# **Ownership of cost optimization**

Here are the best practices of establishing a team or function responsible for creating and maintaining a culture of cost awareness in cloud computing within an organization. The owner of cost optimization can be an individual or a team consisting of members from finance, technology, and business departments.

**Key Implementation Guidance:**

1. Introduction of a function to promote cost awareness in cloud computing.
2. The function should be composed of relevant stakeholders from finance, technology, and various organizational teams.
3. The function allocates a percentage of time to focus on cost management and optimization activities, with larger enterprises dedicating more time than smaller organizations.
4. The function requires a multi-disciplinary approach, including skills in project management, data science, financial analysis, and software/infrastructure development.
5. Different ownership models for cost optimization are outlined: centralized (through designated teams), decentralized (influencing technology teams), and hybrid (combination of centralized and decentralized approaches).
6. Measurement of the function's effectiveness in achieving cost optimization goals, such as workload efficiency metrics.
7. Executive sponsorship is crucial for success, as the sponsor champions cost-efficient cloud consumption and provides support for prioritizing cost optimization activities.

**Implementation Steps:**

1. Define key members from relevant parts of the organization, including finance, application/product owners, management, and technical teams.
2. Members involved should possess skills in software development, infrastructure engineering, and operations acumen.
3. Define goals and metrics that deliver value to the organization, such as education programs, organization-wide standards, and workload optimization targets. Regular reporting on cost optimization capability is essential.
4. Establish a regular cadence for the group (finance, technology, and business teams) to review goals, metrics, organizational state, ongoing programs, and financial/optimization metrics.
5. During these reviews, assess workload efficiency and business outcomes, recognizing that some cost increases may be considered investments aligned with increased customer usage.

By implementing these steps and establishing the recommended function or team, organizations can effectively manage and optimize costs associated with cloud computing, thereby delivering business value.

[AWS Documentation](https://docs.aws.amazon.com/wellarchitected/latest/cost-optimization-pillar/cost_cloud_financial_management_function.html)