Architecting an Optimal FinOps Platform

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Conversation

What was the trigger for this activity?

Problem Definition - What & Why?

Approach to solving this problem

Platform Capabilities & Building blocks

Larger Context of Engineering Effectiveness

Takeaways & where do we go from here?

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Starting Point → 2023 Perspectives

Tactical activities are prioritized over higher-impact strategic initiatives (**KPMG**)

85%

Organizations embracing Cloud Native Development (Gartner)

Mature FinOps practices shift left ….which enables engineering to ….. accountable for the cloud spending (**FinOps Foundation**)

Organizations need holistic platforms, not just a slew of tools and processes

Isolated Localized Optimizations continue to provide suboptimal results

30%

… cloud spend is categorized as "waste" spend that can be optimized (IDC)

60%

..of enterprises will underestimate their Cloud Infra and platform services consumption rates (Gartner)

Buying FinOps tools and allocating people to FinOps activities can cost you more than it saves (McKinsey).

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Solving the FinOps Problem

What's New About a FinOps Platform?

Understand the specific Environment + Analyze the data and extrapolate + Phased work plan to optimize automatically + Operationalize continuous optimization

A plethora COTS **Reporting & Recommendation** Platforms!

Platforms providing limited AI based rate optimizations

Minimal inroads in COTS Platforms that provide **holistic optimizations** built into your ecosystem

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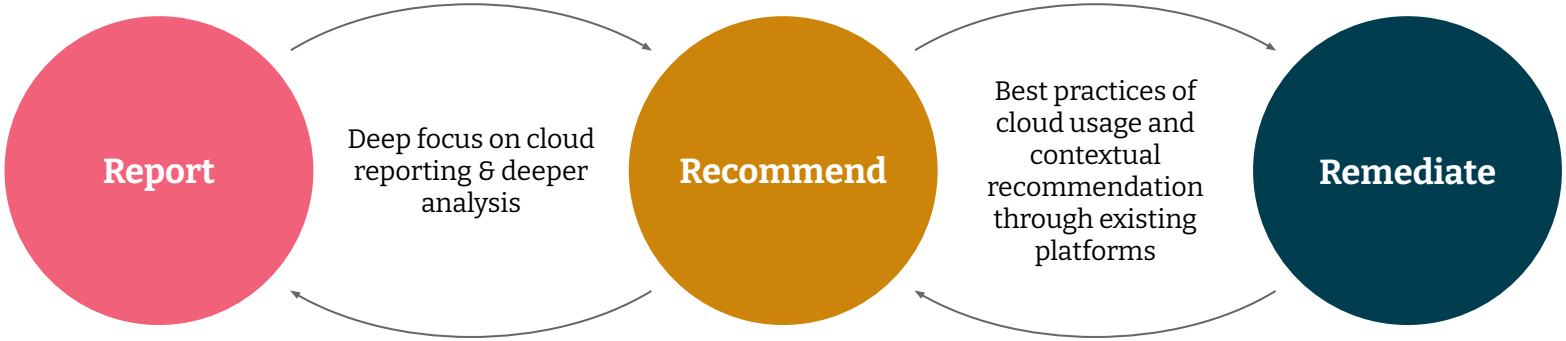
3 R's of FinOps

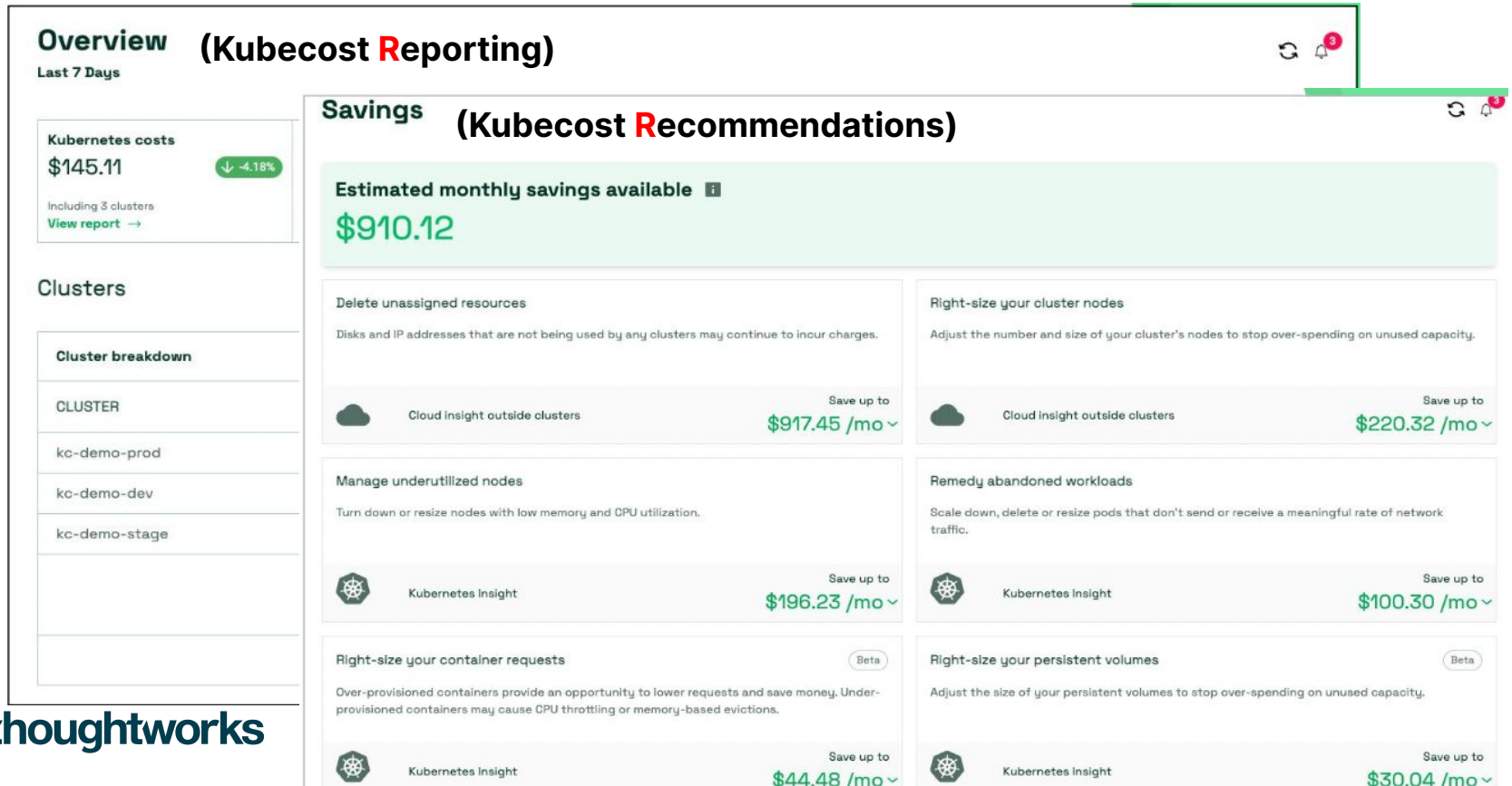


Reporting & Recommendation Platforms/Tools

Build Platform Capabilities to automatically remediate

Accelerator Platforms - What does it tell you?

