Microsoft

FinOps

What is Finops

- FinOps is shorthand for “Cloud Financial Operations” or “Cloud Financial Management” or “Cloud Cost Management”
- Practice of bringing financial accountability to the variable spend model of cloud, enabling distributed teams to make business trade-offs between speed, cost, and quality.
- At its core, FinOps is a cultural practice.
- It’s the way for teams to manage their cloud costs, where everyone takes ownership of their cloud usage supported by a central best-practices group.
- Cross-functional teams in IT, Finance, Product, etc work together to enable faster product delivery, while at the same time gaining more financial control and predictability.

Sources :
Finops Framework : https://www.finops.org/introduction/what-is-finops/
Finops Foundation : https://www.finops.org/about/
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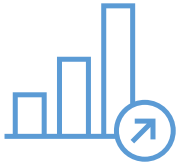
Finops book: https://www.finops.org/resources/finops-book/

FinOps is an evolving cloud financial management discipline and cultural practice that:

enables organizations to get maximum business value

by helping technology, finance and business teams



to collaborate on data-driven spending decisions

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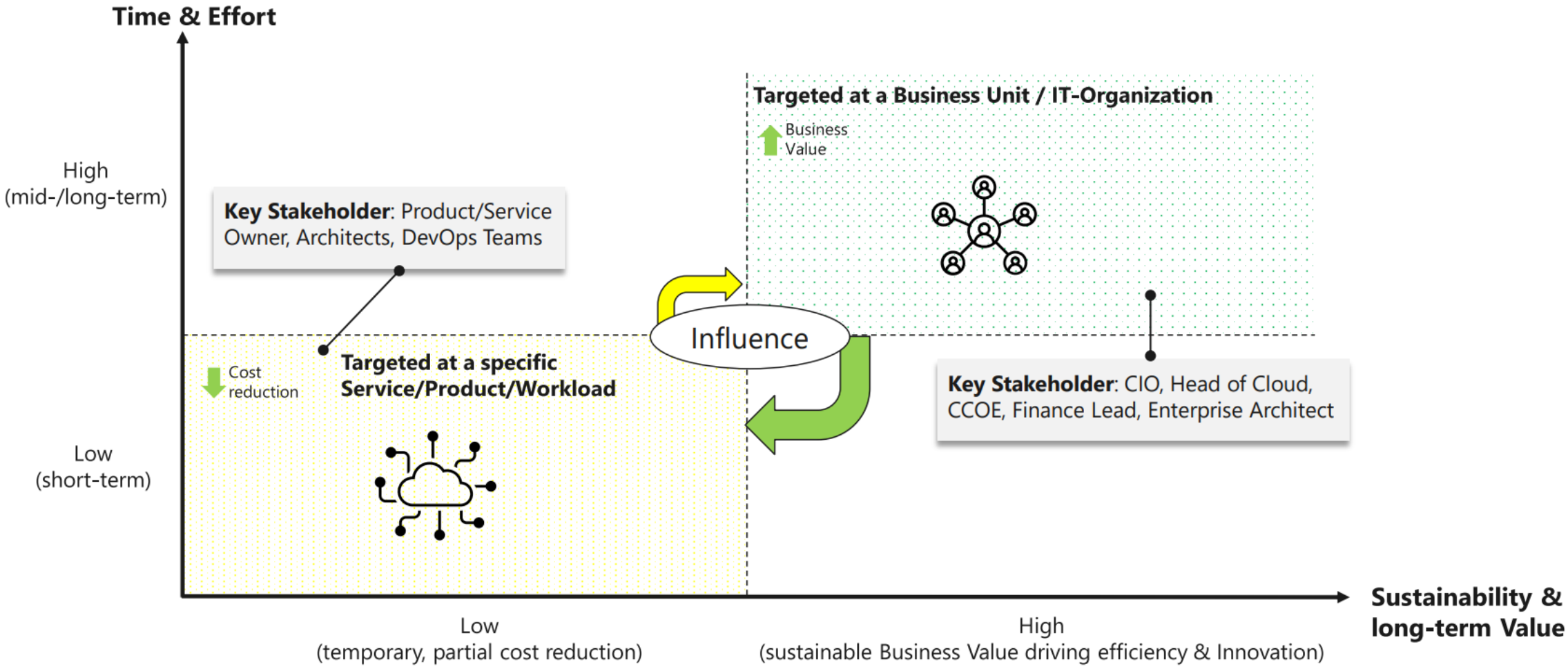
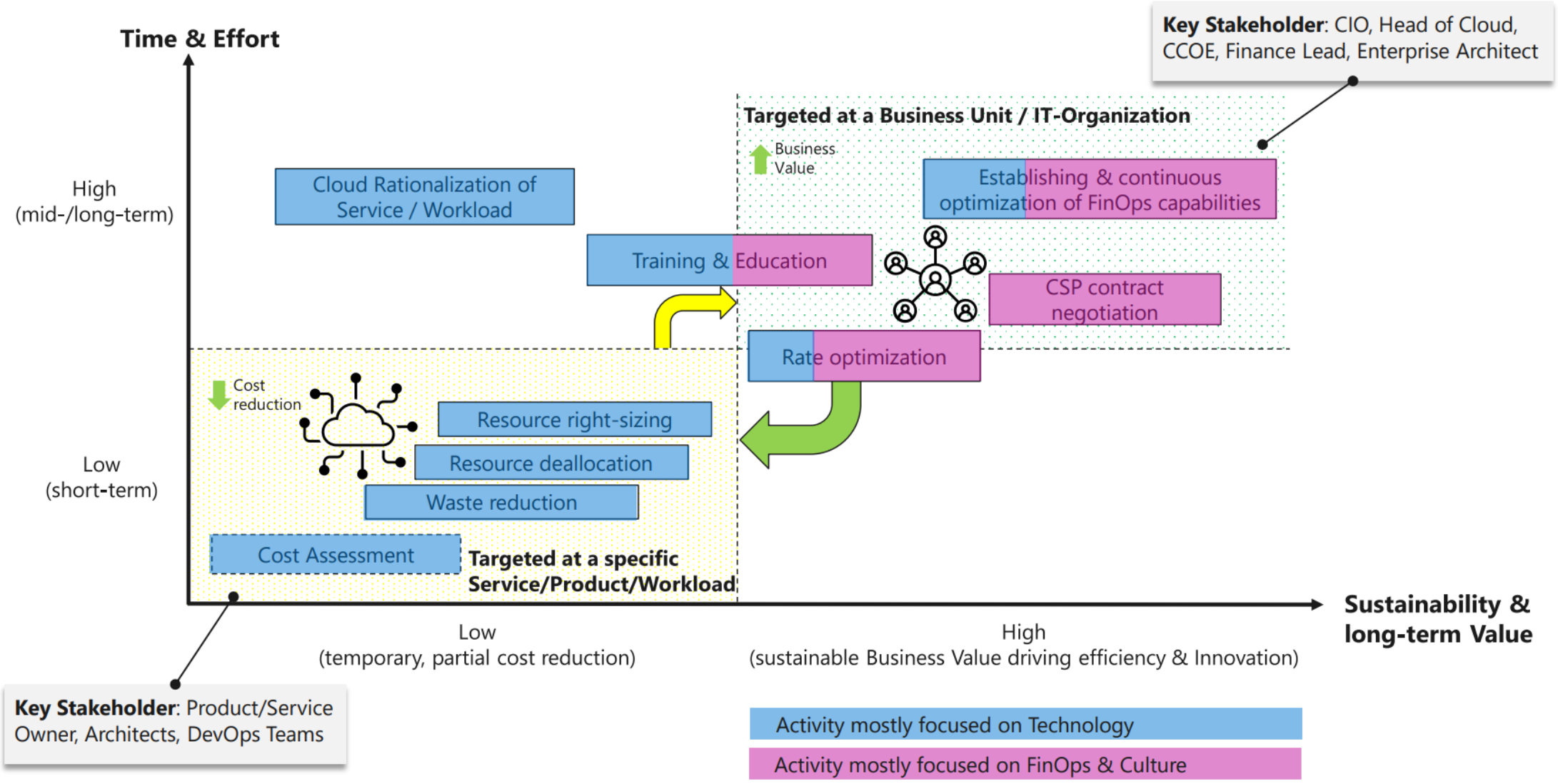
   - The **maturity model** that you use to measure growth over time.

