FinOps
Digital Technology Service
Agenda

- Who are we
- Addressing FinOps

- CI/CD
  - Pillars of CI/CD
  - Sorint's Tailored Journey
  - Experts Involved
  - Closer Looks

- Success Stories
- Bonus slide - Related by Sorintains
- Going Forward
17 Offices
3 Continents

EUROPE

USA
San Diego

AFRICA
Douala

Other Business Units
Facts on Sorintians

- **+900 Skilled People**
  - Cloud Engineers
  - SREs
  - DevOps Engineers
  - Developers

- **+40K** Training hours per year

- **+50** Technical Sircles

**Methodology**
- ISO 27001
- ISO 20000
- ISO 9001
- ISO 14001

**PM Methodology**
- Prince2
- PMI
- Agile
- SCRUM/UX

**Industries**
- Finance & Insurance
- Utility & Telco
- Industry & Services
- Transport
- Public Administration

- **+250** Large Enterprise Customers

- **+40K** Training hours per year

- **+35** Years of experience, with a Startup mindset

- **98%** Customer Retention Rate
Addressing FinOps

- Lack of organizational awareness on cloud provider’s billing models & pricing
- Extreme granularity/ambiguity in cloud providers' bills
- Complex price lists across different silos/regions
- Constant change in cloud provider offerings
- Complex deployment models across multiple public clouds
- Ease of resource provisioning
- Lack of standardization between different cloud providers
- Complexity in forecasting, demand, and managing capacity

97% had experienced cost optimization challenges in the cloud.

*Couldability – Financial Management Tool
Addressing FinOps – Why?

CapEx vs OpEx

By 2025, 80% of organizations who don’t adopt FinOps services will overspend by 40% or more on public cloud environments.

Gartner – Management Consulting Company
Addressing FinOps – Why?
The new operating model introduced new complicated factors

Decentralization
Finance & Procurement vs All IT teams

A lot of variables
Fixed: Variable spending became the norm
Very difficult to forecast budgets

On-demand
Overprovisioning

The question becomes: Techniques to control and utilize consumption of resources in the cloud?
FinOps

An essential financial management discipline and cultural practice that allows organizations:

- get maximum business value
- to collaborate (engineering, finance, technology and business teams)
- on data-driven spending decisions.

This involves

- Implementing processes and tools to track, analyse, and manage cloud costs
- Educating stakeholders on best practices for cloud cost optimization.
FinOps

This collaboration ensures:

- Alignment with business objectives
- Cloud usage is optimized
- Overall cloud services is reduced

Survey by FinOps foundation

Optimizing cloud costs without sacrificing performance or functionalities

Stakeholders shall speak the same language
Pillars of FinOps

**Accountability and enablement**
Focusses on establishing a centralized cross-functional team whose responsibility is to set governance and standards to manage cloud costs.

**Cost optimization**
Identifying key cost drivers, providing visibility, and making it a continuous process to constantly optimize cloud costs.

**Tools and Accelerators**
Using the right cloud cost tools to properly allocate and effectively track cloud spend.

**Measurement and realization**
Developing KPIs and business value matrices to track success of cloud transformation.

**Planning and Forcasting**
Cloud costs and deciding on a proper showback or chargeback mechanism.
FinOps - Journey
High-level overview

Awareness Inform
Identifying cost inefficiencies, tracking cloud spend, and understanding the business impact

Optimization Optimize
Implement cost management strategies and tools to optimize their cloud usage. This may include rightsizing resources, leveraging reserved instances, and implementing cost allocation and chargeback mechanisms.

Governance Operate
Governance policies and processes to ensure compliance, security, and cost optimization. This may involve setting up cost centres, defining roles and responsibilities, and establishing policies around resource usage and access.

Culture Operate
A culture of cost optimization and accountability within the organization. This may involve educating stakeholders about cloud costs, incentivizing cost optimization, and fostering collaboration between teams to drive efficiency and innovation.

It’s not a one-time activity, but rather an ongoing process of continuous improvement.
FinOps - Journey

High-level overview

Iterative methodology
Knowledge is building
Real-time decision

Inform
Visibility & Allocation

Optimize
Rates & Usage

Operate
Continuous Improvement & Operations
Sorint Tailored Journey

- Tagging policy creation and implementation
- Mapping of costs divided by cost center / application / workgroup
- Creation of consolidated reports
- Sharing of cost reports with various work groups
- Identification of anomalies
- Workload Management Automation
- License optimization
- Check discounts suitable for the flexibility of the system
- Advance purchase of some resources
- Monitoring metrics and KPIs
- Internal benchmark and against competitors
- Definition of a continuous process that allows the evolution of Cloud installations with respect to business objectives

