



## OVERCOMING BARRIERS TO INCREASE CLOUD CONSUMPTION



The advantages of cloud computing are well understood and continue to attract heavy investment. Whilst cloud spend has increased, many companies struggle to increase their velocity of cloud adoption. Poor utilization of existing cloud estates and a lack of cloud specific operational governance has often led to unforeseen costs, stifling adoption. This lack of discipline can also

create a sense of uncertainty which in turn further delays the wholesale adoption, needed to unlock the clouds full potential.

Wasted cloud spend can be tackled with quality design, appropriate billing choices, well considered governance and flexible development strategies. This knowledge and expertise is coalescing in the emerging discipline of FinOps.

## The Growth of Waste Cloud

A recent study showed in 2020 that overprovisioning, idle resources and passive cloud management accounted for \$17.6 Billion USD in wasted cloud spend. (Jaychapel)

### What can be done?

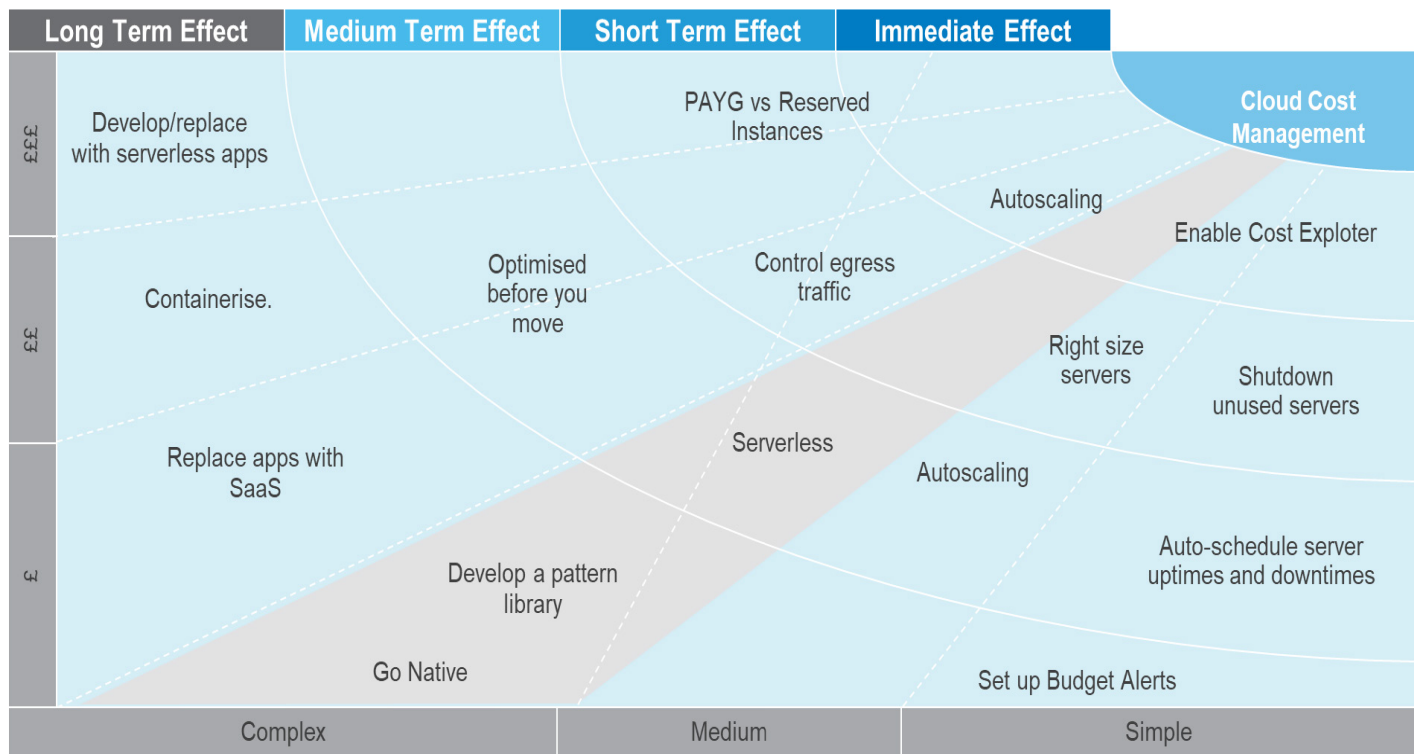
Financial Operations or FinOps, is a new fledgling discipline that has created a best practice framework that aims to continuously and proactively manage cloud spend, for sustainable business growth.

