# Balancing Cloud Costs and Business Goals With FinOps

FinOps' rewards extend beyond managing unwieldy cloud costs to deriving more value and innovation from cloud investments.

"A FinOps program puts the organization in the conductor seat, determining the end location of that train rather than allowing it to run full steam ahead." —An executive in charge of the FinOps practice at a global consumer products company
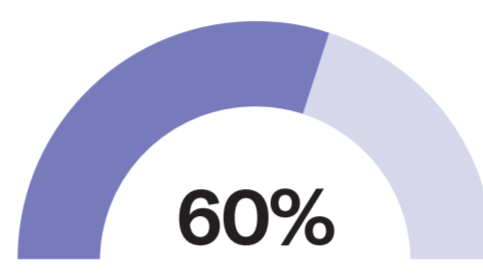
**FinOps** is a practice that encourages a cross-functional approach to delivering greater financial accountability for increased cost savings, reduced business risks, and improved cloud quality.
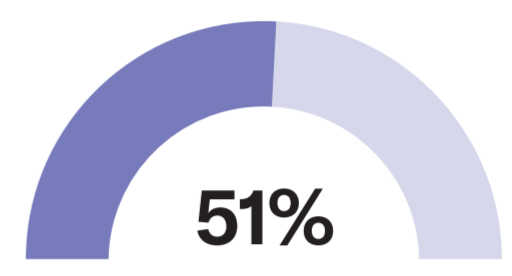
## The Cloud Payoff

**83%**

of executives agree that cloud is very or extremely important for their organization's future strategy and growth.

Enterprises are moving digital assets to the cloud to accelerate innovation, agility, and growth.

**60%**
Seek increased business agility from cloud investments

**51%**
Seek cost reduction from cloud investments

Source: Harvard Business Review Analytic Services survey, September 2020
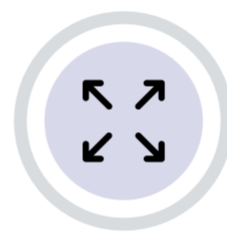
## The Cloud Cost Paradox

While the cloud promises greater business agility and growth, cloud investments can become unmanageable and costly due to:

Miscalculated cloud needs

Millions of dollars in billing charges
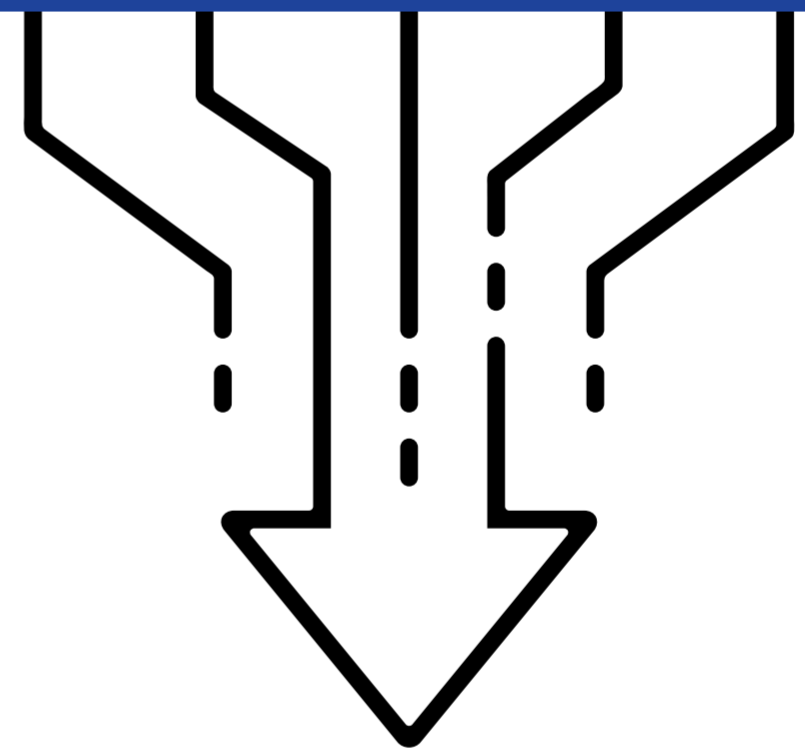
Too wide an array of cloud service providers

Complex cloud pricing models

"The more applications move to the cloud, **the more urgent FinOps becomes**."
—Jean Atelsek, a research analyst in the cloud transformation and digital economics unit of 451 Research, part of S&P Global Market Intelligence
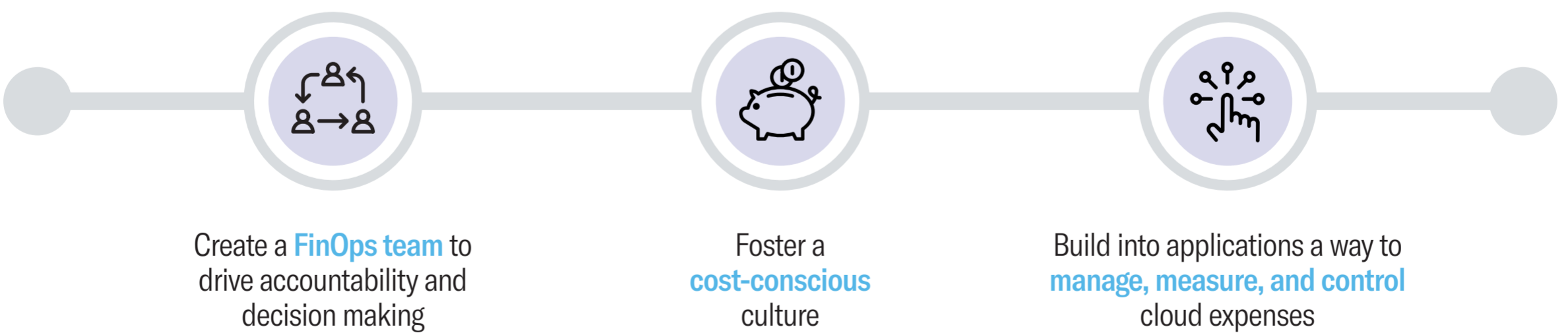
## The FinOps Impact

FinOps brings together financial, technical, and business stakeholders to create a cost-conscious culture focused on deriving value and innovation from the cloud.

"**Cloud consumption patterns become more efficient**, resulting in extra consumption tied to revenue generation, digital transformation, or other business objectives—not less cloud."
—J.R. Storment, executive director of the FinOps Foundation

## Adopting a FinOps Strategy

Create a **FinOps team** to drive accountability and decision making

Foster a **cost-conscious** culture

Build into applications a way to **manage, measure, and control** cloud expenses

IT teams must "**proactively design software and build systems with costs in mind** and be able to tie these costs to business objectives."
—J.R. Storment