

# Getting Started with FinOps on Google Cloud



Google Cloud Learning Services

# **Course Outline - Day 1 Practitioner**



Time Slot	Duration	Subject		
9:00-9:30	30 Mins	Course Introduction and Logistics		
9:30-10:00	30 Mins	Cloud FinOps Overview		
10:00-10:10	Break			
10:15-11:45	90 Mins	Cost Optimization on Google Cloud (Part 1)		
11:45-12:00	15 Mins	Kahoot Quiz 1		
12:00-13:00	Lunch			
13:00-14:00	60 Mins	Lab 1 - Understanding and Analyzing your Costs with Google Cloud		
14:00-14:15	15 Mins	Kahoot Quiz 2		
14:15-14:30	Break			
14:30-15:30	60 Mins	Lab 2 - Visualizing Billing Data with Google Data Studio		
15:30-15:40	Break			
15:40-16:10	30 Mins	Optional Lab - Looker Data Explorer		

# **Course Outline - Day 2 Practitioner**



Time Slot	Duration	Subject		
9:00-9:15	15 Mins	Logistics and Q&A		
9:15-10:15	60 Mins	Cost Optimization on Google Cloud (Part 2)		
10:15-10:30	Break			
10:30-10:45	15 Mins	Kahoot Quiz 3		
10:45-11:45	60 Mins	Cost Optimization on Google Cloud (Part 2 - cont.)		
11:45-12:45	Lunch			
12:45-13:15	30 Mins	Lab 3 - Fundamentals of Cloud Logging		
13:15-13:30	Break			
13:30-13:45	15 Mins	Kahoot Quiz 4		
13:45-14:45	60 Mins	Cost Optimization Best Practices for BigQuery		
14:45-15:00	Break			
15:00-16:00	60 Mins	Optimizing your Google Cloud spend with BigQuery and Looker - Demo		
16:00-16:30	30 Mins	Lab 4 - Analyzing Billing Data with BigQuery		

# **Course Outline - FinOps Engineer**



Time Slot	Duration	Subject
9:00-9:15	15 Mins	Logistics and Q&A
9:15-10:15	60 Mins	Using Recommendations for Infrastructure as Code
10:15-10:30	Break	
10:30-11:30	60 Min	Optimizing Network Spend
11:30-11:45	15 Mins	Kahoot Quiz 5
11:45-12:45	Lunch	
12:45-13:45	60 Mins	Lab - Exploring Cost Optimization for GKE
13:45-14:00	Break	
14:00-15:00	60 Mins	Lab - Understanding and Combining GKE Autoscaling Strategies

# Solving for Value in the Cloud

Public cloud consumption continues to grow at an exponential pace and CIOs across the enterprises are challenged with attaining the desired cost savings of migration to the cloud

\$1 T+1

~22%<sup>2</sup>

~32%<sup>3</sup>

**80**%<sup>4</sup>

Cloud EBITDA value drivers across Fortune 500 in 2030

YoY laaS and PaaS public cloud growth

Wasted cloud spend estimated in 2021

of CIOs admit they haven't > attained the desired business benefits of migration to the cloud

Source: (1) McKinsey: Cloud's trillion-dollar prize is up for grabs, February 2021, (2) IDC's Whole Cloud Forecast 2022, (3) Flexera 2022 State of Cloud Report, (4) McKinsey Study: Unlocking business acceleration in a hybrid cloud world, July 2019



# **Optimizing Cloud Costs**

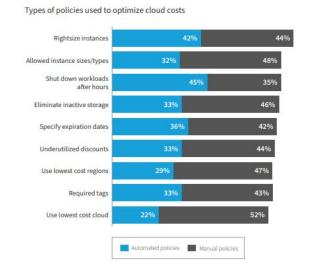
Cloud cost optimization and governance are top priorities for enterprises to realize the desired value and cost savings benefits of cloud adoption

Even though cloud cost optimization remains the top priority...



Many enterprises are still in the early stage of optimizing cloud costs.