## What is FinOps and why does it matter?

FinOps brings together financial accountability and cultural change to help manage the ever more complex variable spend model of the cloud. It empowers engineering and business teams to strike the correct balance between cloud service levels, speed, cost, and quality of service to guide on-going investment decisions. It is a continuous and iterative process which strives to align technology requirements with business needs through organizational control.

“One third of cloud spend is wasted, yet still it accelerates!”  
(forbes.com)

## How does finops work?



FinOps teams use dedicated roles to create accountability and help drive cost optimisations for cloud operating expenditures (Opex) that enables organisations to get maximum business value by helping engineering, finance, and business teams to collaborate on spending decision. Cost optimisations are multi-dimensional and range from quick short-term wins to fine-grained long-term systemic gains.



Typically, these teams would involve representatives from the following business lines to provide holistic alignment to company goals and establish the overarching strategies to better serve the business.

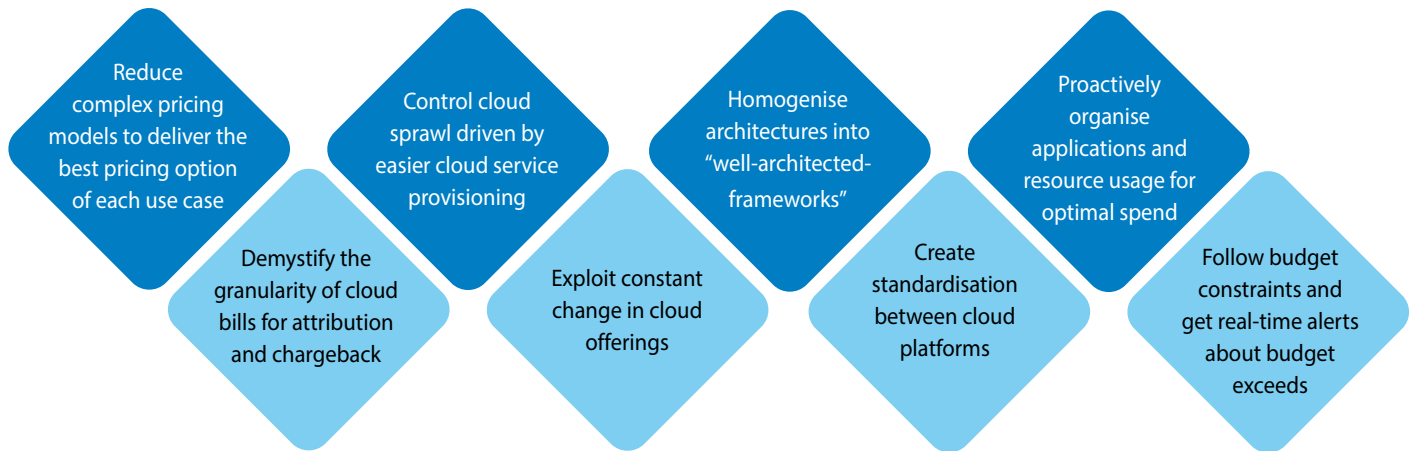
- Finance - who are responsible for the whole strategy of forecasting and FinOps reporting for cost optimisation. Those savings are accrued fund service improvement and innovation.
- I.T - are responsible for full infrastructure transparency and observability, and resource usage optimisation.
- Cloud operations - create smooth FinOps processes amongst their teams
- Architects, DevOps and engineers - are responsible for their proper resource usage

### How do we utilize FinOps?

Successful FinOps implementations align technology to the corporate vision, as a roadmap. It is a continual and iterative process which empowers both engineering and the business to take responsibility and create their own balance in the form of a service charter. These service charters may include service level agreements (SLA's) and chargeback mechanisms for funding, escalation procedures and processes that give transparency and provide guard-rails and support for descision making.

