

TREDENCE **CLOUD FINOPS** PRIMER

Optimizing **Cloud Costs**

Unlocking Business Value with FinOps Strategies



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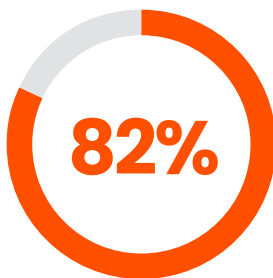




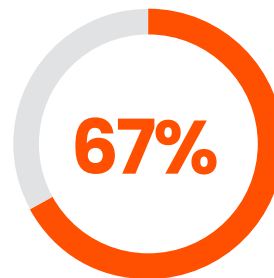
32% Of organizations' cloud budgets are being wasted^[3]

Cloud Spending is Surging Out of Control

Enterprises are developing hybrid cloud operating models, yet promised savings from migrating workloads to the cloud have failed to appear. In fact, many face the opposite problem: surging costs.



Most (82 percent) of enterprise IT leaders **say their number-one cloud challenge this year is managing spending** ^[1]. And there's quite a bit of investment at stake.



Two-thirds (67%) of enterprises **are spending more than \$2.4 million annually on cloud computing**, while one-third of this group spending 10X more, \$24 million or more per year on these services^[2].

1. 2023 State of the Cloud Report, Flexera, <https://info.flexera.com/CM-REPORT-State-of-the-Cloud-2023-Thanks?revisit>

2. 2022 State of the Cloud Report, Flexera, page 23, <https://resources.flexera.com/web/pdf/Flexera-State-of-the-Cloud-Report-2022.pdf>

3. Matthew Gooding, "A third of cloud computing spend goes to waste," article, TechMonitor, March 11, 2022, <https://techmonitor.ai/technology/cloud/cloud-spending-wasted-oracle-computing-aws-azure>

Addressing these Common Cloud Spending Challenges

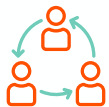
As economic uncertainty grows, chief data officers (CDOs) and chief financial officers (CFOs) are taking a deeper look at cloud spending with the goal of eliminating wasted investment. As a senior leader with profit and loss responsibility, you want to address these critical challenges:



Improving visibility into cloud spending

Currently, your company is likely prioritizing innovation over cost controls. Individual functions and teams provision their own cloud services, and resources may not be configured correctly. These issues can lead to a lack of visibility into how cloud computing is being consumed and what total costs are. As a result, you may be experiencing year-over-year surging costs or sudden cost spikes due to unexpected demand at times of peak pricing.

You'd like to be able to forecast future consumption; take advantage of multi-year commitment discounts; and reduce waste due to overprovisioned, duplicative, or unused services.



Enabling cross-function collaboration

At your company, IT, finance, and business teams may operate in silos, making it difficult to collaborate on economic decisions about cloud spending.

You'd like to create the data and tools to involve key stakeholders in decision-making, increase accountability for commitments that are made, and allocate costs to appropriate business units or divisions.



Improve cloud spending governance

By going cloud-first, you can shift IT spending from the capital expenditures (CapEx) required for on-premises technology to the operational expenditures (OpEx) enabled by cloud services.

Pivoting from CapEx to Opex spending represents a fundamental shift in cost management. As a result, your teams need to adopt new approaches to increase the efficiency of reporting and cost allocation processes.

Cloud **FinOps**

Cloud FinOps (financial operations) provides you with the tools you need to accomplish all of these goals.

Tredence's Cloud FinOps offering, Cloudⁱ, provides a framework, accelerators, and tool that enable real-time, multi-stakeholder decision making about cloud adoption, costs, and chargebacks.

By deploying Cloudⁱ, you can drive near-term ROI on cloud spending, freeing up funds for other business priorities or increasing cash on hand to weather economic volatility.



30%-40%: Cloud savings you can achieve in just six to eight weeks by using **Cloudⁱ** to develop **Cloud FinOps capabilities.**

A New Way Forward with Cloud FinOps

Imagine a reality where you have the single pane of glass you need to monitor cloud spending, identify issues, and take proactive actions to reduce spending before it harms your budget. Envision having fine-grained controls and the data and tools you require to foster productive discussions and decision making about cloud allocations, even with teams that chronically overspend. Consider how you'll share cost savings data with key stakeholders, such as the board of directors, investors, and shareholders, building your company's reputation as a disciplined innovator with cloud services.