Cost Management Focus Areas



Cost Management vs FinOps: Key Activities



The principles that should guide your FinOps efforts

Teams need to collaborate – Build a common focus on cost efficiency, processes and cost decisions across teams that might not typically work closely together.

Everyone takes ownership – Decentralize decisions about cloud resource usage and optimization, and drive technical teams to consider cost as well as uptime and performance.

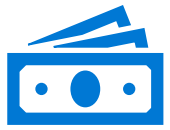
A centralized team drives FinOps – Centralize management of FinOps practices for consistency, automation, and rate negotiations.

FinOps reports should be accessible and timely – Provide clear usage and cost data quickly, to the right people, to enable prompt decisions and forecasting.

Decisions are driven by the business value of cloud – Balance cost decisions with business benefits including quality, speed, and business capability.

Take advantage of the variable cost model of the cloud – Make continuous small adjustments in cloud usage and optimization.

The stakeholders that should be involved



Finance – Accurately budget, forecast, and report on cloud costs.

Leadership – Apply the strengths of the cloud to maximize business value.

Product owners – Launch new offerings at the right price.

Engineering teams – Deliver high quality, cost-effective services.

FinOps practitioners – Educate, standardize, and promote FinOps best practices.

The lifecycle that you iterate through

Inform – Deliver cost visibility and create shared accountability through allocation, benchmarking, budgeting, and forecasting.

Optimize – Reduce cloud waste and improve cloud efficiency by implementing various optimization strategies.

Operate – Define, track, and monitor key performance indicators and governance policies that align cloud and business objectives.

Finops Phase 1 - Inform

Inform | Optimize | Operate

The inform phase is the first step in the FinOps journey. Begin by collecting data from various sources to gain insights into your cloud usage and spending patterns. In this phase, you'll focus on reporting, anomaly detection, benchmarking, cost allocation, taxonomy, tags, forecasting, and budgeting. Use Azure products and services to:

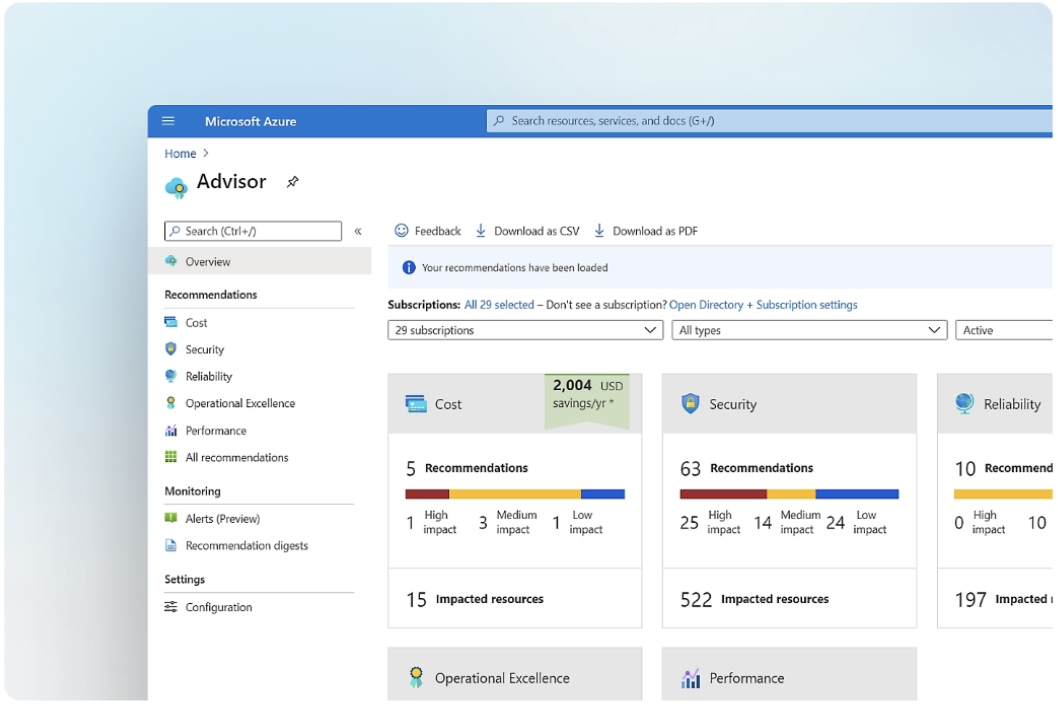
- Estimate cloud costs with the Azure Pricing Calculator and Total Cost of Ownership Calculator (TCO).
- Empower teams to make informed business decisions with visibility into performance, costs, and anomalies with Microsoft Cost Management and Azure Advisor.
- Allocate costs with Azure Resource Manager by creating tags and account hierarchy.
- Use Microsoft Cost Management to report, benchmark, and forecast costs.
- Explore analytics with visuals and turn data into insights with Power BI.
- Utilize Azure Migrate to discover and assess on-premises resources to plan your migration and modernization.

Finops Phase 2 - Optimize

Inform | **Optimize** | Operate

The optimize phase is the second step in the FinOps journey. Identify and take action on opportunities to optimize your cloud spending while delivering the same level of performance based on the insights gained from the inform phase. In this phase, you'll focus on KPI, outcomes, optimize usage, optimize rate, business cases. Use Azure products and services to:

- Implement Azure Advisor recommendations to improve cloud cost effectiveness, performance, reliability, and security.
- Optimize usage and rates by leveraging savings opportunities with Azure Hybrid Benefit, Azure Reserved Virtual Machine Instances, and Azure savings plan for compute.



