



Why It's Called FinOps and Not OpsFin: A Guide to This Emerging Framework and Practice

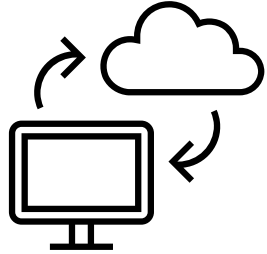
Speaker: Gabby Scalf

Monday, August 26 at 2:10PM CT

Riverview Room 5

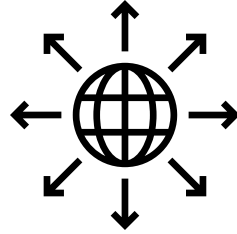


A revolution in infrastructure procurement



Instant

Provision servers and software applications in moments instead of months



Decentralized

Procurement decisions made by teams of engineers and fleets of robots instead of gated by finance



Consumption-based

Hourly charges based on the resources consumed instead of fixed upfront payments

Over

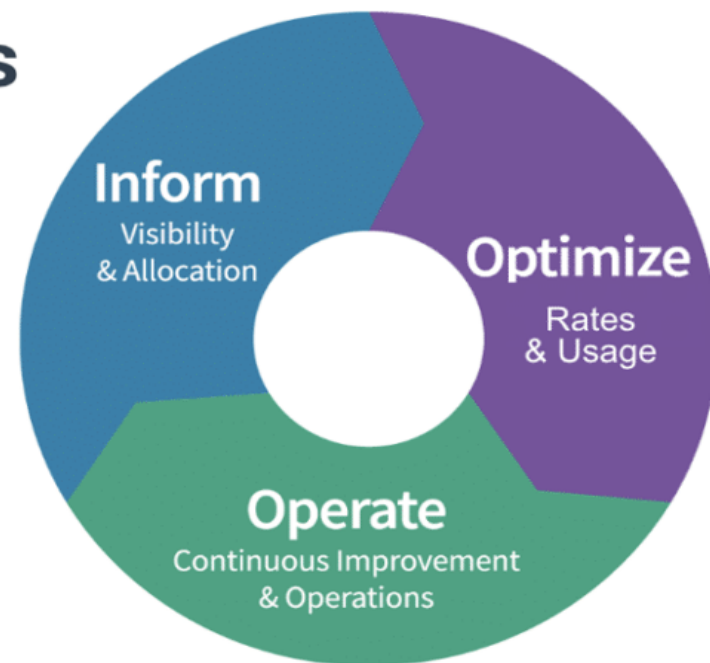
30%

of growing expenditure on cloud is
wasted

Personas



Phases

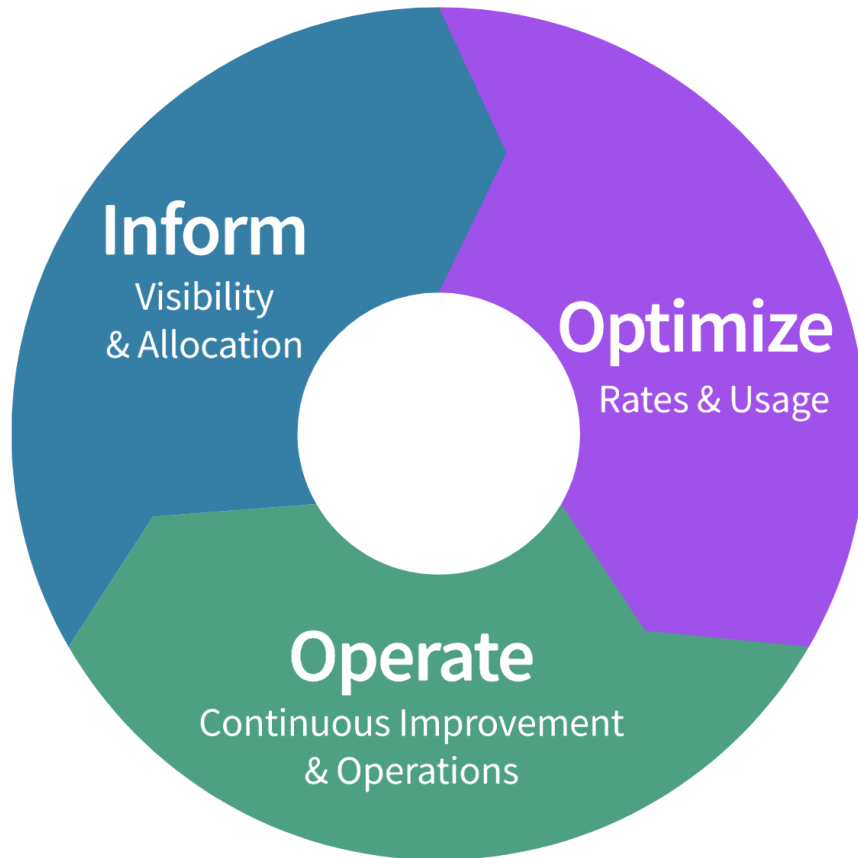


Maturity



Government leaders are turning to FinOps

The 3 phases of the FinOps lifecycle



- A set of best practices, processes, and tools
- That enable collaboration between IT, Finance and the Business
- To maximize the business value of an organization's cloud deployment

Common questions we hear around cloud



How do I get more **transparency into cloud spend**?

Can I **migrate to cloud** with an accurate comparison to my on-prem footprint?

How can I get **control of cost overages**?

How do I consistently **manage workloads and costs** across multiple clouds?

What questions do you have about
FinOps and your cloud journey?

Inconsistent tagging and costing across various cloud providers

Unable to easily detect cloud waste, anomalies, orphaned / idle resources

Cannot easily compare multi-cloud discount programs

Can't assign or reduce container costs in the cloud

Can't determine **complete set of cost drivers** or **allocate shared costs accurately**

Unable to **connect cost and revenue data** holistically

Blockers to achieving FinOps