Day x
Continues support
Continues support
Continues support
Day y
Experts Involved

- FinOps
- AWSome
- Next Exterprise X Team (Next)
- Microsoft & Azure

Senior masterminds

- **Fabio Zanchi**
  Database & Cloud Architect | FinOps Specialist | Ercole PM
  +20 years of experience. DB infrastructure and cloud

- **Raffaello Ferrari**
  Database & Cloud Architect | FinOps Specialist
  +7 years of experience. DB infrastructure and cloud

- **Luca Pedrazzini**
  MD and FinOps enthusiast

Some prestigious certifications
## Architecture – Closer Look

<table>
<thead>
<tr>
<th>Understanding Fully Loaded Costs</th>
<th>Enable Real Time Decision Making</th>
<th>Benchmark Performance</th>
<th>Optimize Usage</th>
<th>Optimize Rates</th>
<th>Align Plans to the Business</th>
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<tbody>
<tr>
<td>Map spending data to the business</td>
<td>Provide timely and consistent spend / usage data to all stakeholders</td>
<td>Trending &amp; Variance Analysis</td>
<td>Rightsizing</td>
<td>Balance use of various rate types</td>
<td>Mini-Business Cases</td>
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<tr>
<td>Set tag strategy and compliance</td>
<td>Identify Anomalies</td>
<td>Create Scorecards, metrics &amp; KPI's</td>
<td>Workload Management</td>
<td>Select discounts that match your flexibility</td>
<td>Tracking and Trending</td>
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<tr>
<td>Create showback and chargeback reporting</td>
<td>Find &amp; Remove underutilized services</td>
<td>Benchmark internally and against “industry” peers</td>
<td>Automation</td>
<td>Pre-purchase capacity</td>
<td>Communication strategy</td>
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<tr>
<td>Define budgets and forecasts</td>
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<td>Custom and Volume Discounts / Sustained Usage</td>
<td>Ongoing reviews with stakeholders on optimization opportunities</td>
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<td>Dynamically calculate custom rates and amortization metrics</td>
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<td>Utilize Marketplace</td>
<td>Develop a framework for decision making that aligns with the business drivers</td>
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Leading to

Manifestation of success

- Cross-organizational trust
- More predictable cloud spending
- Reduce cost/spending
- Accountability & auditability
- Unit-based economics
- Acceleration in innovation with lower risks
Success stories

Delivered by: Sorintians

Large multinational enterprise
Start a FinOps Journey

Challenge
Introduce FinOps
• Oracle cloud & Azure platform.
• 3 months evaluation.

Going forward
Understanding and engaging stakeholders. Tags and reporting became the primary focus.

Accepting the challenge - Solution and Implementation
Client had resources classified as “high variables”. Business units are subject to updates in their denomination.
• Adopted a tool for reading tags of resources.
• Real-time

Result & delivery (UTD)
• For 3 different applications. Actionable saving reports of 26.7%, 9.5%, and 50.5%.
• New tagging strategy.
• Submitted reports. On environment, cloud provider, company. Etc
• Introduced periodic reports.
• Forecasting future cost.

Over a period of 30 days. A conducted analysis was in-hands. Avg. of CPU, memory, storage, and on recurring peaks.
Success stories

Delivered by: Sorintians

European Biomedical Research Foundation (FERB)
Migration to Oracle Cloud. Applying FinOps

Challenge
Low performance datacenter premise.
- Hardware and software - performance issues.
- Increase security measures - cyber threats
- Supply to other hospitals – requirement.

Going forward
Proposed 2 scenarios:
- Renovate the on-premise datacenter.
- Migrate to Oracle cloud.

Simulated a 5 years study which clarified:
- Oracle cloud up to 35% lower cost vs new hardware infrastructure.
- Oracle opportunity to update OS servers (Windows and Linux) latest compatible version.
- A significant upgrade to security measures. E.g. Separated networks, dedicated VPN, and Infrastructure level.
- Advantages in scalability, security, flexibility, and integration.

Accepting the challenge - Solution and Implementation
FinOps methodology-driven analysis and implementation to redesign the infrastructure’s performance, and have estimate costs.
In Which, opened opportunity to optimize the allocation of VMs to support the various applications.

Result & delivery (UTD)
- Data-driven decisions and implementation.
- Control and successful migration.
- 10% more saving vs expected.
- Invested in Disaster Recovery Environment.
Bonus Slide
Related Solutions and Tools by Sorintians

**Ercole**
Proactive Software Asset Management

A service and an open-source software product that tracks database licenses for optimization and compliances. Ercole can help you improve database performance, capacity and security level.

[ercole.io](ercole.io)
Going Forward
How we can move forward from here

One hour workshop

Read more on /sorintlab

Alternative approach