Finops Phase 3 - Operate

Inform | Optimize | **Operate**

The operate phase is the final step in the FinOps journey. Establish a framework for ongoing cloud cost management and cloud governance so your organization can maintain optimal cloud usage and cost efficiency over the long term. In this phase, you'll focus on organizational and cultural adoption of FinOps best practices. Use Microsoft products and services to:

- Set guardrails throughout your resources to help ensure cloud compliance, avoid misconfigurations, and practice consistent resource governance with Azure Policy.
- Simplify and accelerate your cloud journey with insights from Azure Migrate and expert support from the Azure Migration and Modernization Program.
- Leverage the Cloud Adoption Framework and Well-Architected Framework to adopt best practices to improve your cloud journey.
- Enable your team to learn new skills to boost productivity by using Microsoft Certifications.
- Promote team collaboration with Microsoft 365 and Microsoft Teams.

The capabilities that you implement with stakeholders throughout the lifecycle

Understanding cloud usage and cost

Cost allocation

Data analysis and showback

Managing shared cost

Data ingestion and normalization

Performance tracking and benchmarking

Measuring unit costs

Forecasting

Budget management

Real-time decision making

Managing anomalies

Establishing a FinOps decision and accountability structure

Cloud rate optimization

Managing commitment-based discounts

Cloud usage optimization

Onboarding workloads

Resource utilization and efficiency

Workload management and automation

Organizational alignment

Establishing a FinOps culture

Chargeback and finance integration

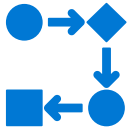
FinOps education and enablement

Cloud policy and governance

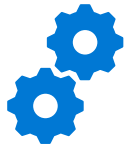
FinOps and intersecting frameworks

The maturity model that you use to measure growth over time

Identify the most critical capabilities for your business.



Define how important it is that each team has knowledge, process, success metrics, organizational alignment, and automation for each of the identified capabilities.

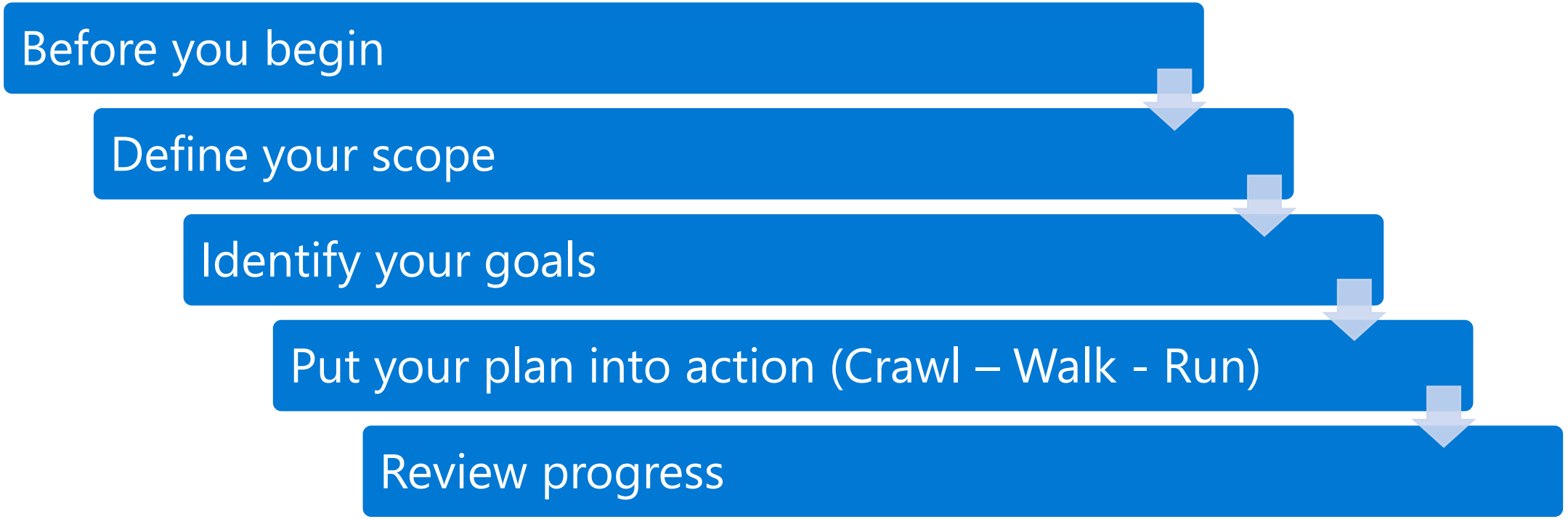


Evaluate each team's current knowledge, process, success metrics, organizational alignment, and level of automation based on the defined targets.

Identify steps that each team could take to improve maturity for each capability.

Set up regular check-ins to monitor progress and reevaluate the maturity assessment every 3-6 months.

Conduct a FinOps iteration – 完成一次Finops的迭代



Define your scope - guidance

1.If your team is new to FinOps with little to moderate experience with cost management and optimization, we recommend starting with the basics:

1. Data analysis
2. Forecasting
3. Budget management
4. Resource utilization and efficiency
5. Managing anomalies

2.If you're building a new FinOps team or interested in driving awareness and adoption of FinOps, start with:

1. Establishing a FinOps decision and accountability structure (steering committee)
2. Onboarding workloads
3. Establishing FinOps culture
4. FinOps education and enablement

3.If your team has a solid understanding of the basics provided by FinOps tools in Microsoft Cloud and is responsible for managing costs across a broad organization with distributed and sometimes shared ownership, consider:

1. Cost allocation
2. Managing shared costs
3. Showback
4. Chargeback
5. Commitment-based discounts

4.If your team needs to build more advanced reporting, like managing costs across clouds or merging with business data, consider:

1. Data ingestion and normalization
2. Cost allocation (especially metadata)
3. Data analysis and showback

5.If your team has a solid understanding of the basics and wants to focus on deeper optimization through advanced automation, consider:

1. Resource utilization and efficiency
2. Commitment-based discounts
3. Workload management and automation
4. Cloud policy and governance
5. Managing anomalies
6. Budget management

6.If your team has a solid understanding of the basics and needs to map cloud investments back to business value, consider:

