots

Inadequate Segmentation

- No segmentation?
- Limited to financial reporting

Manual Cost Attribution

- Spreadsheet-based manual post processing
- Once a month, single report

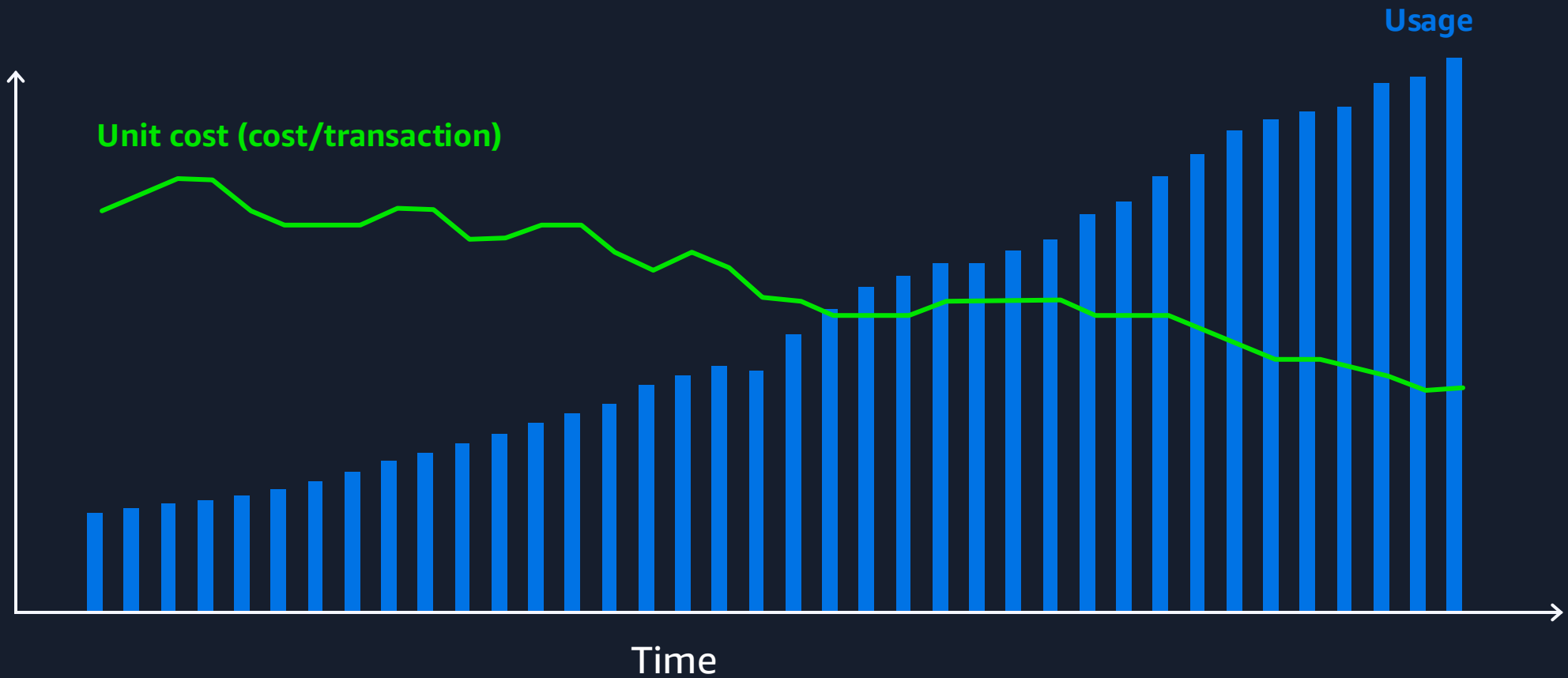
Underutilized Resources

- Spot checking
- Inadequate collaboration with technical teams

Limited Participation in Commitment Based Discount Programs

- Lack of a rigorous approach
- Lack of oversight when federated

What good looks like...



Define what matters to you

Linking KPIs to value creation

"costs increased by 10% YoY"



"costs increased by 10% YoY, while searches grew 50% and reservations grew by 30%"

Cost based KPIs

- (\$) Daily AWS run rate
- (#) Total EC2 Hours
- (%) RI Coverage
- (%) RI Utilization
- (\$) Underutilized/idle resources
- (%) Resources untagged
- (%) Variance (budget to actual)
- ...

Value drivers

- Searches
- Listings
- Guests
- Hosts
- Mobile users
- Microservices
- Backend jobs
- ...

Value based KPIs

- \$ AWS cost per search
- \$ AWS cost per listing
- \$ AWS cost per guest
- \$ AWS cost per host
- \$ AWS cost per mobile user
- \$ AWS cost per microservice
- \$ AWS cost per backend job
- ...