Apptio unblocks the FinOps blockers

Inconsistent tagging and costing across various cloud providers



View and allocate costs across a multi-cloud environment

Unable to easily detect cloud waste, anomalies, orphaned / idle resources



Reduce waste caused by overprovisioned and idle cloud resources

Cannot easily compare multi-cloud discount programs



Maximize and automate coverage and utilization of commitments

Can't assign or reduce container costs in the cloud



Manage and optimize the cost of containerized infrastructure

Can't determine complete set of cost drivers or allocate shared costs accurately



Calculate the total cost of running products in the cloud and allocate to teams consuming

Unable to connect cost and revenue data holistically



Measure unit cost and mature to unit economics

FinOps Capability Architecture

	 Inform Phase		 Optimize Phase		 Operate Phase	
	Understand Fully Loaded Costs 	Enable Real-Time Decision Making 	Benchmark Performance 	Optimize Usage 	Optimize Rates 	Align Plans to the Business 
Level 3	Dynamically calculate custom rates and amortization metrics		Create scorecards, metrics, and KPIs	Automation	Select discounts that match your flexibility	Develop a framework for decision making that aligns with the business drivers
Level 2	Create showback and chargeback reporting	Communication strategy	Benchmark internally against industry peers	Find and remove underutilized services		Ongoing reviews with stakeholders on optimization opportunities
Level 1	Map spending to the business	Identify anomalies	Trending and variance analysis	Rightsizing	Pre-purchase capacity	Define budgets & forecasts
Foundation	Set tag strategy and compliance	Provide timely and consistent spend/usage data to all stakeholders			Custom and volume discounts/sustained usage	



