



Cloud Cost Optimization

Cloud Economics Industry Challenges

“With the macroeconomic environment becoming increasingly challenging and company leaders looking for ways to achieve higher business resiliency, CIOs and CTOs can expect uncomfortable questions about the costs of their cloud programs”

- McKinsey

Questions like these are becoming the norm?

- *Why are our cloud costs 30% over budget?*
- *How do our cloud costs compare to industry benchmarks?*
- *How are the costs distributed by departments, applications, and services?*
- *What's the ROI on our cloud spend?*



Challenges with Managing Cloud Costs



Forecasting inaccuracies, lack of cost visibility & monitoring



Inefficient architecture and design



Inflexible cost allocation & optimization strategies



Lack of governance, right policies and controls



Lack of collaboration between finance, engineering and operations teams

Our Cloud Economics Enablement Methodology



Enablers of FinOps

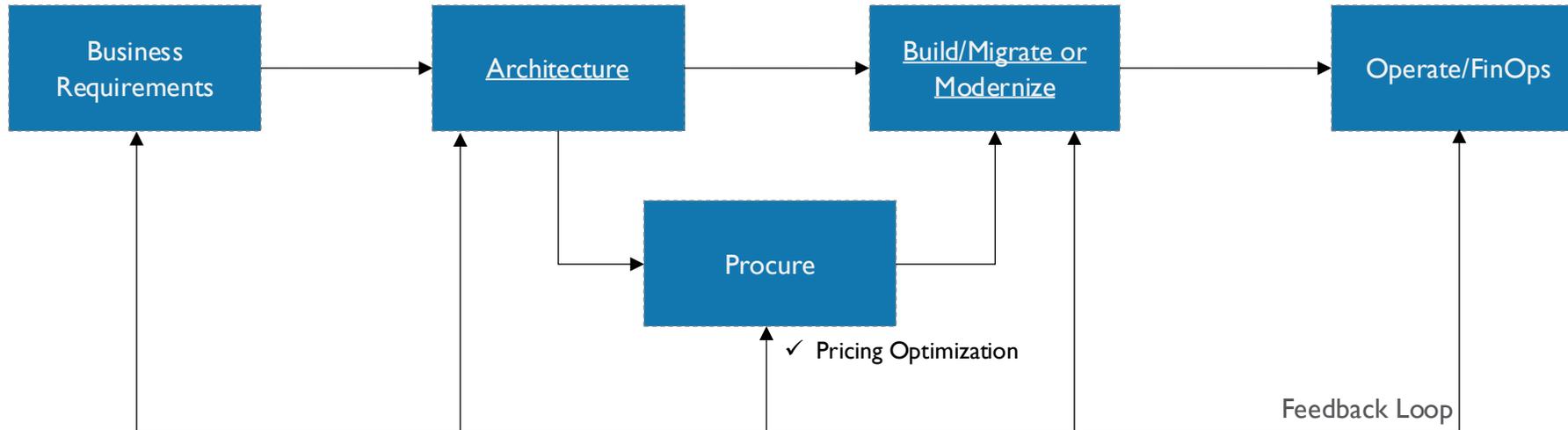


- ✓ Cloud Services Cost Hierarchy Mapper
- ✓ Cloud Financials Dashboard

- ✓ Optimization checklist for build permit
- ✓ Fin-Optimized Architecture

- ✓ Best practices for build
- ✓ Cloud Financials Dashboard

- ✓ Optimization checklist for Ops permit
- ✓ Cloud Services Cost Hierarchy Mapper
- ✓ Cloud Financials Dashboard
- ✓ Pricing Optimization



Value conscious governance driven by *FinOps Hub*

Cloud Economics Framework

Principles

- 1 **Cross-functional Collaboration:** Encourage seamless interaction between diverse teams
- 2 **Value-centric Decisions:** Guiding decisions based on the economic benefits derived from cloud investments
- 3 **Shared Responsibility:** Ensuring every team member understands their impact on cloud costs.
- 4 **Accessible & Timely Data:** Providing relevant financial and usage data promptly for informed decision-making.
- 5 **Centralized Management:** Implementing a central team to steer cloud economics initiatives.
- 6 **Leveraging Cost Variability:** Utilizing the flexible cost structure of cloud services to maximize savings.

Capabilities

Discover	Investigate Economic Impact		Optimize		
Data Collection & Processing	Strategic Planning	Cost Efficiency Analysis	Architecture Optimization	Workload Optimization	
Resource Allocation	Cost and Architecture Benchmarking	Unit Economics Evaluation	Dynamic Resource Allocation	Automation & Orchestration	
Analytics & Insights	Financial Forecasting	Scenario Analysis & Risk Assessment	Elastic On-Demand Pricing	License Management	
Exception Detection	Budget Management	Return on Investment (ROI) Analysis	Cost Reduction Strategies		
Operating & Governance Model					
FinOps Operations		Workload Onboarding Process	Performance Metrics & Reporting		
FinOps Tool Integration		Educational Programs & Training	Invoicing & Chargeback		
Cloud Policy & Governance		Cross-disciplinary Integration	Continuous Improvement Initiatives		
Key Stakeholders					
Cloud FinOps Team	IT/Cloud Operations Team	Finance Team	Engineering/Development Teams	Procurement Team	Security & Compliance Team

Genzeon Cloud Economics Governance Process

Onboarding to FinOps Platform

Billing Data ingestion to DigitalEXplatform.

Implementation

Implement the approved recommendations

Customer Approval

Present the agreed-upon savings recommendations to the customer for approval.



Resource Analysis

Infra engineer will utilize the DigitalEX dashboard to analyze all resources, identify waste/optimization opportunities, and develop recommendations for reducing Total Cost of Ownership (TCO).

Weekly - Recommendation Review/Approval

Infra engineer to discuss the recommendations with the Cloud Architect.

Biweekly TCO Analysis Meetings

The Cloud Billing Associate schedules biweekly calls with application teams to review TCO analysis and agree on optimization steps.

Document all discussions and track outcomes until savings agreements are reached.