

# How FinOps can optimize costs for your business cloud usage



**Business  
Services**

# Bring financial accountability to your cloud spend

In a recent Gartner end-user cloud survey, 73% of UK enterprises said they plan to increase their cloud spend over the next 12 months.<sup>1</sup> Improved efficiency and IT modernization are the top business outcomes they are chasing. But it isn't quite as simple as just increasing the budget.

Respondents report that cloud migration, governance, and cost control have been pain points for their current cloud adoption. Many are choosing multicloud to improve availability and adopt best-in-breed capabilities. This can increase complexity especially when it comes to cost estimation, optimization, and reporting.

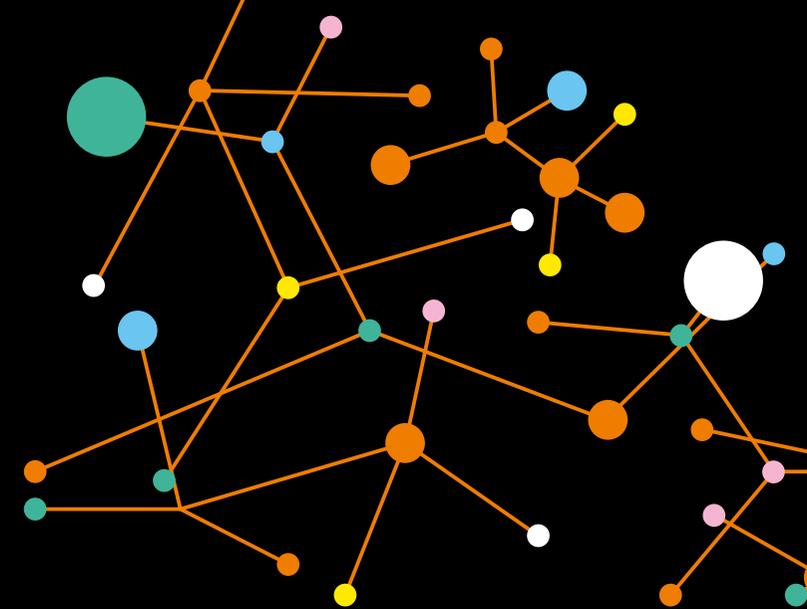
## The hefty price of unmanaged cloud

Cloud comes with many business benefits, including scalability, flexibility, improved security, and increased efficiency. But its on-demand approach makes it very easy to consume and potentially difficult to control. Cloud is dynamic, so you have to accept a certain measure of unpredictability in your budget plan. But you must know where and how your cloud resources are being used, or your cloud spend could spiral out of control. Research has shown that up to 30% of cloud services you buy could lie unused.

## Balance speed, expense, and performance

Enter FinOps, short for cloud financial management. FinOps makes sure you get optimum value from your cloud spend by providing financial transparency to the dynamic cloud model. This will support the needs of your business to expand and grow, increase revenue, and promote innovation while providing an effective governance framework to manage and control cloud expenditure.

However, in bringing together business, finance, and technology, FinOps demands cultural change.



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**Through 2022 in any given month, over 30% of the growing expenditure on software and cloud services will be unused.<sup>2</sup>**

Gartner

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# FinOps should be a way of life in the cloud

FinOps isn't a product; it is a framework of organizational processes, cultural practices, and associated tools. It enables cross-functional teams to collaborate for faster delivery of cloud services while maintaining financial control and gaining greater predictability.

The main reason enterprises end up having issues with the cloud is that they don't establish a cost-effective way of utilizing cloud resources. The typical departmental organization of teams within a business means there is little or no transparency over what cloud delivers to business outcomes or what is being consumed by whom and for what.

FinOps provides a framework for collaboration. Instead of each team, such as IT, marketing, human resources, being accountable for monitoring their cloud usage and spend, FinOps takes over the entire process. It provides complete cloud spend visibility across the whole organization. For example, through assessing data and reviewing management policies, services can be rightsized by usage. Auto-scaling can then better serve capacity peaks to optimize the user experience.

## FinOps lets you use the cloud in a smarter way

FinOps teams are responsible for cloud usage strategies and practices, defining and adjusting cloud budgets according to business needs. These can be continuously reviewed and adapted according to business needs.