FinOps Framework

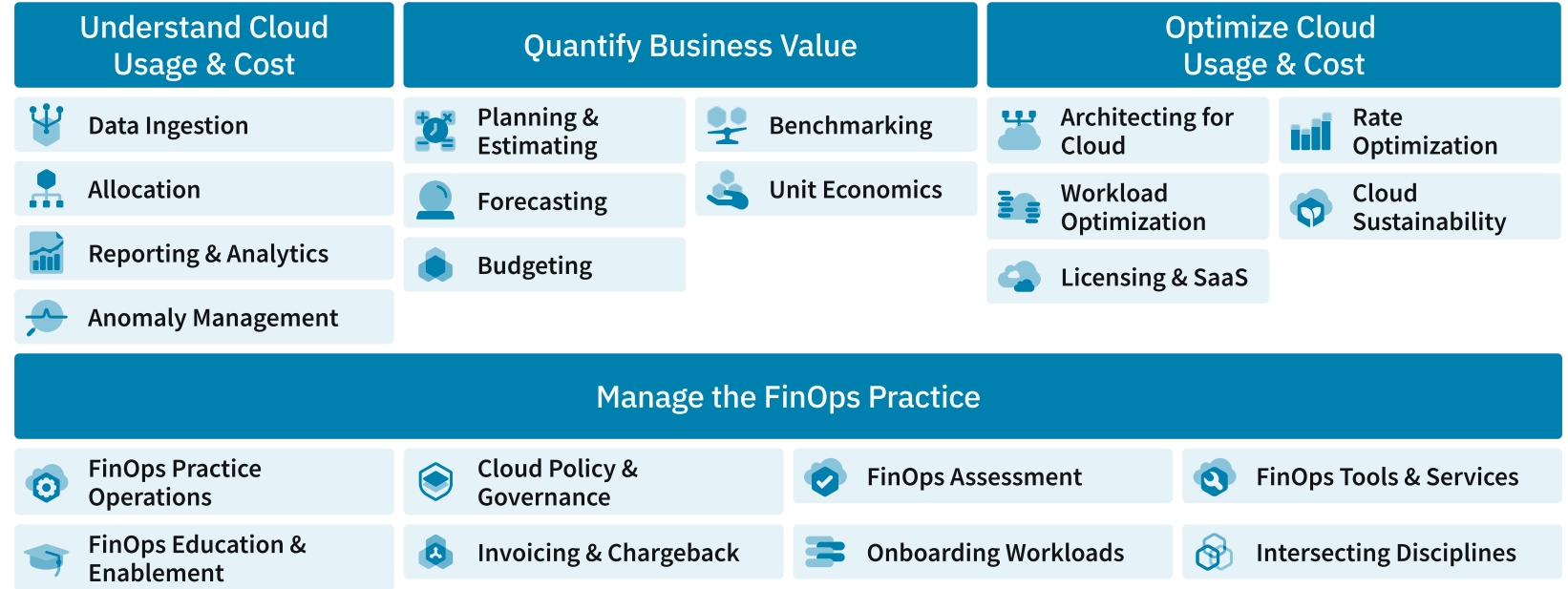
FinOps is an operational framework and cultural practice which **maximizes the business value of cloud**, enables timely data-driven decision making, and creates financial accountability through collaboration between engineering, finance, and business teams.



Principles

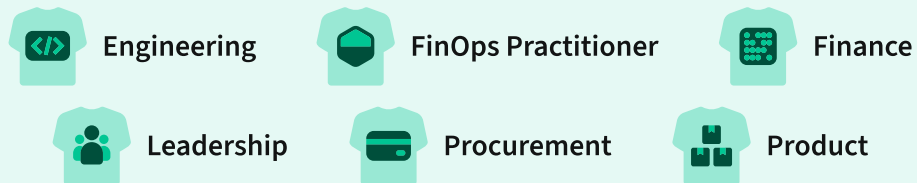
-  Teams need to collaborate
-  Decisions are driven by business value of cloud
-  Everyone takes ownership for their cloud usage
-  FinOps data should be accessible and timely
-  A centralized team drives FinOps
-  Take advantage of the variable cost model of the cloud

