Cost Management discipline overview

Cost Management is one of the [Five Disciplines of Cloud Governance](#) within the [Cloud Adoption Framework governance model](#). For many customers, governing cost is a major concern when adopting cloud technologies. Balancing performance demands, adoption pacing, and cloud services costs can be challenging. This is especially relevant during major business transformations that implement cloud technologies. This section outlines the approach to developing a Cost Management discipline as part of a cloud governance strategy.

> ⓘ **Note**
>
> Cost Management governance does not replace the existing business teams, accounting practices, and procedures that are involved in your organization's financial management of IT-related costs. The primary purpose of this discipline is to identify potential cloud-related risks related to IT spending, and provide risk-mitigation guidance to the business and IT teams responsible for deploying and managing cloud resources.

The primary audience for this guidance is your organization's cloud architects and other members of your Cloud Governance team. However, the decisions, policies, and processes that emerge from this discipline should involve engagement and discussions with relevant members of your business and IT teams, especially those leaders responsible for owning, managing, and paying for cloud-based workloads.

Policy statements

Actionable policy statements and the resulting architecture requirements serve as the foundation of a Cost Management discipline. To see policy statement samples, see the article on [Cost Management Policy Statements](#). These samples can serve as a starting point for your organization's governance policies.

> ⊗ **Caution**
>
> The sample policies come from common customer experiences. To better align these policies to specific cloud governance needs, execute the following steps to create policy statements that meet your unique business needs.

Developing Cost Management governance policy statements

The following six steps will help you define governance policies to control costs in your environment.

Cost Management Template
Download the template for documenting a Cost Management discipline

Business Risks
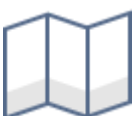Understand the motives and risks commonly associated with the Cost Management discipline.

Indicators and Metrics
Indicators to understand if it is the right time to invest in the Cost Management discipline.

Policy adherence processes
Suggested processes for supporting policy compliance in the Cost Management discipline.

Maturity
Aligning Cloud Management maturity with phases of cloud adoption.

Toolchain

Azure services that can be implemented to support the Cost Management discipline.

Next steps

Get started by evaluating business risks in a specific environment.

Understand business risks