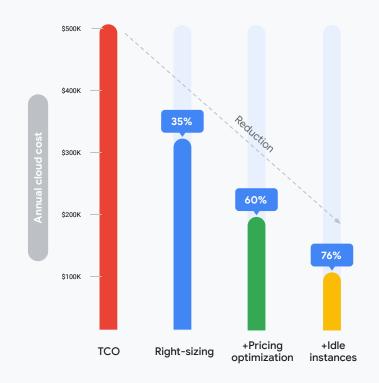






# So why can cloud costs vary so much?

Cloud computing services
configuration sizing, pricing
models, and resource
management can significantly
impact costs



<sup>\*</sup> Comparison of 100 compute instances in N. Virginia Region (1) e2-standard-16 On Demand, (2) e2-custom-8-55296 On Demand (assuming max 50% CPU utilization/87% RAM utilization on standard config), (3) e2-custom-8-55296 on 1 Year CUD (4) e2-standard-16 On Demand 8 hours/day 5 days/week

# Common cloud financial governance challenges

Traditional IT financial controls have limited ability to effectively manage and predict cloud spend.

#### Bringing traditional financial processes...

#### creates new challenges in the cloud.

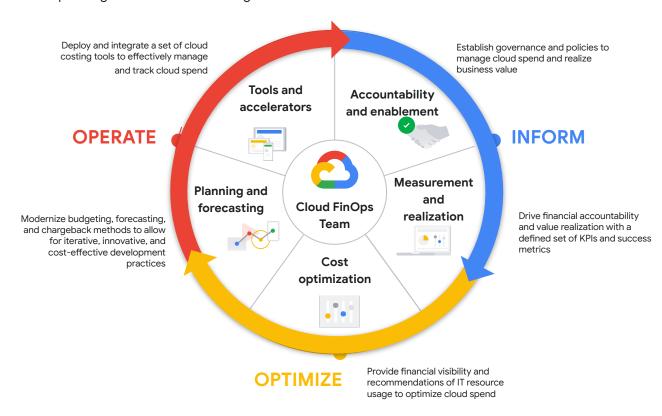
Budget	cycle	IT budget set during annual planning cycle	▶	Dynamic changes to migrations and consumption can challenge static budgets
\$ Cost ov	wnership	Centrally-owned IT budget; BU allocations by revenue or headcount	▶	Limited visibility to usage and source of cost overruns
Spend o	controls	CapEx budget and purchase order process used to control IT spend	▶	Limited ability to effectively control largely OpEx-driven spend; 30+% average wasted spend
Predict	ability	Quarterly financial forecasts built off of depreciation run-off and trend-based OpEx spend	▶	Forecast variances can exceed 25%
Resource		Procurement of standard fixed capacity hardware configurations on ~5 year refresh cycle	ь	Use of standard data center configurations for cloud resources introduces 30 - 75% overhead waste

## **Cloud FinOps**

An operational framework and cultural shift that brings technology, finance, and business together to drive financial accountability and accelerate business value realization through cloud transformation.

## **Building blocks of Cloud FinOps**

Cloud FinOps enables enterprises making significant investments in cloud the ability to identify and manage consumption and spending in order to make the right economic decisions.



# Cloud FinOps capabilities maturity

Organizations can start on the cloud transformation journey and build up their Cloud FinOps capabilities as the organization matures to maximize and realize the business value of cloud.



Tactical



Strategic



Transformational



# Accountability and enablement

Initial charter for a cloud business office established

Cloud governance and policies are understood within the organization

Strong partnership with flnance and business teams to periodically review and optimize spend



# Planning and forecasting

Manual invoice reconciliation and cost allocation

Partial visibility into accounting of cloud spend

Budget planning and forecasting closely aligned with the variable consumption model in the



#### **Cost optimization**

Limited use of commited use discounts and preemptible instances

Accurate and transparent cloud costs with full chargebacks

Business value tracking aligned and cost optimization embedded



# Measurement and realization

Established set of assets level KPIs for cost optimization

KPIs are mapped to business services and outcomes

A culture of cost optimization embedded into the organization through a process of performance-measured responsibility



# Tools and accelerators

Limited capability to report on accurate accounting of cloud spend

Basic cloud resource tagging/labeling available

Automated tools and reporting dashboard to manage cloud spend and value