Domains & Capabilities



FinOps.org

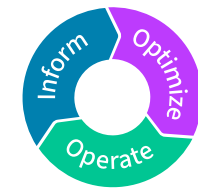
Core Personas



Allied Personas



Phases

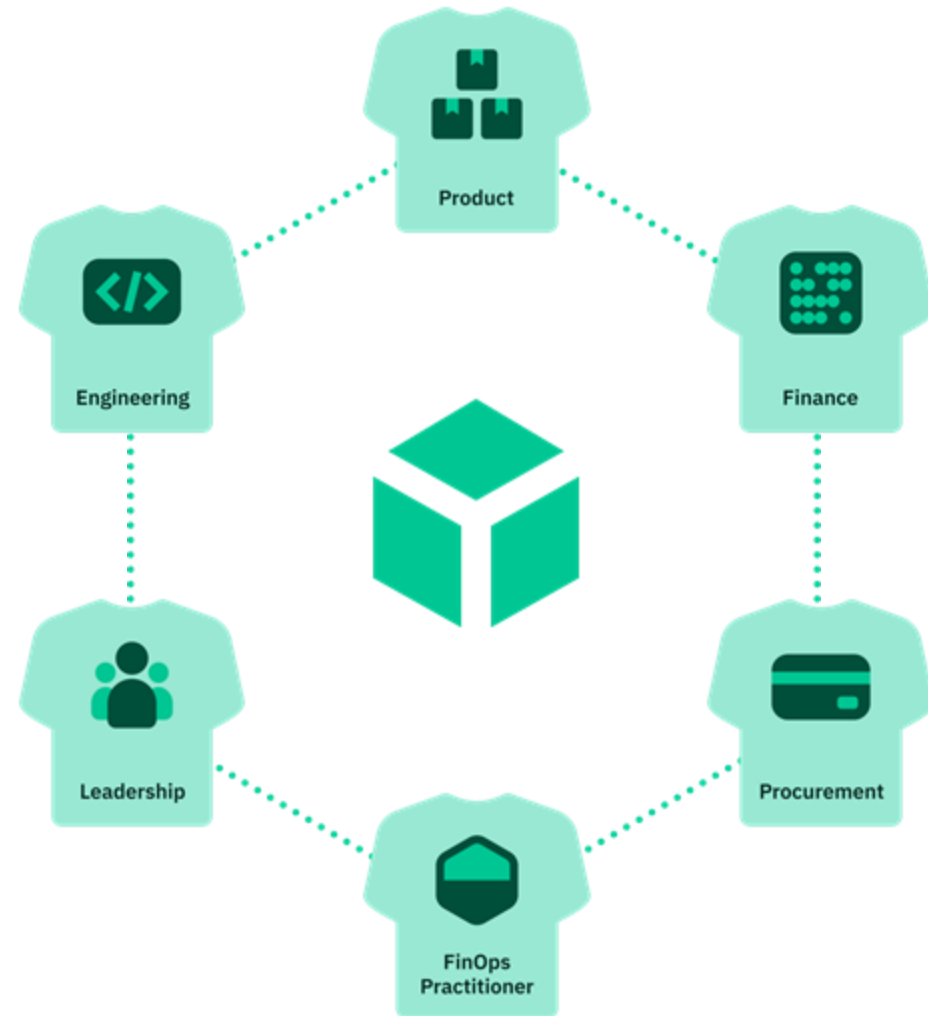


Maturity



FinOps for all stakeholders

In the same way that everyone is responsible for security with a central team enabling best practices (at scale), many roles do FinOps with help from a central team.