1. Measuring unit costs
2. Managing shared costs
3. Showback
4. Budget management

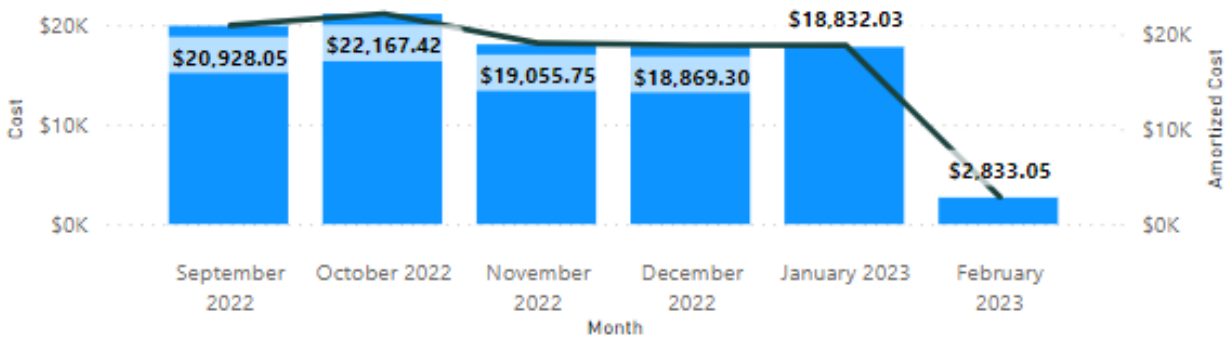
Hands-on: Data analysis and showback

- Data analysis refers to the practice of analyzing and interpreting data related to cloud usage and costs. Showback refers to enabling cost visibility throughout an organization.
- familiarize yourself with how you're charged for the services you use. Understanding the factors that contribute to costs such as compute, storage, networking, data transfer, or executions helps you understand what you ultimately get billed.
- We also recommend learning about how cost data is tracked, stored, and refreshed in Microsoft Cost Management.
- When you first start managing cost in the cloud, you use the native tools:
  - Cost analysis helps you explore and get quick answers about your costs.
  - Power BI helps you build advanced reports merged with other cloud or business data.
  - Billing helps you review invoices and manage credits.
  - Azure Monitor helps you analyze resource usage metrics, logs, and traces.
  - Azure Resource Graph helps you explore resource configuration, changes, and relationships.

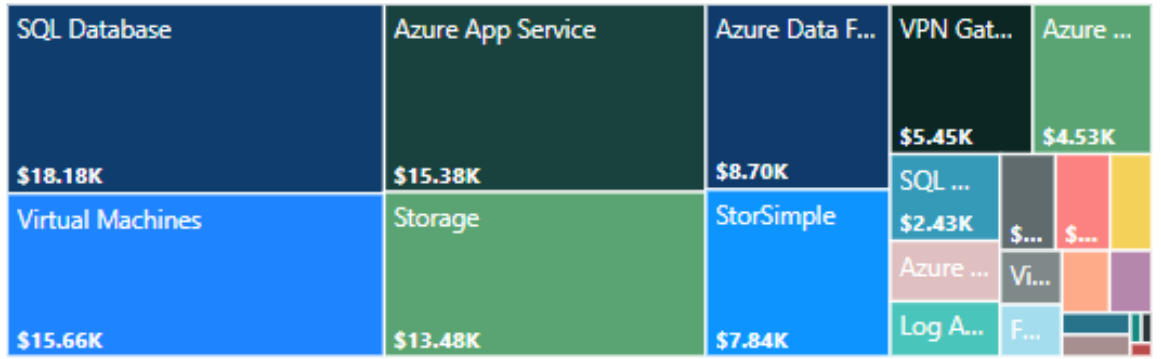
Azure Cost Management

$18.01K	$8.77	(Blank)	28	16	5/02/2023
30 Days Amortized	RIs last 30 days	Win VMs without AHB	24x7 NonProd VMs	Allocated Windows AHB ...	Last Updated

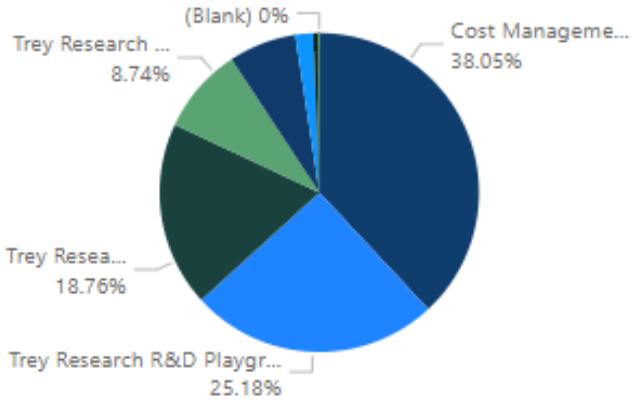
Cost by Month



Top Services



Cost This Month



Reservation Purchases

Date	Subscription	Amount
27/01/2023	Contoso Sub alias	$5.33
25/01/2023	Trey Research Finance	$3.44
26/12/2022	Contoso Sub alias	$5.33
25/12/2022	Trey Research Finance	$3.44
26/11/2022	Contoso Sub alias	$5.33
25/11/2022	Trey Research Finance	$3.44
26/10/2022	Contoso Sub alias	$5.33
25/10/2022	Trey Research Finance	$3.44
Total		**$35.08**

Cost by Resource Group per Month

ResourceGroup	?	December 2022	January 2023	February 2023
AHBTEST	5	$6,296.78	$6,297.35	$938.16
webscreener	3	$1,732.78	$1,732.78	$253.86
garda1hourbill	3			
watchdog	0	$1,149.48	$1,149.48	$169.95
FinOpsHubsHack	3	$1,159.45	$1,195.74	$182.35
CelticQueen	3	$936.89	$936.90	$138.52
mc_analyticsengine_analyticsengine_eastus	5	$840.71	$839.07	$130.64
LEAP	7	$641.80	$641.80	$105.62
ClancyTest	3	$653.74	$584.05	$78.55
Total	5	**$18,869.30**	**$18,832.03**	**$2,833.05**

Weekly usage (click to drill to day)