Reporting & Recommendation Platforms



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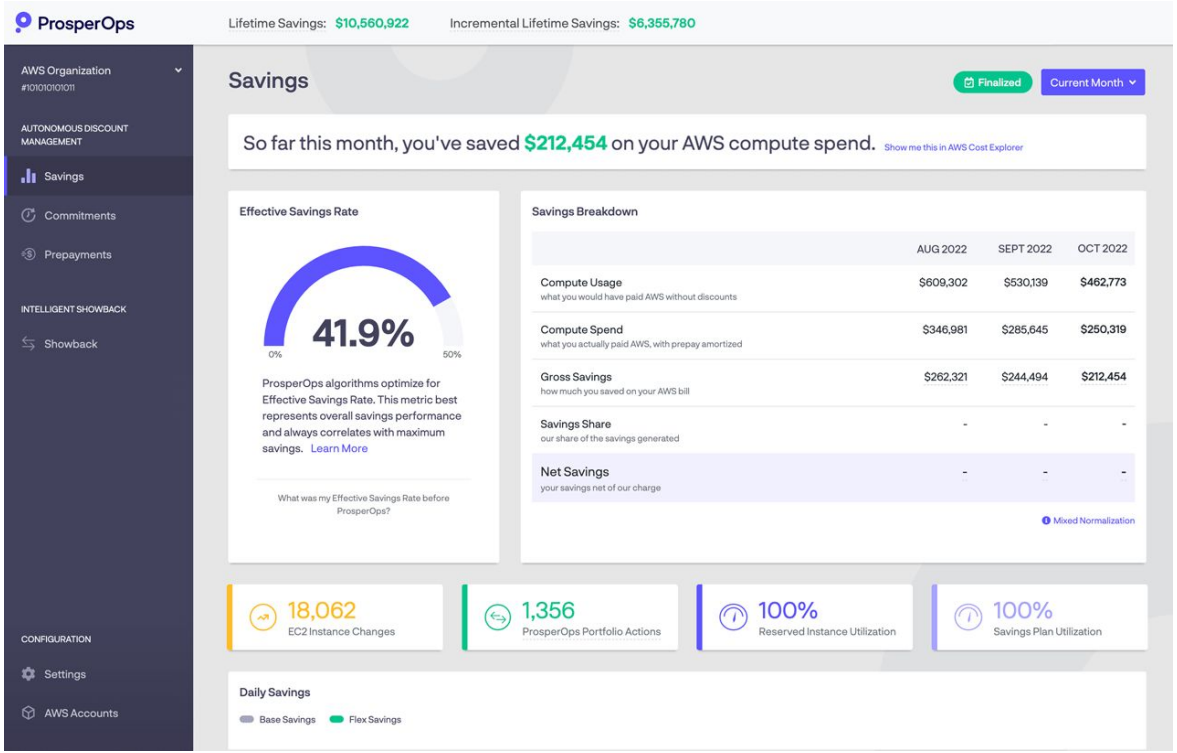
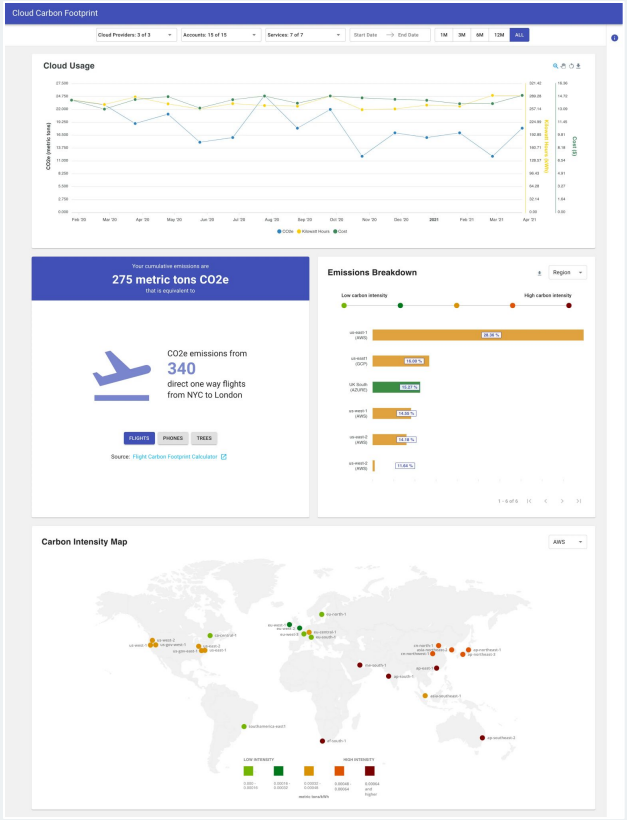
Accelerator Platforms - What does it tell you?