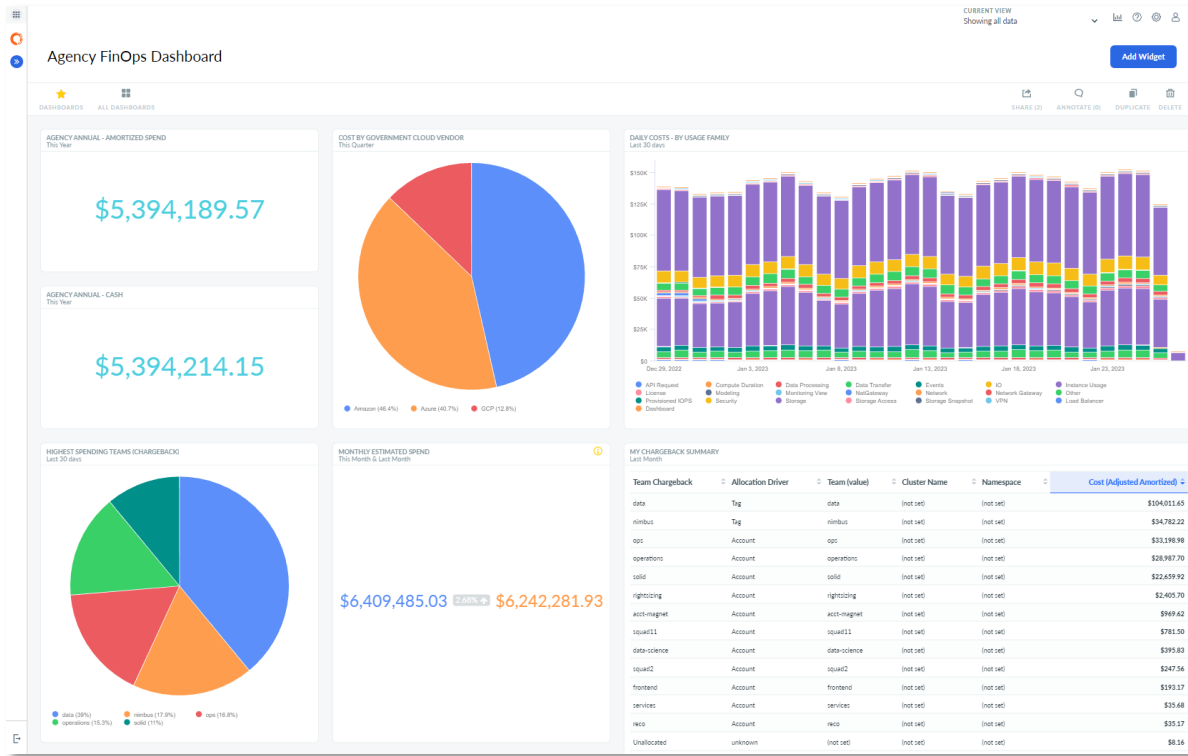


Cloud FinOps

IBM Cloudability for US Federal

Advancing digital government with public cloud cost management and optimization

- Bring visibility and financial accountability to variable cloud spend
- Allocate 100% of cloud costs to the groups consuming resources
- Make informed commitment investments to stay on budget
- Optimize costs to reinvest savings into mission critical objectives



TrueCost Explorer

Explore your billing data visually and answer questions about how your usage translates into costs. [Learn More about TrueCost Explorer in our Knowledge Base.](#)

THIS MONTH
Oct 01, 2020 - Oct 08, 2020

COST BASIS
Cash

[Add Filter](#)

CUSTOM CHART FILTERS
No filter currently set

[Edit Dimensions](#)

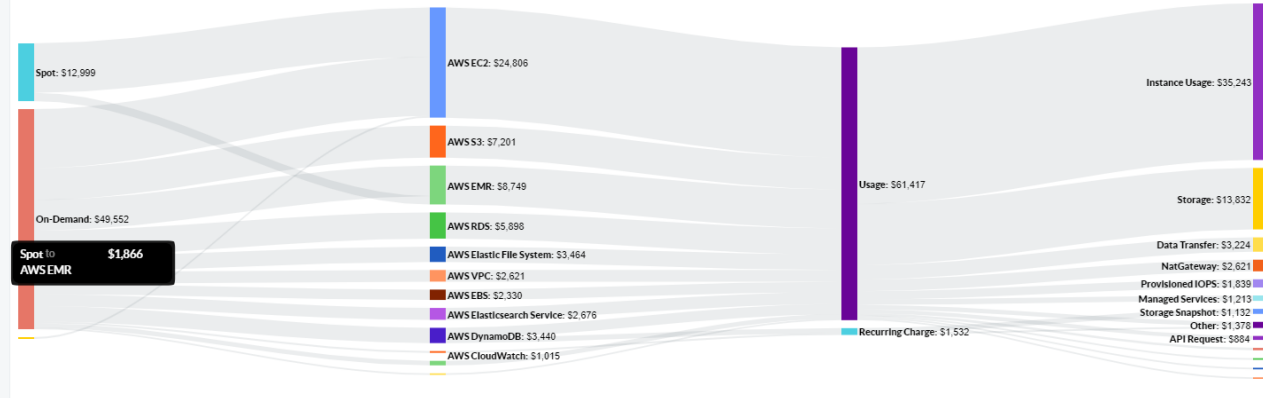
Lease Type x Service Name x Transaction Type x Usage Family x

