Purg – Augmented FinOps

Step 3- Project Status Report

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Information Systems 300

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**What is Augmented FinOps?**

FinOps refers to budget and cost optimization efforts through the application of agility, continuous integration and deployment, and end-user feedback to financial governance. Augmented FinOps uses artificial intelligence (AI) and machine learning (ML) practices to automate such processes, mostly in the cloud, allowing for automatic cost optimization based on business objectives.

I. Executive Summary

Logo

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Purg

Data on cloud structure

Adjusted cost optimal structure

Purg

Product/

Service

**Business & Market Analysis**

At Purg, we employ Augmented FinOps, ML, and AI technology to optimize client’s cloud infrastructure. Upon integrating with an AWS or Azure account, our service will use its AI and ML algorithms to analyze their cloud infrastructure and determine any inefficiencies. Our restructuring tool will automatically transform their cloud infrastructure into the optimal model. Aesthetic dashboards allow clients to track cloud costs in a centralized platform and their energy/cost savings

**Business Environment Analysis**

Our industry is relatively new and our main competitors are Cloudwiry and Sync Computing. No competitors currently offer a restructuring tool, or as comprehensive of an all-in-one centralized cloud cost management service. The market for Augmented FinOps us growing at an extremely fast rate with a CAGR of 15.8% YoY.

**Market Analysis**

For marketing, we will implement online and social media advertising, referrals, partnerships, and have a strong effort from our sales teams. As we gain loyal customers, we plan to incentivize referrals by offering small price discounts for our customers that put in a referral

We believe that we will have the greatest probability for success if we adopt a decentralized organizational structure with an emphasis on employees being the ones involved in the decision-making process. Our company goals will be split between short-term, mid-term, and long term. Purg will take advantage of Madrona Venture Group’s incubation program and select a founder that embodies our values. Us 5 will serve on the Board of Directors with the opportunity to transition into an operational role.

Operations &

Management

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We are in the final stages of receiving initial capital from Madrona Venture Group’s incubation program, Madrona Venture Labs. This funding will allow us to hire key figures in our organization and accelerate the growth of our company. As for the pricing model, we will be utilizing a subscription-based model that fluctuates in price depending on the scale of a company’s cloud operations. We will also have add-on features such as the restructuring tool that are an additional cost depending on scale of their operations

Financial

Plan

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**Timeline**

**Short (1-3 months)**

1. Hire a CEO

2. Develop prototype

**Long (12+ months)**

1. First paid customer

2. Establish market leadership in Augmented FinOps

**Mid (3-12 months)**

1. Establish HQ

2. Soft product launch

II. Status

Our technology is Augmented FinOps, a tool and service for cloud optimization using integrated machine learning (ML) and artificial intelligence (AI). Augmented FinOps automates cloud-related budgets and operations to reduce and eliminate poor usage of cloud service. This will enable a flexible business environment, adjusting cloud spending based on organization goals through integrations with AWS and Azure.

Market analysis is found in Sections VI and VII and our operations plan is found in Section VIII. Our primary competitors in the market are Sync Computing and Cloudwiry, but neither offer automatic restructuring of cloud infrastructure. We operate in a quickly growing market as a fast follower, allowing us to capitalize on new opportunities. To that end, we plan to have a decentralized organization with an emphasis on employee input and decision making. We have also established various goals to guide the creation of our company and services.

III. Introduction to the Technology

FinOps refers to budget and cost optimization efforts through the application of agility, continuous integration and deployment, and end-user feedback to financial governance. Augmented FinOps uses artificial intelligence (AI) and machine learning (ML) practices to automate such processes and is increasingly relevant as workloads are continuing to move to the cloud. When creating a cloud infrastructure, there are overwhelming amounts of possibilities and complexities, making it difficult to have the optimal price-performance outcome. Augmented FinOps can automatically develop the optimal price-performance outcome for cloud infrastructure/operations through applying these practices.

As for the technology’s role in our service, it will seamlessly integrate with the two largest cloud computing and storage companies - AWS & Azure. Upon integration, all storage architecture, computing methods, and instances will be comprehensively evaluated through our cutting-edge technology. During the evaluation, the technology will use its knowledge of the provider’s systems, previous data, and more to find the most efficient and effective cloud solutions. Upon completion, the client will have access to the optimal method regarding the structure of their cloud storage, computing methods, and instances, with the magnitude depending on the scale of operations.

IV. Mission Statement

Our company's aim is to create a platform designed to be an all-in-one solution for cloud optimization. As cloud computing quickly grows more and more central to business processes, we recognize there is an opportunity to create a product to help businesses regulate cloud usage expenses. We want to be at the forefront of that technology. With Augmented FinOps’ integration aspect and our dashboard design, we will help provide the cheapest cloud service to our clients. Our mission statement is as follows: “At Purg, we aim to be the leader in making cloud storage centralized, controlled, and cost-efficient for the world of tomorrow.”