Daily Usage

Cost allocation

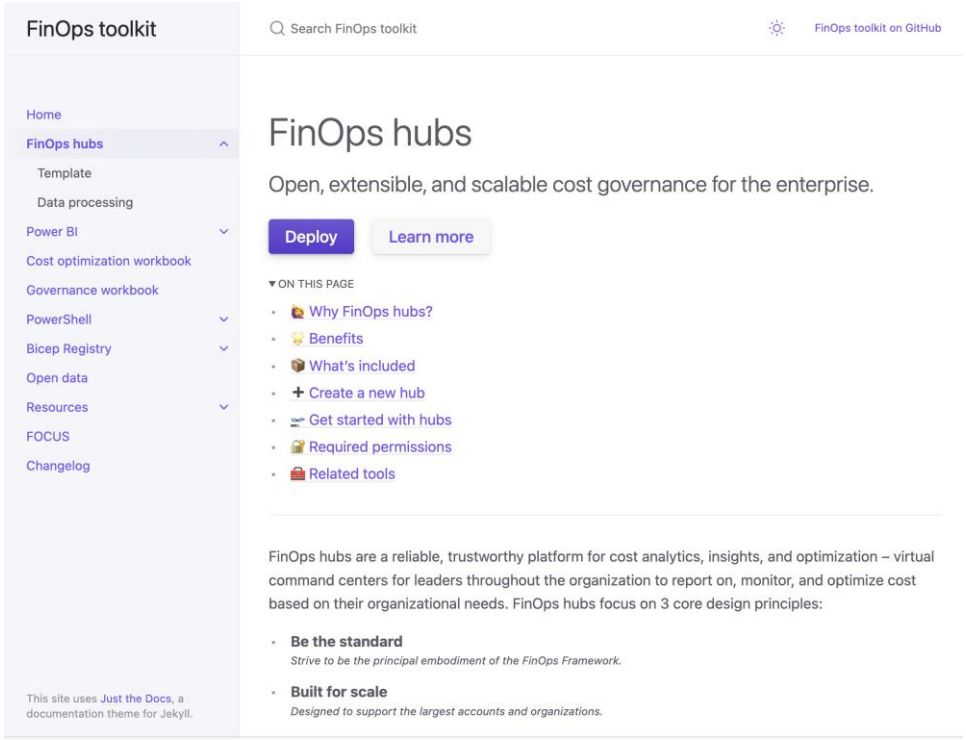
- Cost allocation refers to the process of attributing and assigning costs to specific departments, teams, and projects within an organization.
- Cost allocation is the foundational element of cost accountability and enables organizations to gain visibility into the financial impact of their cloud solutions and related activities and initiatives.
- When you first start managing cost in the cloud, you use the native "allocation" tools to organize subscriptions and resources to align to your primary organizational reporting structure. For anything beyond it, tags can augment cloud resources and their usage to add business context, which is critical for any cost allocation strategy.
- Ensure naming, metadata, and hierarchy requirements are being used consistently and effectively throughout your environment.

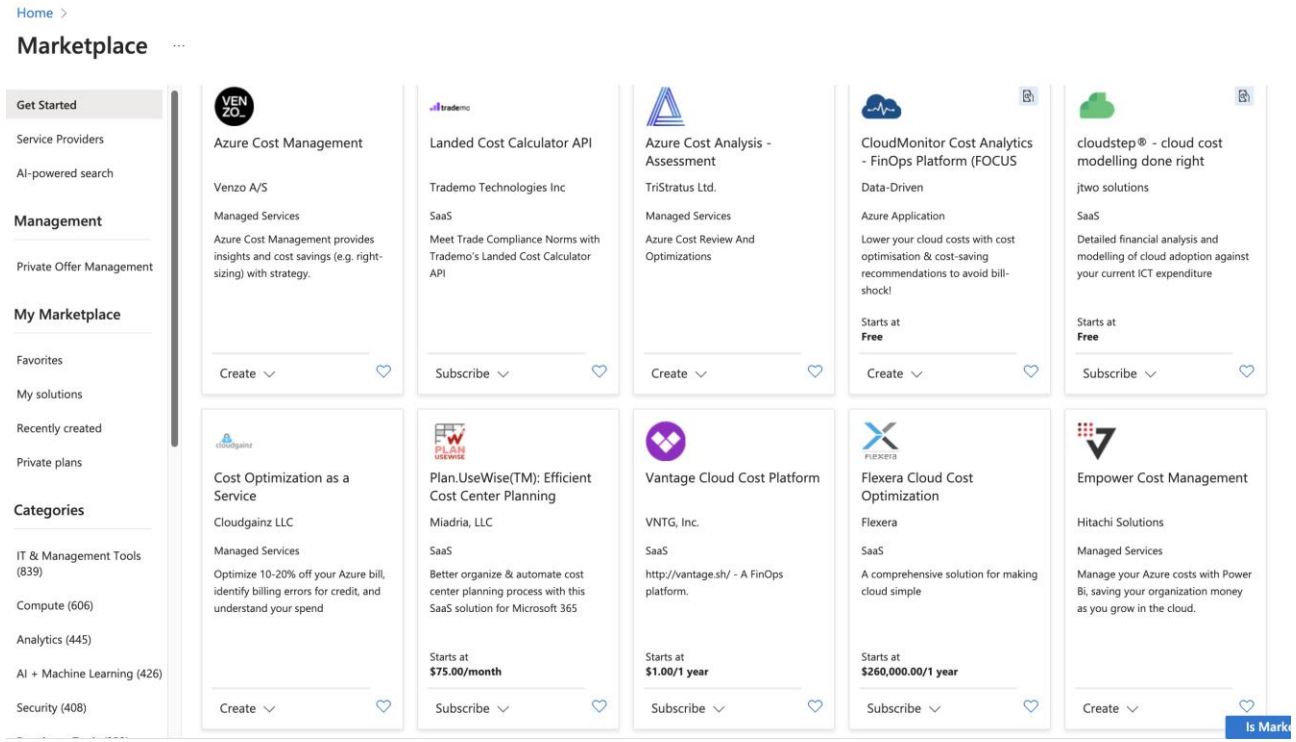
Managing shared cost

- Managing shared cost refers to the process of redistributing the cost of shared services to the teams and applications that utilized them.
- Familiarize yourself with each service to determine if they're designed for and/or could be used for shared resources. A few examples of commonly shared services are:
  - Application hosting services, like Azure Kubernetes Service, Azure App Service, and Azure Virtual Desktop.
  - Observability tools, like Azure Monitor and Log Analytics.
  - Management and security tools, like Microsoft Defender for Cloud and DevTest Labs.
  - Networking services, like ExpressRoute.
  - Database services, like Cosmos DB and SQL databases.
  - Collaboration and productivity tools, like Microsoft 365.

Data ingestion and normalization

- Data ingestion and normalization refers to the process of collecting, transforming, and organizing data from various sources into a single, easily accessible repository.
- When you first start managing cost in the cloud, you use the native tools available in the portal or through Power BI.





[FinOps hubs - FinOps toolkit (microsoft.github.io)]

[Marketplace - Microsoft Azure]

Forecasting

- Forecasting involves analyzing historical trends and future plans to predict costs, understand the impact on current budgets, and influence future budgets.
- Understanding how changes to your usage patterns affect future costs is informed with
- The simplest option is to use Cost analysis to project future costs using the Daily costs or Accumulated costs view.
- Establish and automate KPIs, such as:
  - Cost vs. forecast to measure the accuracy of the forecast algorithm.
    - It can only be performed when there are expected usage patterns and no anomalies.
    - Target <12% variance when there are no anomalies.
  - Cost vs. forecast to measure whether costs were on target.
    - It's evaluated whether there are anomalies or not to measure the performance of the cloud solution.
    - Target 12-20% variance where <12% would be an optimized team, project, or workload.
  - Number of unexpected anomalies during the period that caused cost to go outside the expected range.
  - Time to react to forecast alerts.