Total Cost: \$56,985

SHOW COST GREATER THAN

\$ 285

Showing \$62,949 (excluding credits)



**Figures for example only*

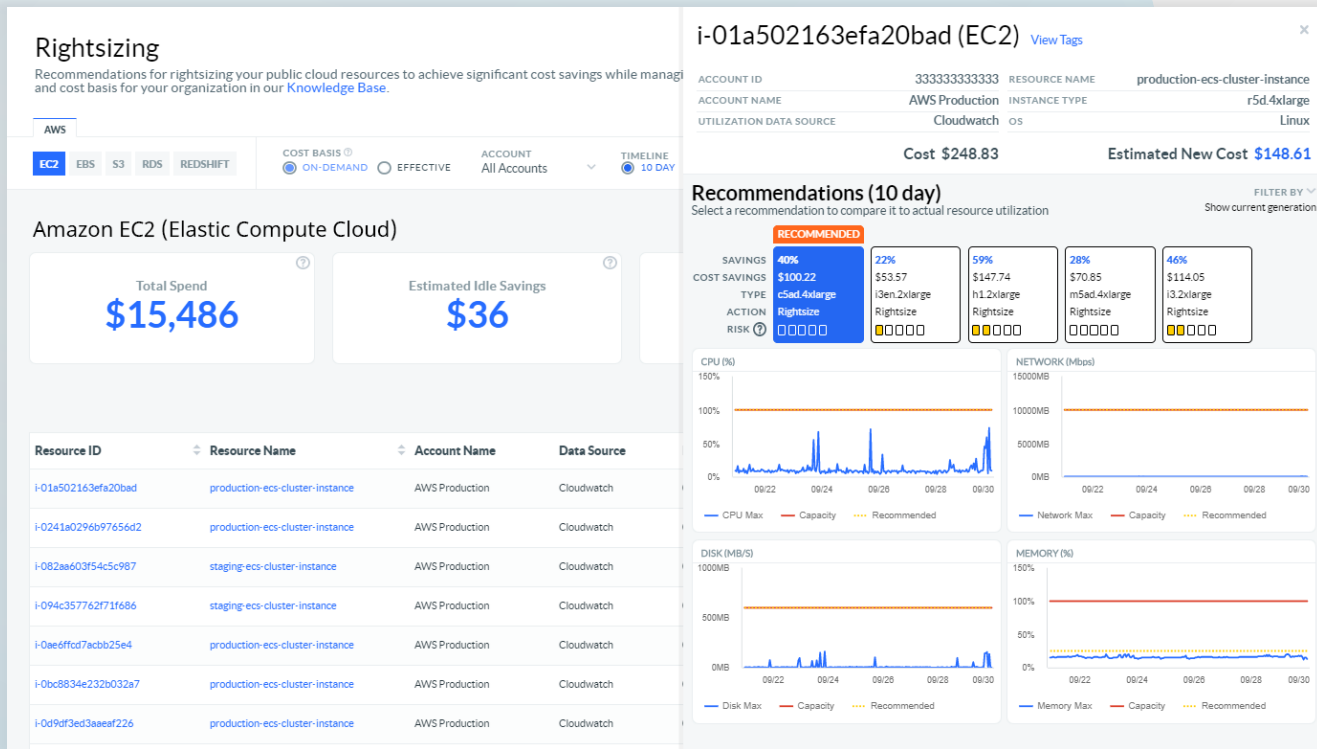
Inform

Establish cost allocation strategy

Integrate custom pricing and discounting

Perform showback/chargeback for BUs

Establish cloud cost benchmarking



**Figures for example only*

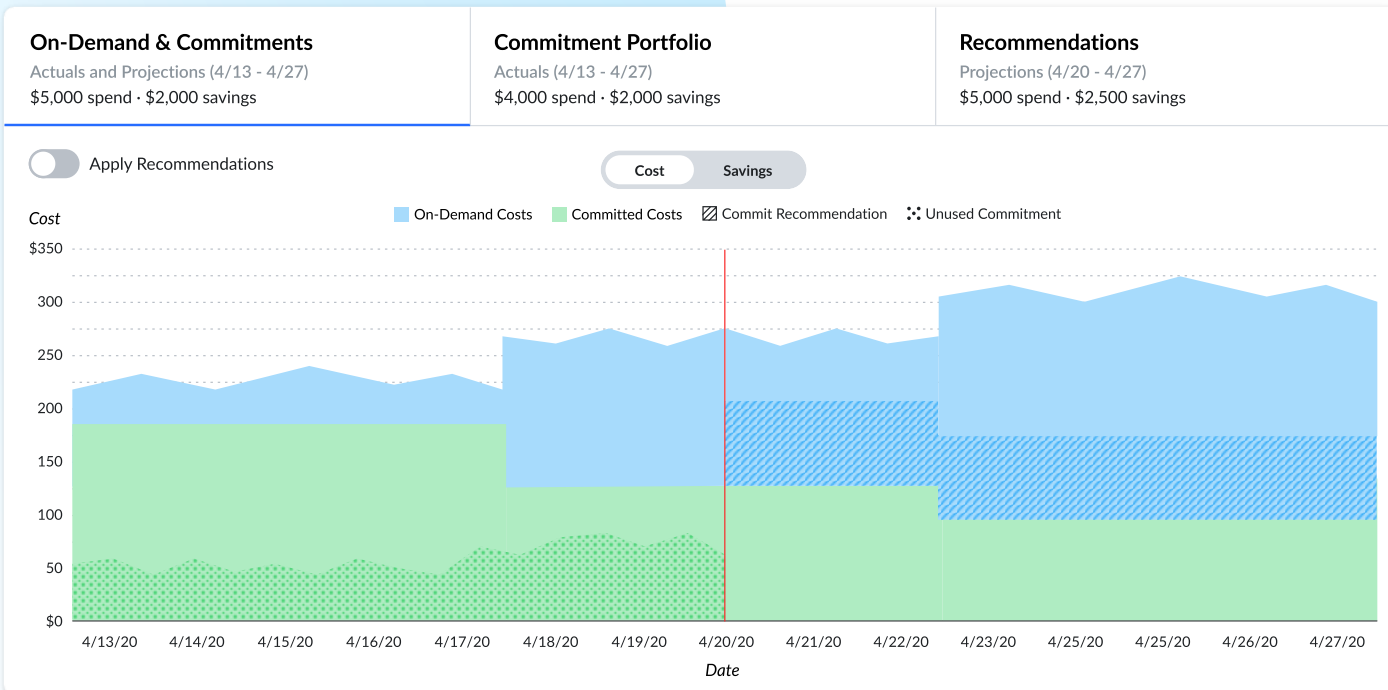
Optimize

Detect and address spend anomalies

Identify idling resources and eliminate waste