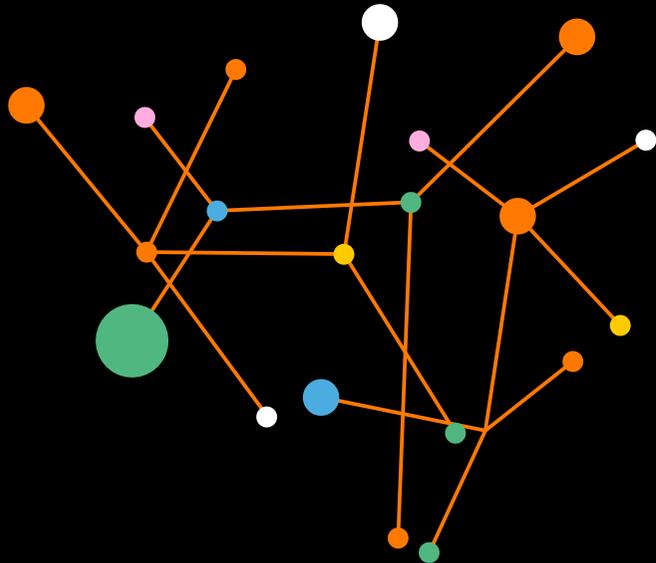
Cloud cost management, however, should not be seen viewed simply as an operational issue. It also necessitates close collaboration with other disciplines, including governance, architecture, product management, finance, and application development, advises Gartner.<sup>3</sup>



# A need for more automation

According to a recent report by the FinOps Foundation,<sup>4</sup> nearly half its survey respondents (49%) had no automation regarding cloud spend. In addition, only 18% automated infrastructure changes. This is significant as automation is one of the core disciplines of any FinOps practice, an essential ingredient for efficiency, reliability, and agility.

Many were unaware of automation or have not got the time or resources to implement automation. The more mature FinOps users argued they wanted to get the basics right first. Finops has many repetitive tasks, and automation helps reduce errors and provides greater consistency. The FinOps Foundation recommends tagging governance, for example. Once you have defined a tagging standard, you can automate it and ensure it is being followed. Another example is scheduled report start/stop automation, which allows you to close down resources when not in use.



## Best practices for FinOps in the cloud

FinOps processes and practices are managed by agile cross-functional teams with experience in multiple domains, including cloud cost management, operations, finance, and development. This team is responsible for formulating practices and processes in what should be a living document, given the dynamic make-up of cloud.

To establish a successful FinOps framework, you should consider the five following points:

- 01** Your FinOps team must understand how and where resources are being used. You can achieve this with resource tagging.
- 02** Establish your current financial position and expenditure on cloud services. From this, you can move forward with clear objectives and best practices.
- 03** Create a comprehensive reporting mechanism including cost allocation, cost forecasting, and variance analysis. These need to be built on an agreed set of business metrics and benchmarks to evaluate productivity and provide visibility.
- 04** Align your business roadmap and communications strategy with FinOps goals.
- 05** Several practices can help you avoid cloud wastage. These include rightsizing your compute and storage, eliminating idle cloud resources, and leveraging automation to increase operational efficiencies.

# Why choose Orange Business Services for your FinOps?

Orange Business Services can help you to control and optimize your cloud. We start by reviewing your organization's cloud estate, including resource sizing, usage patterns, and the like. Then we help you define a cloud cost strategy and provide a detailed roadmap to deploy cloud cost governance.

Our expert teams here at Orange can help you adopt the framework and cloud-native or market standard tools for successful FinOps to unlock the business value of your cloud quickly.

-  **8,900 experts to manage your digital transformation**
-  **160 countries with local sales and support**
-  **24 x 7 cloud support via 5 major service centers globally**
-  **Business practices with in-depth expertise of big data & analytics, AI, ML, IoT**
-  **Practical experience, designing and building digital infrastructure and cloud solutions**
-  **15+ years' experience operating private, public, and pan-European sovereign clouds**
-  **Orange participates in the development of European standards, including GAIA-X, HLEG AI, 3IA, HLEG on AI**

## Managed digital and cloud solutions overview

We offer managed cloud plus 70 data centers on five continents, our solutions comprise 120,000+ VMs & 32,500 TB in public and private cloud, and we operate 50+ services (e.g. Managed SAP) and features. At the heart of our cloud business and digital aspirations are our people, where our continuous improvement and investment in training, development, and accreditation (plus 500 certifications) maintains the up-to-date skills, knowledge, and expertise to support and ensure the success of your digital and cloud projects.

Watch our video on the benefits of FinOps here: <https://youtu.be/oYILHFK2cLo>

To find out more about FinOps, please contact us at: <https://www.orange-business.com/en/any-request>



#### Sources:

1. Gartner 2020 Cloud End-User Buying Behavior Survey (<https://blogs.gartner.com/jeffrey-hewitt/whats-holding-back-your-migration-to-cloud/>)
2. Gartner Software Assessment for the Cloud (<https://www.gartner.com/en/documents/3894124/software-asset-management-for-the-cloud-consumption-mana>)
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4. FinOps Foundation State of FinOps report 2021 (<https://data.finops.org/>)

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