Budget management

- Budget management refers to the process of overseeing and tracking financial plans and limits over a given period to effectively manage and control spending.
- Refine the budget granularity to enable more targeted oversight.
- Encourage all teams to take ownership of their budget allocations and expenses.
  - Educate them about the impact of their actions on the overall budget and empower them to make informed decisions.
- Streamline the process for making budget adjustments, ensuring teams easily understand and follow it.
- Automate budget creation with new subscriptions and resource groups.
- If not done earlier, use automation tools like Azure Logic Apps or Alerts to execute automated actions when budget alerts are triggered. Tools can be especially helpful on test subscriptions.

Measuring unit costs

- Measuring unit costs refers to the process of calculating the cost of a single unit of a business that can show the business value of the cloud.
- Start with application telemetry.
- Use Azure Monitor metrics to pull resource utilization data.
- Use service-specific APIs to get detailed usage telemetry.
- Using the data you've collected, quantify the percentage of usage coming from each unit.
- Automate any aspects of the unit cost calculation that haven't been fully automated.
- Consider expanding unit cost calculations to include other costs, like external licensing, on-premises operational costs, and labor.
- Build unit costs into business KPIs to maximize the value of the data you've collected.

Managing anomalies

- Managing anomalies refers to the practice of detecting and addressing abnormal or unexpected cost and usage patterns in a timely manner.
- Start with proactive alerts
- Review costs periodically, using detailed cost breakdowns, usage analytics, and visualizations to identify potential anomalies that may have been missed.
- Once an anomaly is identified, take appropriate actions to address it.
- Establish and automate KPIs, such as:
  - Number of anomalies each month or quarter.
  - Total cost impact of anomalies each month or quarter
  - Response time to detect and resolve anomalies.
  - Number of false positives and false negatives.
- Expand coverage of your anomaly detection and response process to include all costs.
- Define, document, and automate workflows to guide the response process when anomalies are detected.
- Foster a culture of continuous learning, innovation, and collaboration.
  - Regularly review and refine anomaly management processes based on feedback, industry best practices, and emerging technologies.
  - Promote knowledge sharing and cross-functional collaboration to drive continuous improvement in anomaly detection and response capabilities.

Establishing a FinOps decision and accountability structure

- Establishing a FinOps decision and accountability structure involves defining roles and responsibilities, bridging gaps between teams, and enabling cross-functional collaboration and conflict resolution.
- Delegate accountability and decision-making authority to a cross-functional steering committee that can provide balanced oversight for technical, financial, and business priorities.
- Review the FinOps Framework guidance for how to best scale out your FinOps steering committee efforts.
- Review the Cloud Adoption Framework guidance for tips on how to drive organizational alignment on a larger scale. You may find opportunities to align with other governance initiatives.

Resource utilization and efficiency

- Resource utilization and efficiency refers to the process of ensuring cloud services are utilized and tuned to maximize business value and minimize wasteful spending.
- Review and implement Azure Advisor cost recommendations
- Review your usage and purchase commitment-based discounts when it makes sense.
- Take advantage of Azure Hybrid Benefit for Windows, Linux, and SQL Server.
- Review and implement Cloud Adoption Framework costing best practices.
- Review and implement Azure Well-Architected Framework cost optimization guidance.
- Familiarize yourself with the services you use, how you're charged, and what service-specific cost optimization options you have.
- Use and customize the Cost optimization workbook. The Cost Optimization workbook is a central point for some of the most often used tools that can help achieve utilization and efficiency goals.

Workload management and automation

- Workload management and automation refers to running resources only when necessary and at the level or capacity needed for the active workload.
- Tag resources based on their up-time requirements. Review resource usage patterns and determine if they can be scaled down or even shutdown (to stop billing) during off-peak hours. Consider cheaper alternatives to reduce costs.
- An effective workload management and automation plan can significantly reduce costs by adjusting configuration to match supply to demand dynamically, ensuring the most effective utilization.
- Can the service be stopped (and if so, stop billing)?
- Does the service support serverless compute?
- Does the service support autostop or autoshutdown functionality?
- Does the service support autoscaling?
- Consider automatically stopping and manually starting nonproduction resources during work hours to avoid unnecessary costs.
- Consider architectural models such as containers and serverless to only use resources when they're needed, and to drive maximum efficiency in key services.

Onboarding workloads

- Onboarding workloads refers to the process of bringing new and existing applications into the cloud based on their financial and technical feasibility.
- Should FinOps be added to an existing onboarding process?
- Are there working processes you can use or copy?
- Are there any stakeholders who can help you get your process stood up?
- Who has access to provision new workloads in the cloud? How are you notified that they're created?
- What governance measures exist to structure and tag new cloud resources? For example, Azure Policy enforcing tagging requirements.
- Introduce new stakeholders to the FinOps Framework by having them review What is FinOps.
- Help them learn your culture and processes.
- Determine if you have the budget.
    - Ensure the team runs through the Forecasting capability to estimate costs.
    - Evaluate whether the budget has capacity for the estimated cost.
    - Request department heads reprioritize existing projects to find capacity either by using capacity from under-utilized projects or by deprioritizing existing projects.
    - Escalate through leadership as needed until budget capacity is established.
    - Consider updating forecasts within the scope of the budget changes to ensure feasibility.

Managing commitment-based discounts

- Managing commitment-based discounts is the practice of obtaining reduced rates on cloud services by committing to a certain level of usage or spend over a specific period.
- While you can save by using reservations and savings plans, there's also a risk that you may not end up using that capacity. You could end up underutilizing the commitment and lose money. While losing money is rare, it's possible. We recommend starting small and making targeted, high-confidence decisions. We also recommend not waiting too long to decide on how to approach commitment-based discounts when you do have consistent usage because you're effectively losing money. Start small and learn as you go.
- One of the most common starting points is Azure Advisor cost recommendations.
- For more flexibility, you can view and filter recommendations in the reservation and savings plan purchase experiences.
- Lastly, you can also view reservation recommendations in Power BI.
- After you know what to look for, you can analyze your usage data to look for the specific usage you want to purchase a reservation for.

Cloud policy and governance

- Cloud policy and governance refers to the process of defining, implementing, and monitoring a framework of rules that guide an organization's FinOps efforts.
- Review your existing FinOps processes to identify opportunities for policy to automate enforcement.
- Identify what policies can be automated through Azure Policy and which need other tooling.
- Review and implement built-in policies that align with your needs and goals.
- Start small with audit policies and expand slowly (and safely) to ensure engineering efforts aren't negatively impacted.

Chargeback and finance integration

- Chargeback refers to the process of billing internal teams for their respective cloud costs. Finance integration involves leveraging existing internal finance tools and processes.
- Chargeback, cost allocation, and showback are all important components of your FinOps practice. While you can implement them in any order, we generally recommend most organizations start with showback to ensure each team has visibility of the charges they're responsible for – at least at a cloud scope level. Then implement cost allocation to align cloud costs to the organizational reporting hierarchies, and lastly implement chargeback based on that cost allocation strategy. Consider reviewing the Data analysis and showback and Cost allocation capabilities if you haven't implemented them yet. You may also find Managing shared costs and Managing commitment-based discounts capabilities to be helpful in implementing a complete chargeback solution.