Rightsize instances and services

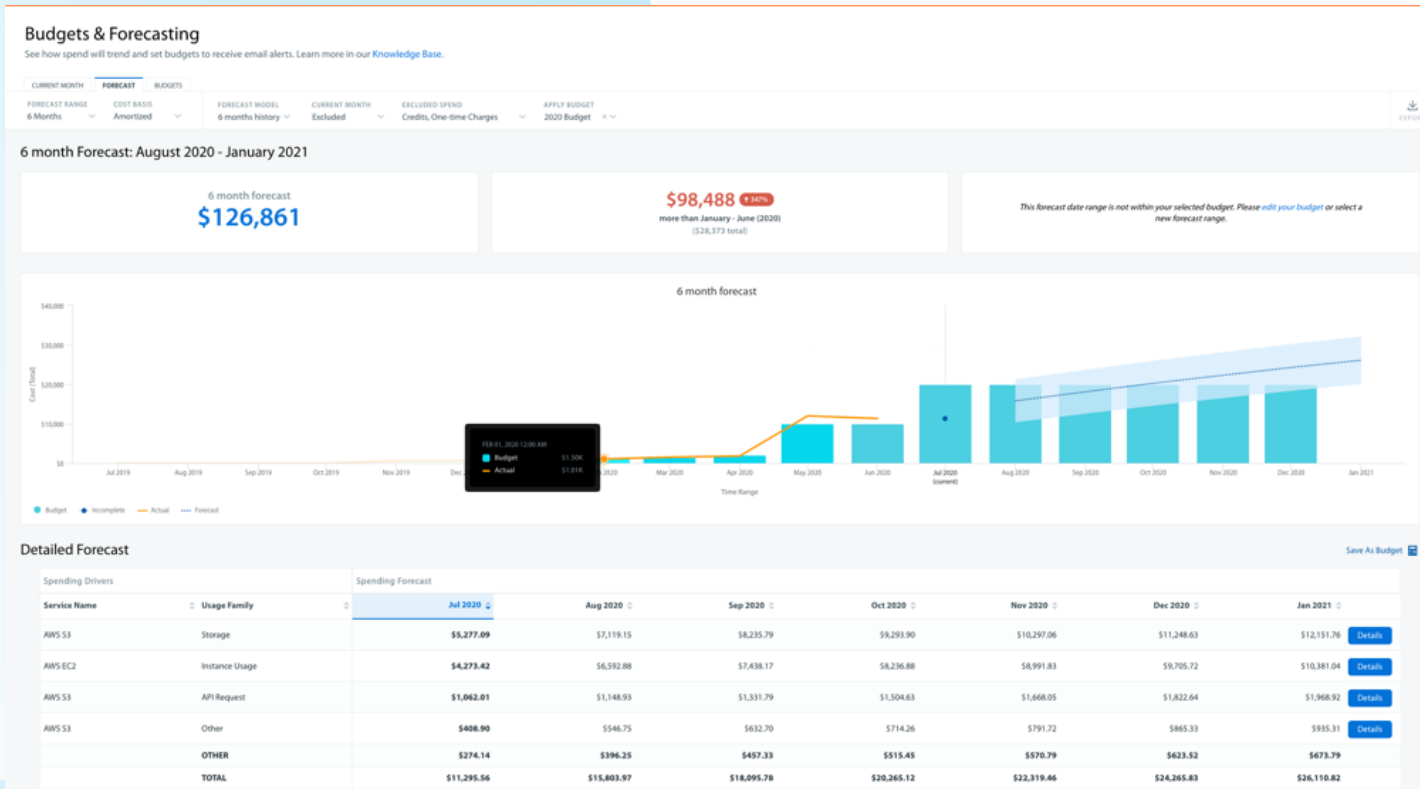
Centralize commitment buying process



Cloud

Manage Commitments

- Understand your entire commitment health across reserved instances and savings plans
- Identify additional savings opportunities
- Surface timing and impact of expiring commitments



Cloud Budget & Forecast

- Define and map budgets to organizational structure
- Accurately track and predict spending trends
- Proactively monitor budgets with overrun alerts

Apptio Federal Customers



Apptio's unique strengths

FedRAMP Authorization

Apptio is authorized to operate at FedRAMP-moderate level

Market-leading FinOps Capabilities

Cloudability has been recognized as a leading FinOps solution by global analysts, including Forrester, GigaOm, ISG, and Amalgam Insights

Complimentary to TBM

TBM was codified by OMB in 2019, and has been widely adopted by agencies, providing opportunity to strengthen both practices with complimentary nature