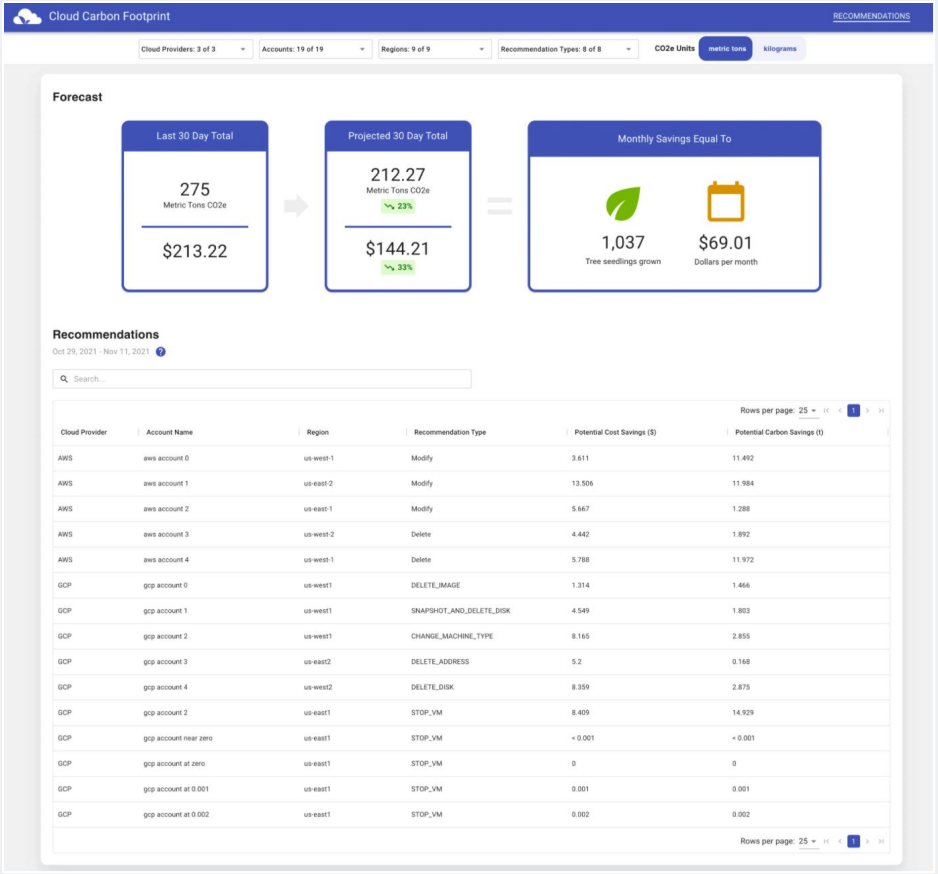
Automated Commitments Optimization - Plans & Usage

- Spot Discounts
- Commitment based discounts
- Sustained Usage
- Private Pricing
- Automated Optimization



Carbon Footprint Measuring Tool: CCF





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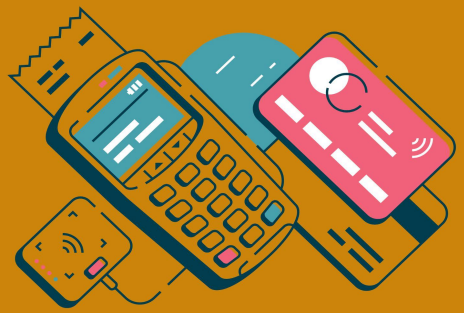
Whose problem is it to solve this?

Finance



Better Budgeting & Forecasting

Improved Cost Control

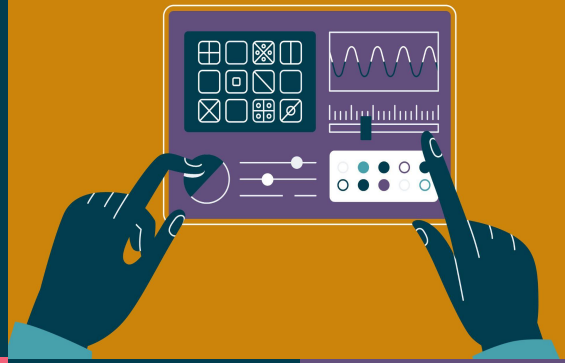
Product

True cost of solutions

COR/COGS

Roadmap Prioritization

Tech



Data Driven Decisions

Self-Serve & Sensible defaults

Core Principles and why does it matter?

Localized Optimization coupled with globalized outcomes

- Ownership of the cloud usage
- Collaboration
- Centralized Team
- Business Value of the Cloud
- Report Accessibility & Timeliness
- Variable Cost Model of the Cloud