FinOps education and enablement

- FinOps education and enablement involves refers to the process of providing training, resources, and support to help individuals and teams within an organization adopt FinOps practices.
- Identify and share available training content with stakeholders.
- Consider marketing initiatives to drive awareness, encourage discussion and sharing lessons learned, or get people actively participating and learning (for example, hackathon or innovation sprint).
- Provide a direct channel to get help and support as people are learning. Be responsive and establish a feedback loop to learn from help and support initiatives.
- By formalizing FinOps education and enablement, stakeholders develop the knowledge and skills needed to effectively manage and optimize cloud usage and costs.

Establishing a FinOps culture

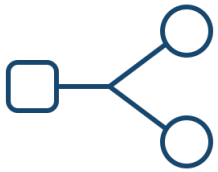
- Establishing a FinOps culture is about fostering a mindset of accountability and collaboration to accelerate and drive business value with cloud technology.
- Start by finding enthusiasts who are passionate about FinOps, cost optimization, efficiency, or data-driven use of technology to accelerate business goals.
- Research your stakeholders and organizations.
- Identify an initial sponsor and prepare a pitch that explains how your strategy leads to a positive impact on their mission and success criteria. Present your plan with clear asks and next steps.
- Expand and formalize your steering committee as you develop broader sponsorship across business, finance, and engineering.

FinOps and intersecting frameworks

- Implementation of this capability is highly dependent on how your organization has adopted each of the following frameworks and methodologies and what tools you've selected for each. See the following articles for details:

  - IT Asset Management (ITAM) by FinOps Foundation
  - Sustainability by FinOps Foundation
  - Sustainability workloads
  - IT Service Management
  - Azure Monitor integration
  - Azure DevOps and ServiceNow

Cloud is critical to every business but is a fundamentally different consumption model…



Decentralized

Engineers siloed from Finance (and Procurement) are empowered to commit the company to spend

Variable

Variable cloud spend replacing data center/fixed cost spend

Scalable

Instant access to resources enables innovation but often results in overprovisioning

Sources :
Finops Framework : https://www.finops.org/introduction/what-is-finops/
Finops Foundation : https://www.finops.org/about/
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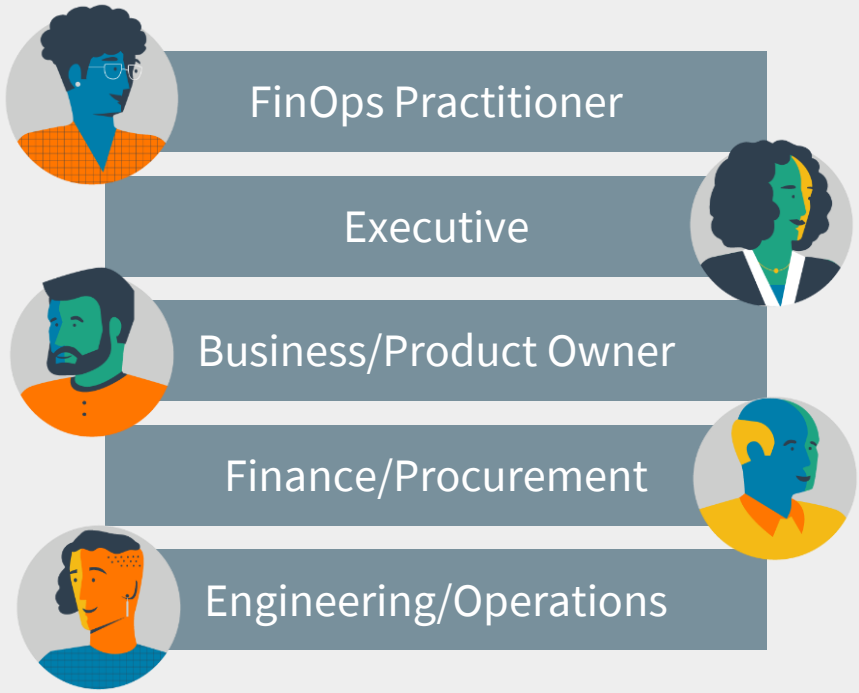
Finops book: https://www.finops.org/resources/finops-book/

FinOps.org Framework

Principles

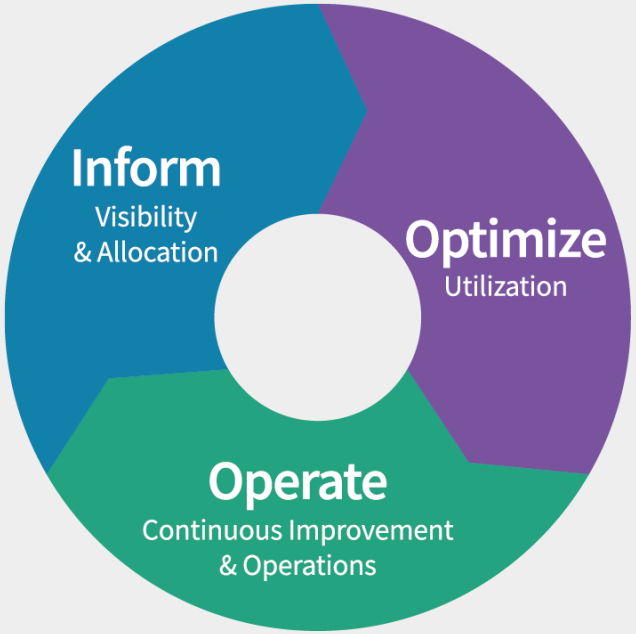
- Teams need to collaborate
- Everyone takes ownership for their cloud usage
- A centralized team drives FinOps
- Reports should be accessible and timely
- Decisions are driven by business value of cloud
- Take advantage of the variable cost model of the cloud

Personas



Maturity

Phases



Domains

Understanding Cloud Usage and Cost	**Performance Tracking & Benchmarking**	**Real-Time Decision Making**	**Cloud Rate Optimization**	**Cloud Usage Optimization**	**Organizational Alignment**

Azure Cost Optimization and Governance Offering Overview

Technical Focus

Service Management Focus

Workload Cost Optimization

Offerings to help improve workload cost efficiency

Evaluate
workload and provide recommendations

Well-Architected Cost Optimization Assessment

- Understand your Azure subscriptions and workload cost profile.
- Identify sources of waste and inefficiency.
- Prioritize actions that will maximize the cost efficiency of your cloud environment.

3 Day Duration Offering Link

Recommendations identified for remediation
(Prerequisite)

Implement
workload practice recommendations

Well-Architected Cost Optimization Implementation

- Knowledge transfer, and guidance to purchase and manage Azure Reservations and Hybrid Benefits.
- Help you remove or deallocate unused resources flagged during the assessment.

