

# FinOps adoption with Softchoice and Azure

Helping our customers win back control over cloud costs.

## Introduction: Enterprises can't capture the full value of cloud

Today, too many organizations have invested in the cloud as a foundational piece of their IT strategy but aren't yet realizing the value they expected. Many struggle to control costs as they scale. In fact, 80 percent of enterprise IT leaders cite "managing cloud spend" as a serious challenge (State of Cloud Report 2022 by Flexera).

Most find themselves in this position because they haven't recognized the importance of modern cloud economics as a practice. They still see cloud as a cost center, rather than an engine that drives value creation and makes innovation possible. As a result, they expose themselves to critical risks, including massive overspending compounded by poor visibility, missing accountability and lagging innovation.

## The challenge: Stakeholders aren't aligned to the realities of cloud economics



**Finance:** Sporadic reporting and poor visibility into cost data leads to tunnel vision on cost takeout, making it harder to course correct.



**Procurement:** Poor understanding of cloud SKUs and billing structures makes it difficult to interpret and manage billing and attribution.



**Engineering and application development:** Unaware of the need for continuous optimization of utilization, engineers and developers consume excess cloud resources without accountability.



**Product and line of business teams:** Without clear visibility into cloud usage and costs, it's near impossible to extract or articulate the business value of cloud.



**C-suite:** All these challenges make the strategic value of cloud less clear, resulting in reactive tactics rather than proactive innovation.

## The solution: FinOps makes it possible to capture the total value of Azure cloud

When enterprises bring a traditional sourcing and infrastructure consumption mindset to cloud, they often don't realize how much their operating models and culture need to change. Modern financial operations, or FinOps, introduces shared financial transparency, governance and processes across all stakeholders. In our experience, it takes a FinOps practice to capture the total value of cloud.

A FinOps practice brings together finance, technology and business stakeholders to establish:

- ✓ **Cloud operating models:** A working financial operating model for Azure cloud.
- ✓ **Governance at scale:** An effective way to introduce accountability for cloud spend.
- ✓ **Real transformative change:** A cultural practice for collaborative financial and operational control.

To learn more, read the [Softchoice white paper](#) on FinOps and the future of cloud economics.



## FinOps adoption with Softchoice

FinOps adoption led by the Softchoice Design Studio helps organizations co-create a FinOps strategy and put it into practice through an iterative, three-step process:



**Inform:** Communicating the business and technical drivers of cloud consumption to improve visibility and allow users to forecast, track and monitor cloud spend in real time with the help of analytics tools.



**Optimize:** Gathering and interpreting cloud utilization and cost data to find and act on rate levers and opportunities to optimize costs, including automation, rightsizing and committed consumption rates.



**Operate:** Establishing continuous tracking and measurement to correlate cloud metrics to revenue generating activities (unit economics), often through a cloud center of excellence (CCOE).

## A typical Softchoice FinOps engagement

What happens?	What success looks like:
<b>Research and discovery:</b> Deep dive into current FinOps maturity to root out and understand goals and obstacles.	<ul style="list-style-type: none"> <li>• Breakup of departmental silos, clearer accountability and an auditable environment</li> <li>• Reduced waste, lower costs and less stress when cloud bills arrive</li> <li>• Improved cross-organizational trust and goodwill around Azure cloud investment</li> <li>• Renewed growth and innovation with applications and features released faster</li> </ul>
<b>Workshops:</b> Co-creation of solutions to advance maturity, including a detailed FinOps strategy and enablement plan.	
<b>Documentation and executive summary:</b> Packaged deliverable capturing engagement outcomes, value extracted and solution plan.	

## Success story: Financial services

Challenge	Solution	Results
A leading financial institution underwent rapid cloud adoption, and quickly found themselves overspending due to dynamic, less predictable spend in the cloud. In response, their finance team scrambled to establish accountability and transparency.	The company's leadership aligned on a FinOps strategy, enabled clear governance and used data to establish a trusted budgeting practice through standardized tools and reporting.	The new cross-organizational partnership helped this customer accrue 20-30 percent in annual cost avoidance. FinOps adoption with Softchoice and Azure also helped them plan and forecast cloud budgets with greater trust and confidence.

Reach out to the Softchoice Design Studio to discuss opportunities for Softchoice FinOps.