Organizational Enablers for Operating in the Cloud

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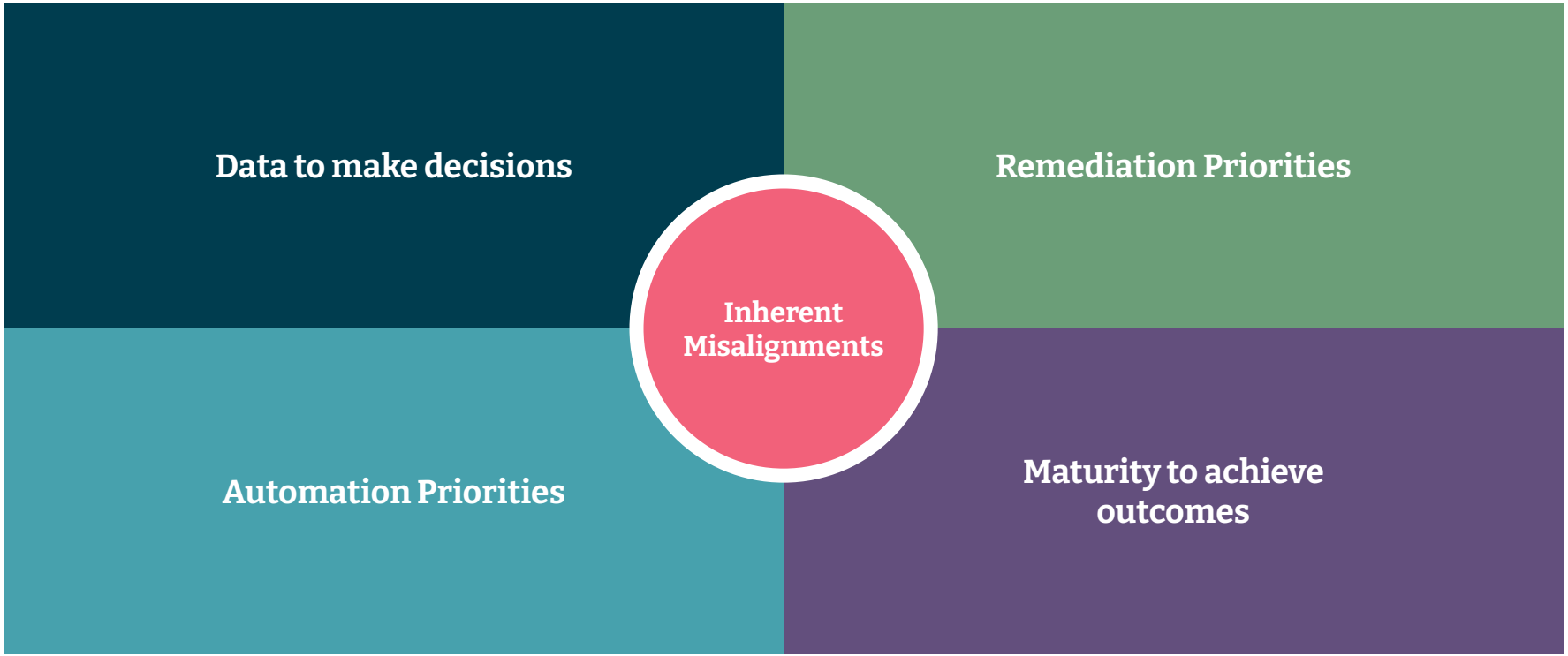
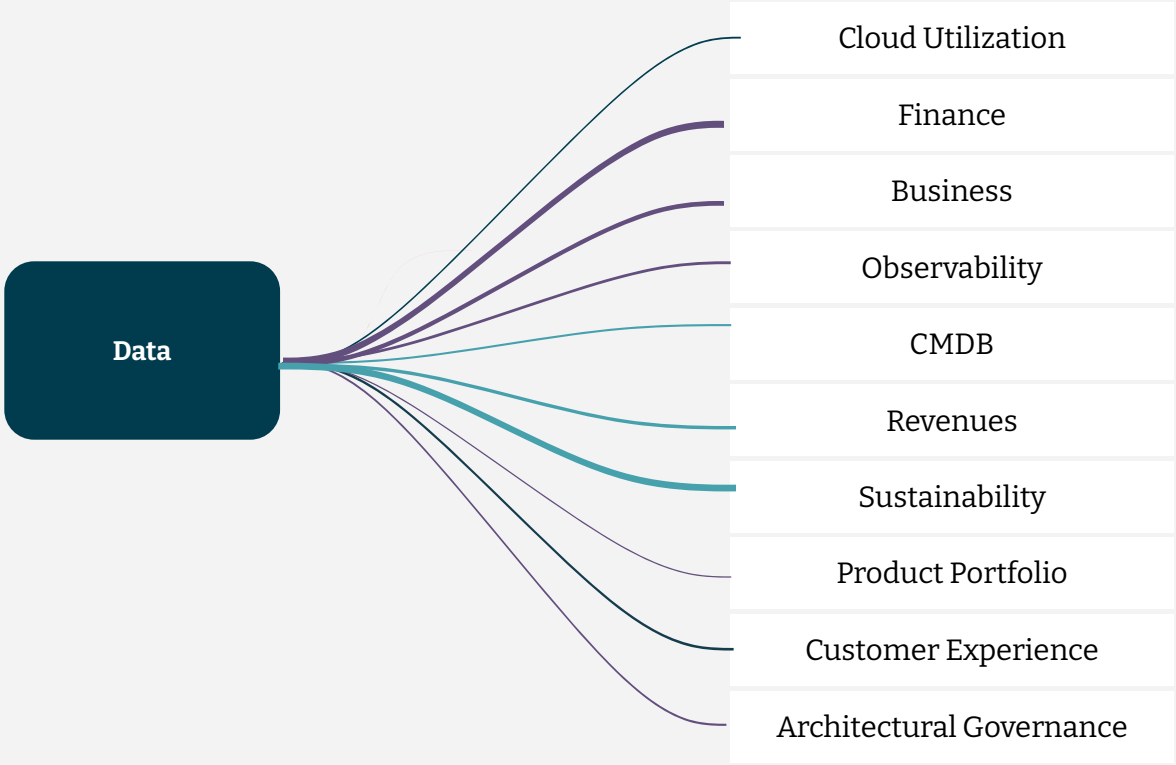
Solving the Remediation Problem - Why?



*Data Courtesy: FinOps Foundation + Internal Experiments

Data Driven Decision Making



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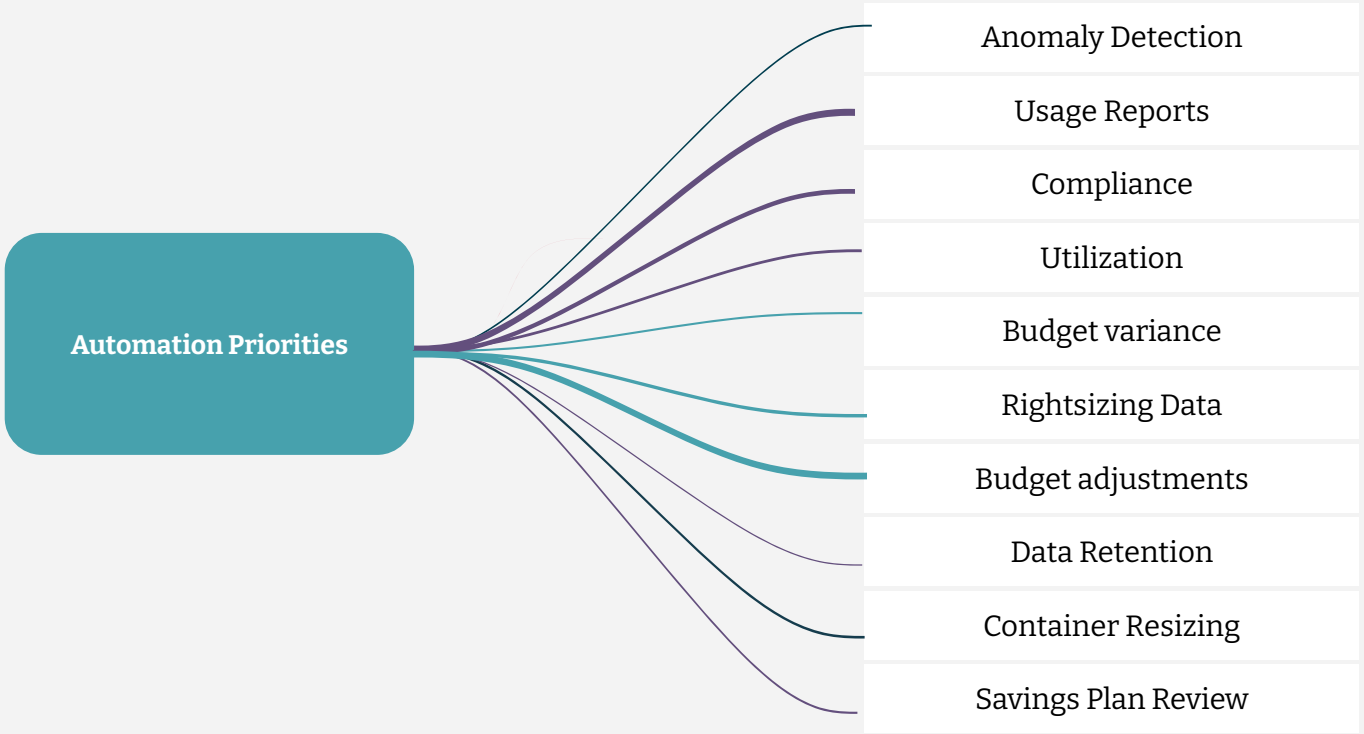
Automation Priorities at Organizations