V. Business Description

Purg is based on Augmented FinOps, which is the idea of autonomously applying DevOps concepts to budget and cost optimization efforts. Our service is designed to integrate with an AWS or Azure account to analyze cloud infrastructure to determine any inefficiencies in storage, computing methods, or instances using ML and AI algorithms. After analysis, our service will recommend the optimal cloud structure, which can cut costs by 40% or more. Purg makes it easy for customers to automatically transform their cloud infrastructure into the most efficient model via our restructuring tool. Our service is offered via monthly subscription to all features, excluding the restructuring too depending on cloud platform size.

Our main priority is to optimize our client’s costs and budgeting efforts through our all-in-one cloud efficiency platform. As businesses are looking to include more effective budgeting and cost optimization, the need for cost optimized cloud infrastructure has grown. The services that Purg offers are designed to integrate seamlessly with leading cloud providers, as well as provide customers with automated cloud optimization tools, sophisticated user collaboration settings, and data-driven dashboards.

VI. Business Environment Analysis

While the cloud industry existed for a while, the cloud optimization industry is relatively new. The closest competitors to our company include Sync Computing and Cloudwiry. These companies are experts in cloud optimization, but neither have the ability to automatically restructure their cloud infrastructure as our service does.

To ensure the success of our company, it is vital that we understand our internal strengths and weaknesses, and external opportunities and threats. Our strengths consist of serving as an all-in-one platform for cloud optimization, and the leadership team who is well versed in the field and works well together. Our weaknesses include having to outsource technically-skilled builders as we do not have any on our team currently, and being first-time entrepreneurs. External opportunities include being in a market that is growing at an immensely fast rate with a CAGR of 15.8% YoY and being a fast follower so we can learn from the mistakes of the few other similar companies that currently exist in the market. External threats include the cloud market being dominated by a few companies, and the growing number of stakeholders interested in cloud optimization.

VII. Market Analysis

To effectively market our product, we have developed a thorough marketing plan. This marketing plan includes online and social media advertising, referrals, partnerships, and the efforts of our sales teams. We will conduct our online advertising through Google Ads as it is one of the most well-developed and used advertising platforms. We will also perform social media advertising on Twitter and LinkedIn which are the most prominent forms of social media for businesses. As we gain loyal customers, we plan to incentivize referrals by offering small price discounts for our customers that put in a referral. All other sales efforts will be conducted through our sales teams who will develop marketing materials, reach out to potential customers and set up meetings, and attend networking events with VCs and startups.

VIII. Operations Plan + Timeline

We believe that we will have the greatest probability for success if we adopt a decentralized organizational structure with an emphasis on employees being the ones involved in the decision-making process. As for the various functions of the business, we will split the company into the product team, sales/marketing team, finance team, and HR team.

With the goals and objectives of our company, we will be splitting them into short term, mid term, and long term. These goals will serve as the “north star” for our growth as a company, and will be referred to constantly when making managerial decisions, and developing our timeline. For example, a short term goal is to hire a CEO to lead our organization and begin looking for individuals to fill the leadership positions for the various functions of the business listed in the prior paragraph. A mid term goal is to finalize a location for our headquarters and launch our beta for initial product testing. Lastly, we have set a long term goal of receiving our first paid customer and solidifying ourselves as the industry leader in Augmented FinOps. In the long-term, we also plan on receiving additional funding to extend our runway. As a fast follower, we recognize that we can use past experimentations to accelerate our growth and help gain market share in our existing market as well as helping to expand into new areas.

IX. Management Summary

It is no question that the CEO is the single most important individual in the business responsible for selecting and organizing the team. Due to our lack of experience in running a business, we will take advantage of the Madrona Venture Group’s incubation program and select a founder that we believe to embody the values and direction of our vision when creating the company. Aside from the CEO, we will also have intensive interview processes for our Head of Product, Head of Operations, Head of Sales, and Head of HR. These individuals will be in charge of building their respective teams with the support of the CEO.

When looking at the structure of the organization, Purg will operate as an LLC which will provide limited liability, pass-through federal taxation on profits, management flexibility, among others. The members of the group (Ethan, Jordan, Katie, Ryland, Theo) will serve on the Board of Directors with the option of transitioning into an operational role. We will also rely on external consultants in the initial stages of our product development for guidance and external feedback.

X. Financial Plan

We are fortunate to be in the final stages of receiving initial capital from Madrona Venture Group’s incubation program, Madrona Venture Labs. This funding will allow us to hire key figures in our organization and accelerate the growth of our company. Due to us being in the building stages of our product, it has yet to reach the market but has already received interest from a multitude of companies both large and small.

As for the pricing model that Purg will adopt, we will be utilizing a subscription based model that fluctuates in price depending on the scale of a company’s cloud operations. Customers will sign contracts that either renew on a six or twelve month cadence, with the option of upgrading as they scale, higher priced plans with more options. Purg will also be offering referral discounts as we believe that our primary method of driving growth is through word of mouth.