The Top Five Strategies to Maximize your Cloud Investment

At a time when we are all being asked to do more with less, FinOps skills are more relevant than ever.
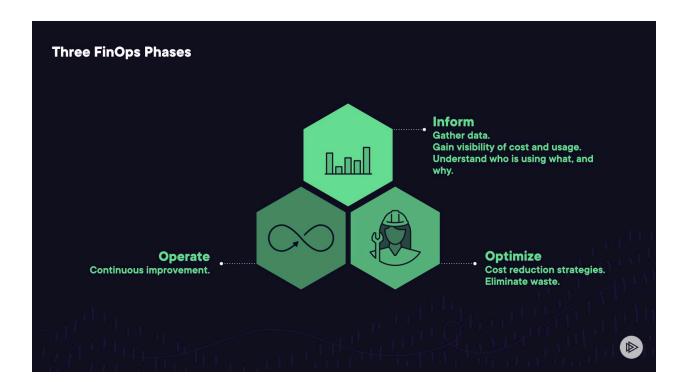
What is FinOps?

According to the FinOps foundation, it's an operational framework and cultural practice that enables organizations to optimize the return on their cloud investment, drive data-driven decision making around cloud architecture and usage, and foster cooperation and collaboration between technical, finance and business teams.

The Cloud Changes Everything

Consumption of cloud services is variable and changes every day, coupled with the variable cost model for cloud services, and lack of visibility into what is being consumed and by whom, it's no surprise that many organizations struggle to achieve the most optimal return on their cloud investment.

3 Phases of FinOps

There are three phases to FinOps.

Inform

Inform is all about gathering data about your cloud cost and usage, understanding who is using what, and why.

Optimize

The Optimize phase is where the cloud cost Optimization activities happen, and here's where you can reap the rewards of collecting and analyzing your cost and usage data.

Operate

The Operate Phase allows you to continuously improve on your FinOps capabilities, increasing maturity in your processes, establishing metrics to measure success, adding automation and iterating back through the first two phases to grow your FinOps muscle.

Actionable Steps

But what are the actionable steps that we can all do today, to begin adopting FinOps and maximize your cloud investment? Here are the top five things that will have the greatest impact.

1. Tag Your Resources

A solid tagging or labeling strategy is essential at this stage, to enable cloud spend to be fully understood, and costs allocated to the appropriate team, project, or business unit.

2. Delve into the Data

Understanding who is utilizing cloud resources is the key to making informed decisions. This will take effort from a cross-functional team, with representatives from technology, finance and business to help contextualize the data.

3. Empower your Teams

FinOps is a team sport and teams should feel involved and empowered to contribute to decisions around cloud optimization. Your technologists in particular are often gifted problem-solvers, and uniquely equipped to come up with creative solutions to help optimize your cloud environment. Regular meetings to review the data, track progress, plan optimization strategies and collaborate, will help foster transparency, trust and accountability.

4. Pick the Low Hanging Fruit

Tackle wasted resources by using monitoring data to identify under-utilized systems so they can be right-sized. Terminate resources that are no longer needed, for instance virtual machines that were created for a Proof of Concept and are no longer required. Consider stopping non-production instances outside working hours when they are not in use. Implement auto-scaling, to take advantage of the elastic nature of cloud, and reduce capacity when demand is low.

5. Take Advantage of the Variable Cost Model

Each of the three main Cloud providers offer discounts for capacity reservations or committed use. By committing to use an agreed amount of cloud resources, customers can save significantly compared to on-demand prices. These discounts can attract savings of up to around 70%.

It's also worth exploring if you have any workloads that could be run on spot instances, which let you take advantage of unused capacity that cloud providers offer at up to a 90% discount. Spot instances are excellent for workloads that are fault tolerant, and can cope with being unceremoniously stopped when a spot instance is taken away if the cloud provider needs the capacity. For example batch jobs, or any workload that is designed to easily resume after a failure.

There are of course many more activities involved when it comes to implementing FinOps. If you'd like to learn more, check out the following courses available on Pluralsight:

FinOps Foundations (URL TBC)

[AWS Cost Optimization Deep Dive](#)

[Azure Cost Optimization Deep Dive](#)

[GCP Cost Optimization Deep Dive](#)