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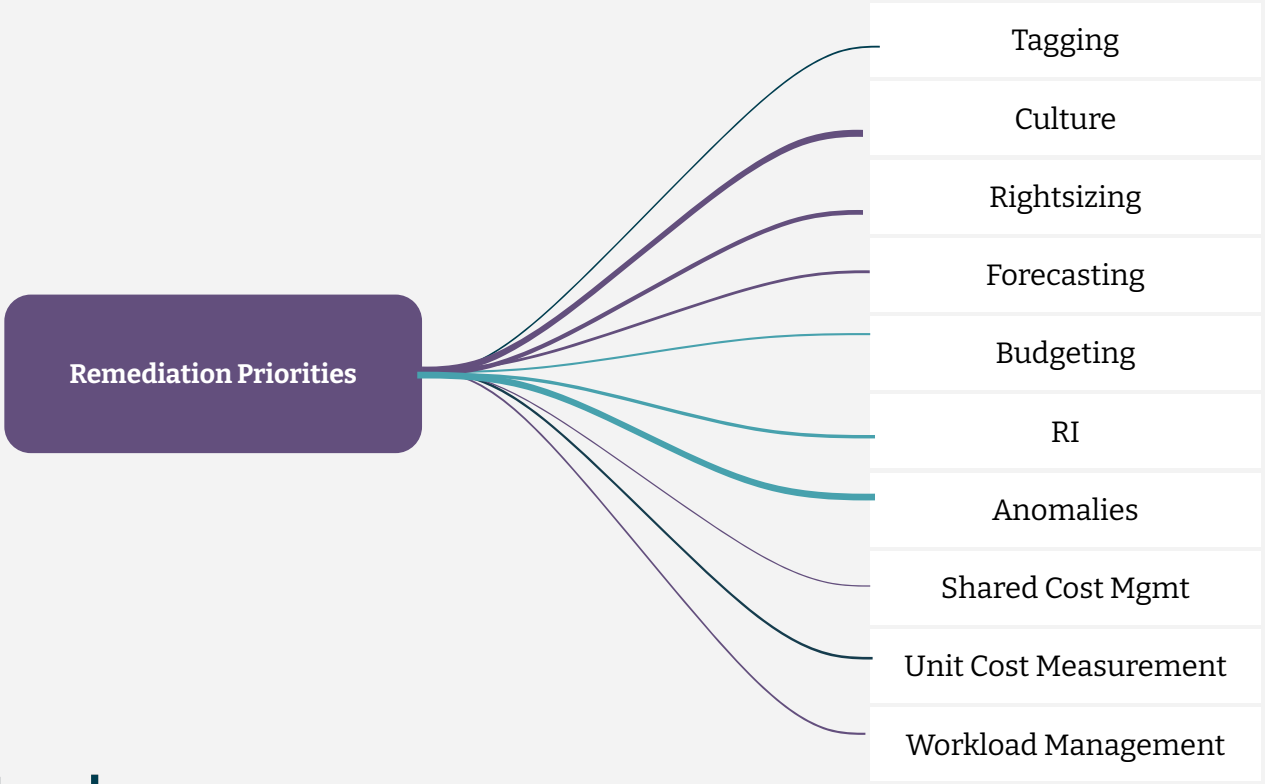
What are you remediating?