3 Day Duration Offering Link

Implement
workload governance recommendations

Well-Architected Cost Governance Implementation

- Understand FinOps unit economics.
- Implement a baseline for budgets, proactive cost alerts, cost management related tagging and policies.
- Define workload related Cost Management roles and responsibilities.

2 Day Duration Offering Link

Various VBD / EDE options available to support customers on their Azure journey
(on following slides)

Cost Governance And Financial Management

Offerings to help improve cost governance and financial management

Foundational Azure Governance
Cost related topics not core but are included

Cost Governance
Dedicated Cost Governance Offerings

Plan
for successful governance of Azure

Azure Governance Planning

- Understand Azure Governance best practices and native capabilities.
- Identify and mitigate risks related to various topics such as Cost, Security and Identity.

5 Day Duration Offering Link

Optimize
the existing model, tools and practices

Azure Governance Management Optimization

- Establish optimization targets to measure effectiveness of Azure governance disciplines.
- Implement Azure Governance dashboard.
- Define corrective actions when Governance dashboard optimization targets deviate from the desired state.

5 Day Duration Offering Link

Practical Governance
practices within Azure

Activate Azure with Administration & Governance

- Hands-on sessions practical knowledge transfer
- Proof of concept Azure deployment
- Baseline practices to support Identity, Security, Cost Management, Resource Consistency, Deployment Acceleration

4 Day Duration Offering Link

Azure Cost Governance Practices

Azure Cost Management Planning

- Ensure IT readiness to manage, govern and optimize cloud expenditures.
- Best practices and recommendations to keep cost expenditures on Azure under control.
- Identify and mitigate risks related to cost.

5 Day Duration Offering Link

FinOps Fundamentals

Cloud Financial Management Introduction

- FinOps principals and key changes as part of your Cloud Operating Model
- FinOps Implementation approach
- FinOps personas and team topologies
- FinOps roles and tasks

3 Day Duration Offering Link

FinOps Planning & Implementation | Scenario Overview

Culture & Cloud eXperience CCX

Azure | Modern Work | Business Apps | Data & AI

Description

The EDE FinOps Planning and Implementation offering provides a set of services designed for customers transitioning financial management in the Cloud. Through this engagement, the organization will be able to adopt FinOps Principles by transforming culture, governance and processes and taking control of the cost management in the Cloud.

Scope

- Establish a FinOps team in your Organization based on the incremental Crawl, Walk, Run approach with clearly defined roles & tasks
- Embed financial management in your Cloud Governance & Operation model
- Define Cost Management model, processes and policies
- Formulate demand, portfolio and financial management integration
- Define cloud services through a Cloud Service Catalogue definition and implementation.
- Support Service Owners to develop Unit or Cloud Economics metrics that measure and report the value of the Cloud Service

Outcomes

- Taking advantage of the variable spend model of the Cloud
- Increased overall maturity of the six FinOps domains by adopting the key FinOps principles. This will also increase the overall maturity of the Cloud Operation model.
- Increased operational efficiency and reduced costs
- Accelerated business value realization
- Cost transparency by generating real-time financial management reports

Key Deliverables

- FinOps adoption roadmap
- FinOps Roles & Task list (RACI) and a suggested team topology
- Cost Governance Charter
- Show back Reports
- Forecasting Process Charter
- Budgeting Process charter
- Cost Optimization Reports
- Automation Guidance
- Guidance on Service (catalog) design

FinOps Planning & Implementation | Deep Dive

We join you on your FinOps journey and provide expertise to accelerate your success

Culture & Cloud eXperience CCX

Assess and Envision

- Assessment
- Roadmap

FinOps Culture, capabilities & Business alignment

Define and Implement

- Organizational Alignment
- Understanding Cloud Usage & cost
- Real-time decision making
- Cloud Usage optimization
- Performance Tracking & benchmarking
- Cloud Rate Optimization

Combining technical Microsoft expertise & Guidance (CAF/WAF) with the FinOps approach and modern service & adoption management

Attain and Adopt

- FinOps Adoption
- Support & Coaching

Ensure adoption & continuous improvement

Assessment

- ✓ Understand current ways of work, existing challenges.
- ✓ Use of **FinOps Domains** and **CCSM Model** to identify challenge areas.
- ✓ Introduce Maturity Guidance
- ✓ Perform Gap Analysis

Roadmap

- ✓ Understand strategic goals
- ✓ Define improvement items and activities
- ✓ Use of **FinOps Domains & CCSM Model** to ensure all applicable critical capabilities are well defined.
- ✓ Prioritize recommendations

Organizational alignment

- ✓ Establishing a FinOps culture & modern team topologies
- ✓ Chargeback & IT Finance integration
- ✓ FinOps Education & enablement
- ✓ Cloud Policy & Governance
- ✓ IT Asset Management integration

Understanding Cloud Usage

- ✓ Cost allocation
- ✓ Data analysis & show back
- ✓ Managing shared cost
- ✓ Data ingestion & normalization

Cloud Usage optimization

- ✓ Cost allocation
- ✓ Data analysis & show back
- ✓ Managing shared cost
- ✓ Data ingestion & normalization

Performance Tracking

- ✓ Measuring Unit costs
- ✓ Cloud economics
- ✓ Forecasting
- ✓ Budget management

Real-time decision making

- ✓ Managing Anomalies
- ✓ Establishing a FinOps decision & accountability structure

Cloud Rate Optimization

- ✓ Managing commitment-based discounts

FinOps Adoption

- ✓ Measure/monitor FinOps adoption and change success
- ✓ Identify areas of opportunity to drive further adoption and benefit realization

Support & Coaching

- ✓ Tailored support and coaching approach to continue to address any new challenges and drive continual improvement of your FinOps practice.

Iterative approach to raise the maturity level of your FinOps domain aligned to your priorities but flexible enough to adapt to your changing needs.

Azure FinOps Delivery Agenda

Delivery Agenda		
Day 1	FinOps Introduction	▪ Key definition of FinOps ▪ Introduction to the FinOps Roles & Task List (RACI) NOTE: All subsequent modules refer to this RACI as a consistent way for establishing a Cloud Financial Operation Model and Governance.
	Azure Billing Mechanics	▪ Azure Billing mechanics overview ▪ Enterprise Agreement introduction ▪ Invoice Management ▪ Understand Azure Pricing
Day 2	Azure Cost Management	▪ Azure Usage data deep dive ▪ Understanding Azure Cost Management scopes & roles ▪ Azure Cost Analysis & Alerting ▪ Managing Budgets & Alerts ▪ Azure Tagging introduction ▪ Cost Allocation introduction
Day 3	Azure Cost Optimization	▪ Azure Cost optimization overview ▪ Using Advisor to optimize cost ▪ Usage optimization through waste reduction ▪ Rate optimization with Reserved instances, Savings Plans & Hybrid Benefits ▪ Closeout & next steps

For more information: Please contact your Microsoft Representative for more details.

Q&A

Microsoft

Thank You

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Apendix