It's all possible with Tredence Cloudⁱ. Our accelerator speeds time to ROI with functionality that can be customized to your company's unique requirements.

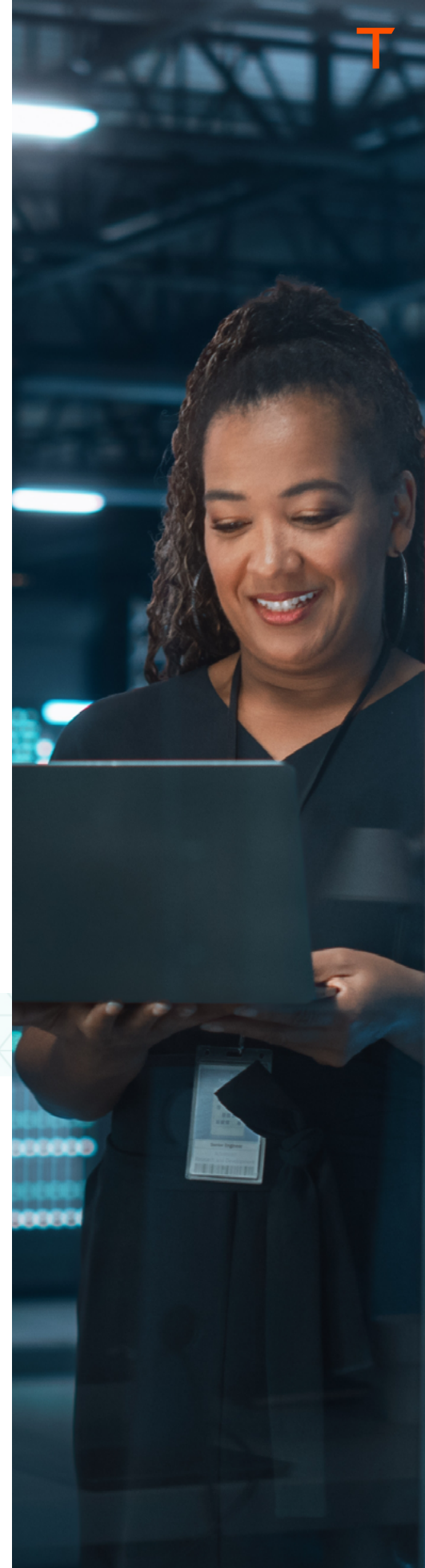
It takes just four steps and a few weeks to create the visibility you need to make better cloud spending decisions:

1. Create a **single pane of glass**

During this initial phase, Tredence will work with your team to assess your technology landscape and understand all of the services, applications, and tools used by teams to transform and operate processes.

We'll also analyze resource groups objectively to understand tracking mechanisms at the subscription level and assess your data governance, ownership, and security policies.

At the end of this process, you'll gain key insights into how you're consuming cloud services by location, service type, business function, team, and pools.



2. Develop cloud spending **traceability and tracking**

Next, we'll analyze and interpret key processes: assessing how you gather metadata, mapping tool lineage and data ownership, and reviewing and suggesting enhancements to your data quality management (DQM) framework.

We'll also design a mechanism to capture service and application traces and a second design that will enable you to monitor cloud usage and receive alerts about consumption and spending anomalies. Finally, we'll recommend a framework that will enable you to create holistic observability into cloud consumption moving forward.

You'll gain tools that apply policies and rules to tag all resources, increasing visibility and accountability. The tools will also aggregate resources intuitively, such as via pools, services, or owners, enabling your business functions to manage resources as a single entity. In addition, you'll benefit from real-time and predictive analytics that provide warnings on overspending as well as recommendations on how to manage costs. You'll be able to take preemptive measures to proactively reduce costs before they sink operational budgets.

60%–70%: Tredence accelerators provide much of the functionality you'll need, with the rest customized to your company's unique requirements during the course of the six-week engagement.

3. Facilitate **structured budgeting and planning**

With these capabilities in hand, Tredence will review and collect information on yearly and quarterly IT spending and infrastructure usage. We'll deploy and customize a capacity planning and forecasting framework and create a design that will leverage Microsoft Azure-native advisory recommendations and custom solutions that will enable you to optimize costs.