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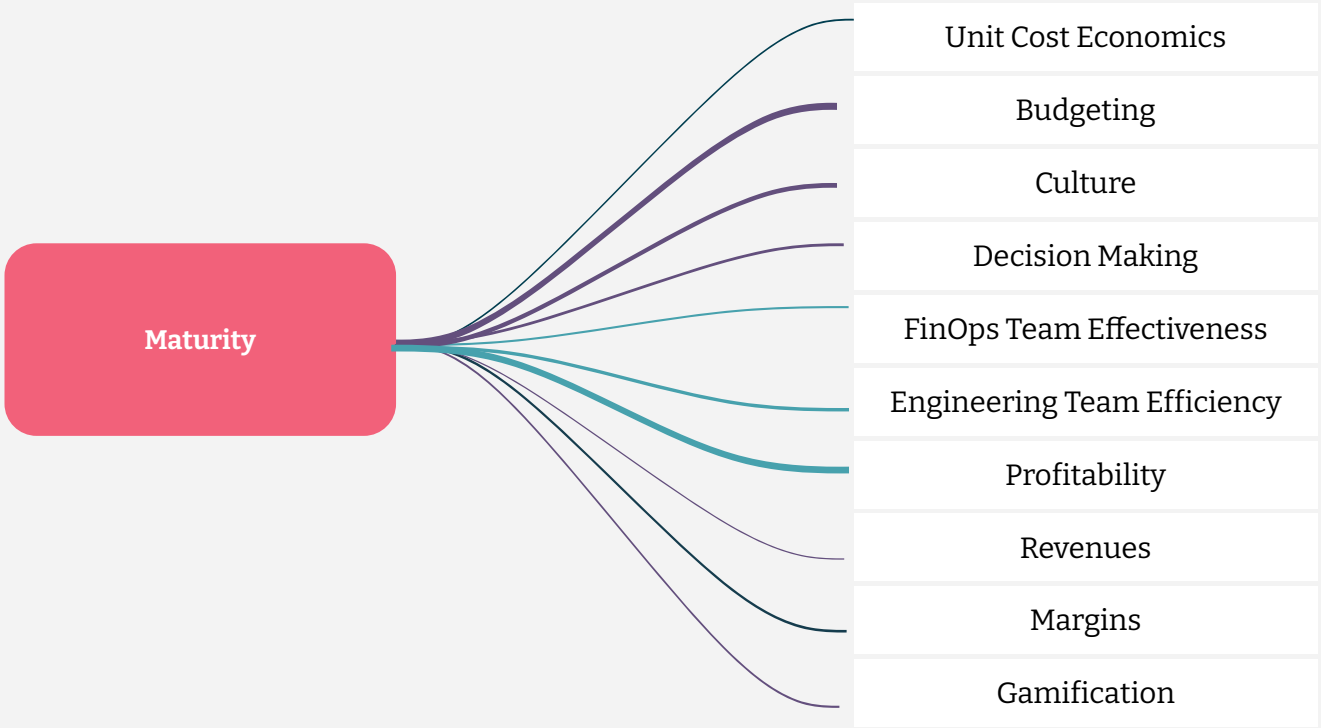
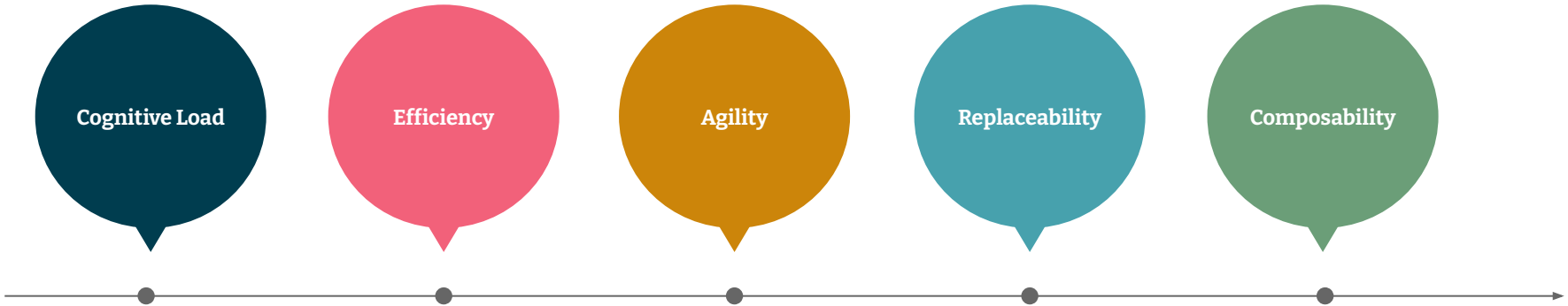
What's the level of maturity?



Platform Capabilities in FinOps Remediation



- Hide Complexity
- Self Serve
- Easy Onboarding
- Faster Feedback

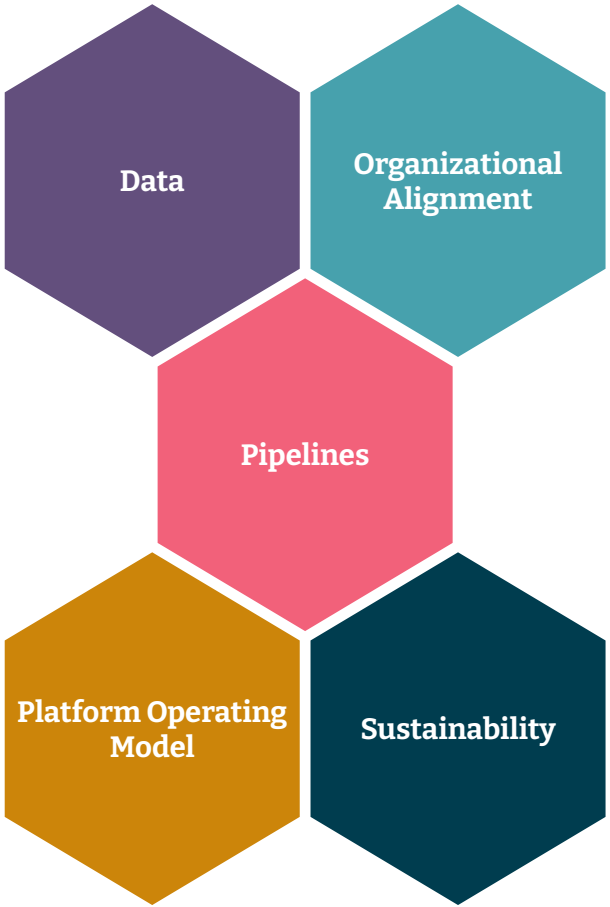
- SLAs/SLOs
- Shared Responsibility Model
- User Centricity
- Enablement
- Reduce Churn

- Discoverability
- Support Model
- Timeliness of Data
- Value based Prioritization

- Accelerators
- Monitoring
- Internal Processes
- Cloud Vendors

- Focus on Outcomes
- Open APIs
- Autonomy
- Orchestration

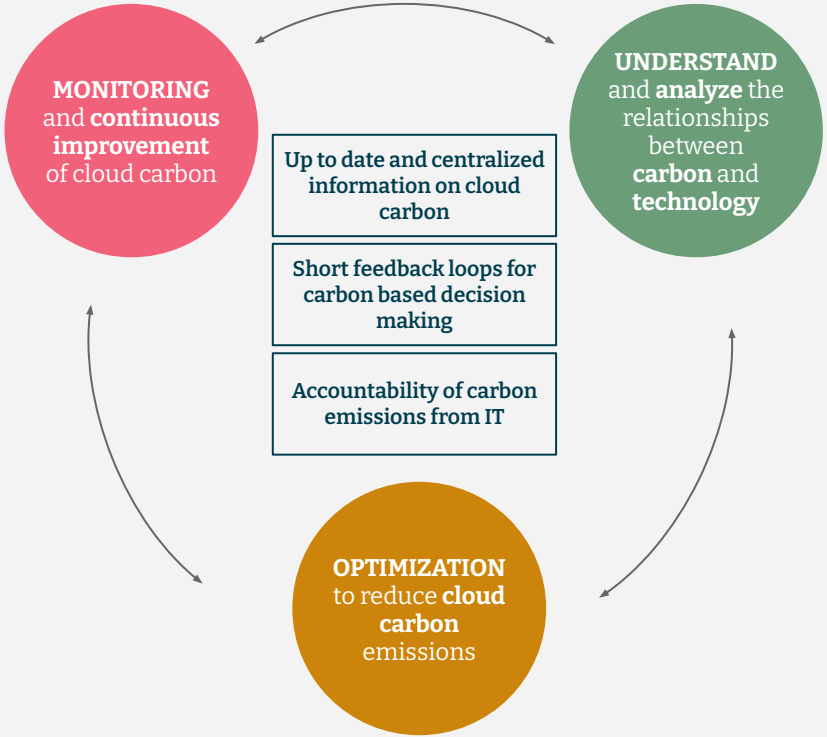
5 Core Building Blocks of the Capabilities