Financial Overview Report

A mechanism to quickly report on consumption and efficiency opportunities

Current Spend Summary

Summary of current spend with focus on previous month spend

Previous Month Spend \$12,540	Fastest Growing Account Bryce's Playground (172%)	Top Service By Spend Amazon Elastic Compute Cloud - Compute	Fastest Growing Service Amazon Elastic Compute Cloud - Compute (302%)
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Spend for Previous Month and Trends

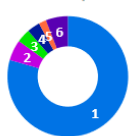


Current Spend Breakdown

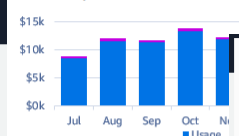
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Total Spend



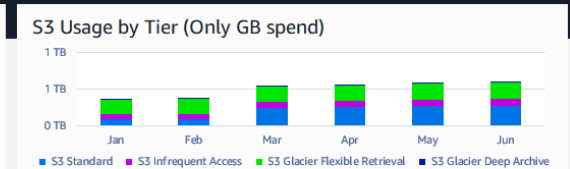
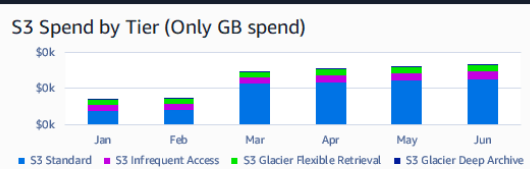
Total Spend and 3-Month Trend



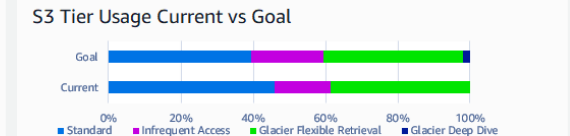
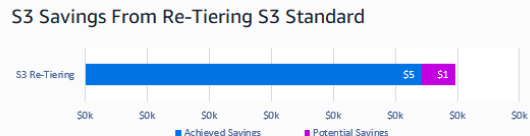
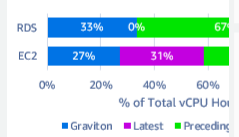
Amortized

Top Services by Amortized Spend

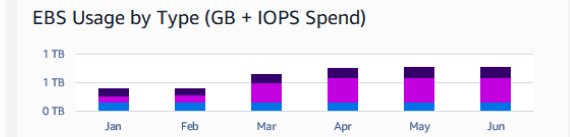
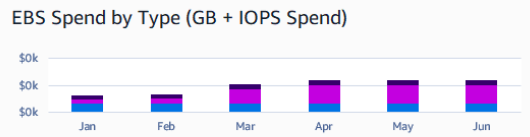
Service	Previous Month Spend	3M Growth
Amazon Elastic Compute Cloud - Compute		



Service Generation



vCPU Unit Cost



Consumption insights

Trend visualizations

Transparent data

CFM Capability Assessment

A mechanism to measure your CFM maturity and remediate gaps through prescriptive guidance



Inputs and Observations

The assessment consists of 39 CFM capabilities across See, Save, Plan, and Run.

AWS CFM specialist facilitates in a 1 on 1 engagement as well as rapid surveys and observations from current usage and spend analysis.



Evaluation and Results

Maturity score measured for each of the four CFM pillars.

Reports include heat-map, scorecard, and radar chart.

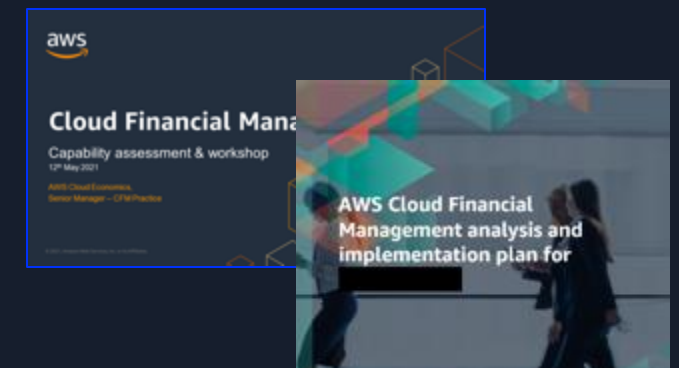
Multiple assessments over time enable customer benchmarking.



Findings and Action Plan

Deeper engagement with AWS FinOps team for prescriptive guidance and enablement focusing on key pain points identified.

Detailed report with analysis and implementation plan to build CFM roadmap and run CFM as a program.



Call to Action



**Define your business
value KPIs**



**Schedule a financial
overview call**



**Outline a CFM
strategy**

Realize business value today with CFM

Join FinOps experts at AWS Symposium Ottawa

October 9, 2024 | 9:00 AM — 5:00 PM | Shaw Centre, Ottawa

Scan the QR code to register now.



Featured Speaker:
Chris Hennessey

Past VP of Finance,
Capital One