In addition, we'll suggest methods you can use to improve cost controls and suggest improvements to enhance your current IT architecture. You'll gain the tools you need to set accurate quotas and budgets, with predefined limits for pools and services that inhibit overspending.

4. Enable **seamless data** delivery

Finally, we'll review your data ingestion framework and establish more granular patterns that can be standardized across your enterprise.

We'll also assess and redesign your current data and infrastructure provisioning mechanisms and create metrics to increase speed to insights.

Introducing Cloudⁱ Transparency and Tools to Manage Cloud Costs

Tredence Cloudⁱ enables companies to create long-term Cloud FinOps capabilities so that they can:



Monitor cloud costs across resource groups, environments, and pools over time and forecast spending for planning purposes.



Optimize cloud spending by using rules-based recommendations to reduce costs, track CPU and memory utilization of Kubernetes clusters, and identify and capitalize on opportunities for improvement.



Govern cloud consumption by detecting anomalies with custom rules, creating tagging policies to identify untagged and wasted resources, and developing quotas and budgets to limit cloud expenses.

Granular capabilities include:

Functionality	Description
Multi-Channel Alerting	Alerts on different channels like email, phone messages and slack, etc.
System Integration	Integrates with wide range of third-party applications like slack, GitHub, etc.
AI/ML Integrations	Integrating AI/ML capabilities for identifying errors and application insights.
Reporting	Download option the generated graphs and tables In pdf and csv format.
Multi-Cloud Management	Tracking and controlling cloud spends across multi-clouds at one screen.
User Monitoring	Real time monitoring of cloud usage of each users.
Search	Interactive search for your logs for troubleshooting and customized exploration of data.
Automated Tagging	Automated tagging rules by custom rules assignment.
Data Sources	Connect with different cloud sources on One- Click with guided documentation.
Custom Cluster Creation	Create custom clusters of resources based on the tags they are associated.
Trends Tracking	Allow track log trends.



Reducing \$2M in Annual Spending for a Soft Drinks Leader

Recently, Tredence worked with a global soft drinks manufacturer that wanted to improve visibility, cross-function collaboration, and governance and monitoring.

We deployed Cloudⁱ, developing chargeback, show-back functionality and designing dashboards to create transparency and facilitate reporting, forecasting, and management of cloud service consumption and costs.

As a result of its new Cloud FinOps capability, the soft drinks company has:

**Reduced cloud spending by
around \$2M annually**

**Increased service availability of
Tier 1 and Tier 2 applications to 99.9%**

**Decreased infrastructure-related
incidents by 60%**

With these capabilities and gains, the soft drinks manufacturer can achieve its cloud goals, such as fueling innovation, increasing agility, and enhancing application performance, while delivering ongoing savings through disciplined cost management.

Create a Dynamic Flywheel of Cost Reduction with Tredence

It's time to end the era of runaway cloud spending, with low visibility and control and constant budget overruns. If you'd like to regain clarity into cloud service usage and costs, team with Tredence to deploy Cloudi. You can reap savings of 30%-40% in six weeks, as well as protect revenues by improving application uptime and performance.

So, why choose **Tredence as your partner?**

Tredence has a proven track record of helping companies solve challenges with cloud, data, and artificial intelligence. We bring cross-domain insights, data strategies and tools, and frameworks and accelerators to the table, helping you reap more value from your cloud investments and use new insights to optimize forecasting, budgeting, and operators.

Ready to **learn more?**

We're offering a complimentary 60-minute discovery call to help you explore the new cost savings you can create by deploying Cloudi and building foundational Cloud FinOps capabilities.

Contact us **to learn more.**

Name:

Email:

Drop a note here:

About the author



Arnab Sen

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Arnab Sen is an experienced professional with a career spanning over 16 years in the technology and decision science industry. He presently serves as the VP-Data Engineering at Tredence, a prominent data analytics company, where he helps organizations design their AI-ML/Cloud/Big-data strategies. With his expertise in data monetization, Arnab uncovers the latent potential of data to drive business transformations across B2B & B2C clients from diverse industries.

Arnab's passion for team building and ability to scale people, processes, and skill sets have helped him successfully manage multi-million-dollar portfolios across various verticals, including Telecom, Retail, and BFSI. He has previously held positions at Mu Sigma and IGate, where he played a crucial role in solving clients' problems by developing innovative solutions.

Arnab's exceptional leadership skills and profound domain knowledge have earned him a seat on the Forbes Tech Council.