Expanding the building blocks

Sustainability Focus Optimization

A data-driven discipline and cultural practice



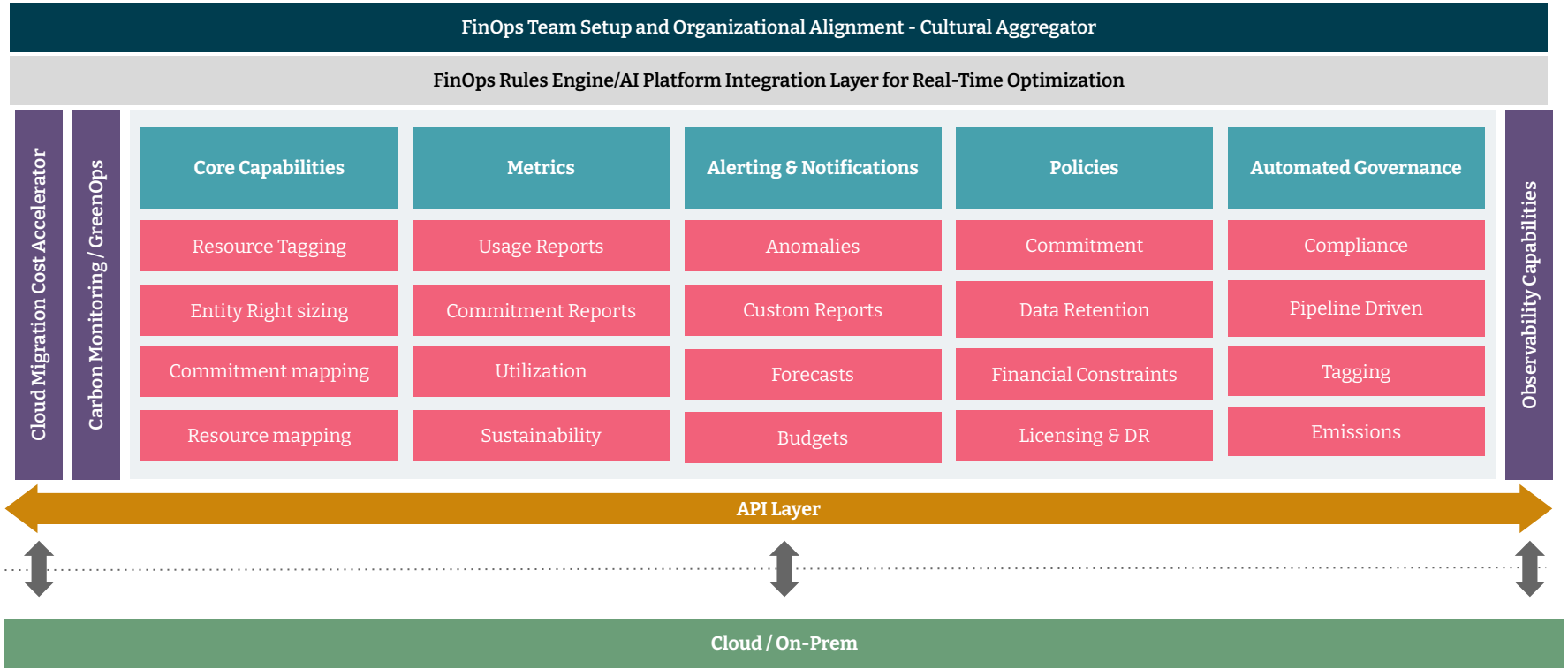
GreenOps as a Platform

Inform

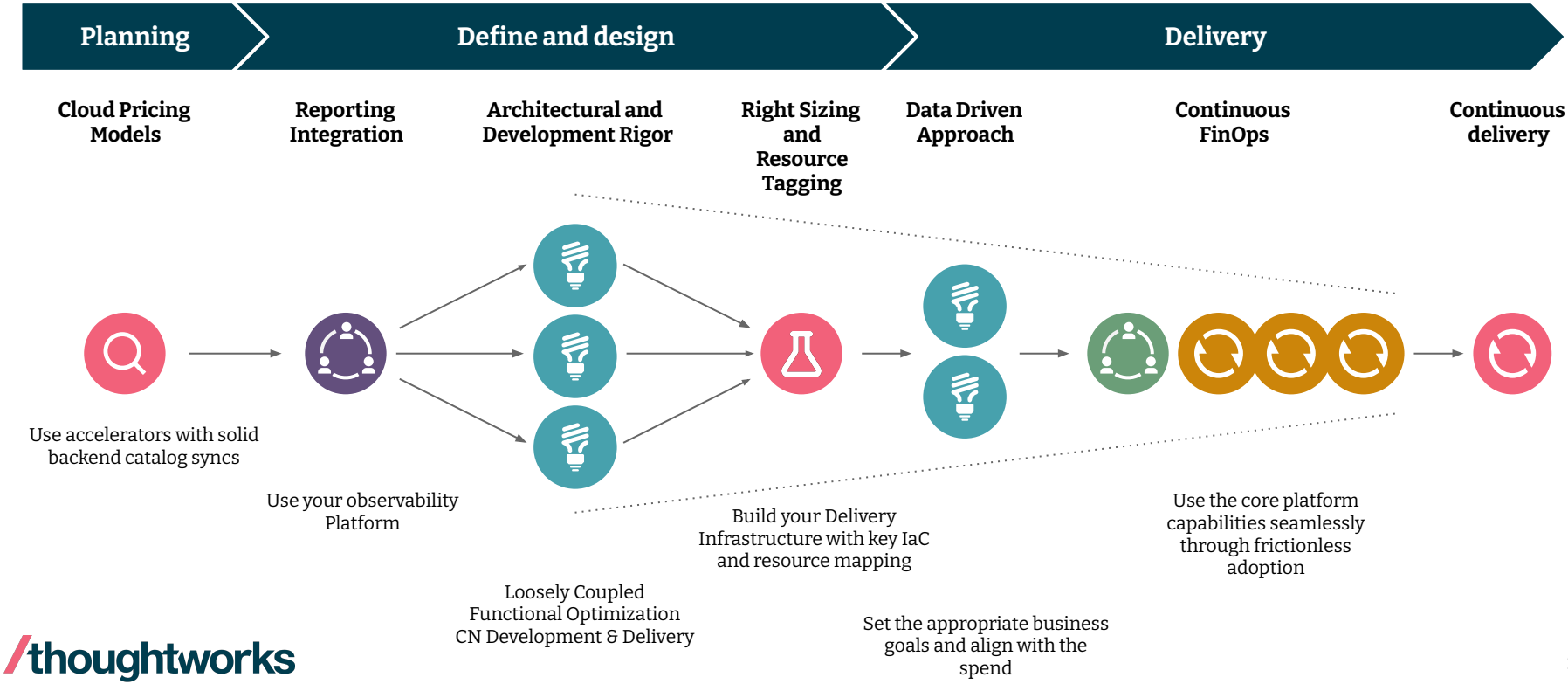
Optimize

Operate

A Notional Diagram of the Platform Approach



Engineering Effectiveness as your FinOps Recipe



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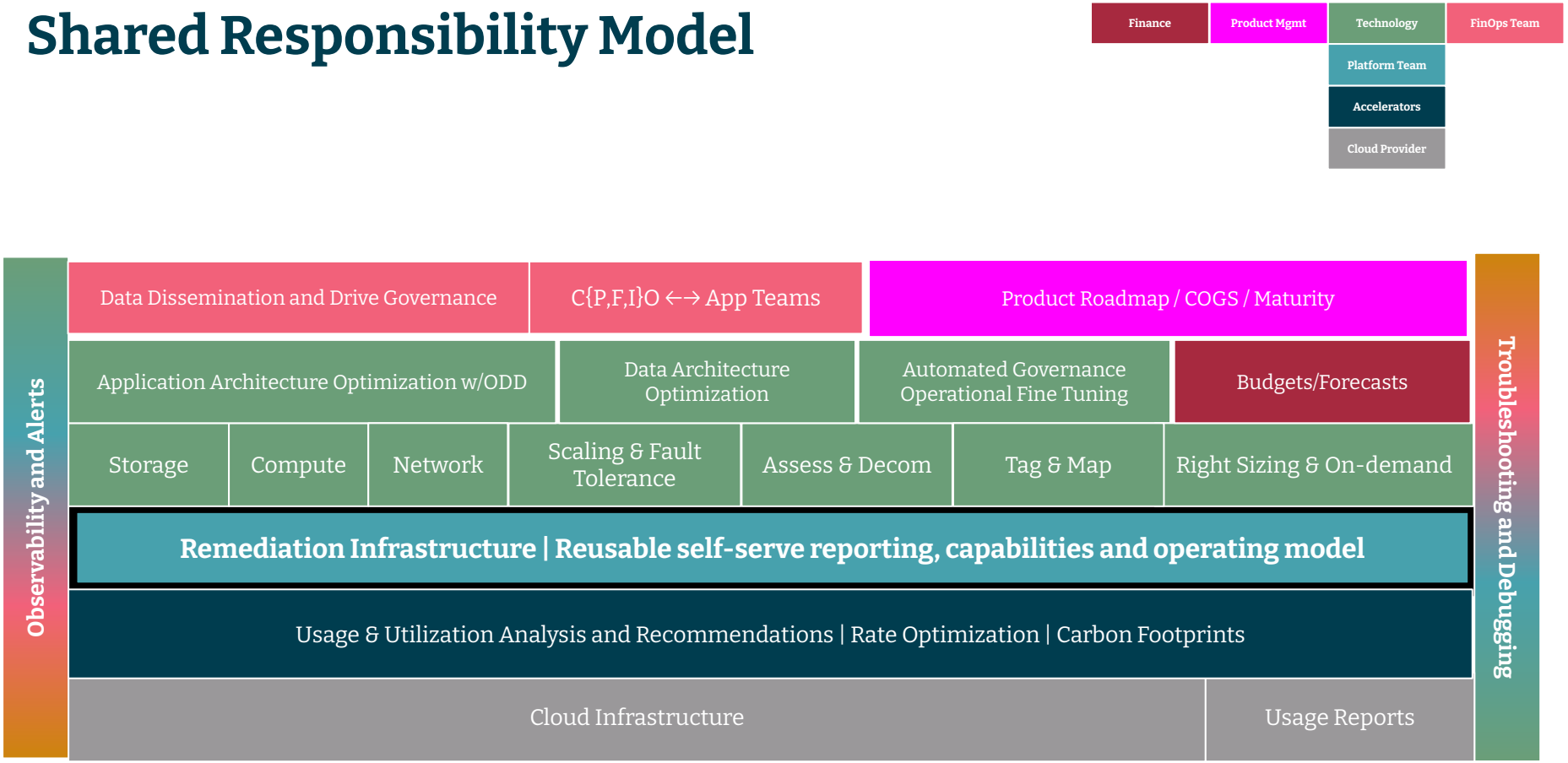
Shared Responsibility Model



Takeaways

Why a Platform for Remediation?

Key Capabilities of the Platform

Addressing Finance, Product and Technology needs

Ownership

Skill sets

Partnerships

Strategy

Unified Language - Cost/Usage

Optimize vs Minimize

Product Perspectives

Cost

What are your goals?

Informed Buying

Crowded Space

Report & Recommendation Tooling

Where do we go from here?

Estimation Models

Tag, Tag, Tag

Observe

Consumption

Engineering Effectiveness

Self-Serve

Pipeline Integration

Shifting Left

Informed Targets

Integrated Alerting

Product Lifecycle

Wastage

Questions/More Information?

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- **FinOps Platforms**
  FinOps | Thoughtworks
- **Platforms** in the Context of Engineering Effectiveness
  Engineering effectiveness | Thoughtworks
- **CCF** Tool - Cloud Carbon Footprint
- What I Talk About When I Talk About Platforms - Evan Bottcher
- Building Infrastructure Platforms - Rowse & Shepherd