<b>VISION</b>	To enable a robust Technology Business Management framework resulting in IT service delivery that drives business value	<ul style="list-style-type: none"> <li>• Infosys can drive the outcomes of the identified initiatives across the 9 cost reduction levers translated into the People-Process-Technology Pillars; and work collaboratively with your company throughout the strategic journey</li> </ul>		
<b>STRATEGY</b>	To be a 'value-centre' and work in collaboration with business to drive innovation and enable change	<b>NEAR TERM</b> <ul style="list-style-type: none"> <li>• 'ONE COMPANY' BUSINESS STRATEGY</li> <li>• REPRIORITISE AND ELIMINATE SPEND ON PROJECTS WITHOUT BUSINESS PURPOSE AND VALUE</li> </ul>	<b>MID TERM</b> <ul style="list-style-type: none"> <li>• JOINT PLANNING AND RETRO (IT&amp;BUSINESS)</li> <li>• CLOUD &amp; DIGITAL STRATEGY</li> </ul>	<b>FAR TERM</b> <ul style="list-style-type: none"> <li>• EXECUTE CLOUD STRATEGY</li> <li>• MATURE INNOVATION CAPABILITIES</li> </ul>
<b>PEOPLE</b>	To enable the right skills, right competencies and right organisational construct that drives meaningful outcomes	<ul style="list-style-type: none"> <li>• IDENTIFY AND UTILISE OPTIMAL RESOURCES</li> <li>• COMPETENCY GAP ASSESSMENT</li> </ul>	<ul style="list-style-type: none"> <li>• FULFILL COMPETENCY GAPS</li> <li>• ENABLE NEW WAYS OF WORKING</li> </ul>	<ul style="list-style-type: none"> <li>• LEARNING AND DEVELOPMENT STRATEGY</li> </ul>
<b>PROCESS</b>	To drive adoption of new ways of working that increases operational efficiency and mitigate risks	<ul style="list-style-type: none"> <li>• TBM OFFICE SETUP</li> <li>• TARGET OPERATING MODEL ASSESSMENT</li> <li>• IDENTIFY ADDRESSABLE VS. NON-ADDRESSABLE SPEND</li> </ul>	<ul style="list-style-type: none"> <li>• REFRESH OPERATING MODEL</li> <li>• MATURE TBM OFFICE</li> <li>• IMPROVE LICENSE MANAGEMENT PROCESS</li> <li>• CONSOLIDATE APPLICATION PORTFOLIO</li> </ul>	<ul style="list-style-type: none"> <li>• DEPLOY ADVANCED AI / AUTOMATION USE CASES</li> </ul>
<b>TECHNOLOGY</b>	To drive continuous improvement by enabling 'future-proof' solutions while uplifting the maturity of IT landscape	<ul style="list-style-type: none"> <li>• RETIRE REDUNDANT SOFTWARE, APPS AND LICENSES</li> <li>• CONSOLIDATE VENDORS</li> </ul>	<ul style="list-style-type: none"> <li>• STANDARDISE IT TOOLS</li> <li>• INFRASTRUCTURE VIRTUALISATION, OPTIMISATION AND CLOUD MIGRATION</li> </ul>	<ul style="list-style-type: none"> <li>• REDUCE MAINFRAME MIPS USAGE</li> <li>• CRM CONSOLIDATION</li> <li>• DATABASE CONSOLIDATION</li> <li>• DATA CENTRE CONSOLIDATION AND OPTIMISATION</li> </ul>
		QUICK WINS	6-12 MONTHS	>12 MONTHS

## Finops outcomes



## Access to FinOps expertise

Those working in cloud since its emergence have been delivering complex solutions for clients, working on bespoke solutions to meet business challenges. It is from this wealth of expertise that FinOps best practice is emerging bringing a deep understanding of the multifaceted discipline required to achieve meaningful business impact. The work of the Infosys cloud teams team sees them in the privileged position as world leaders in this hugely influential field. To understand how to access this for your project and clients reach out to [Ramesh\\_Maran@infosys.com](mailto:Ramesh_Maran@infosys.com)

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## Sources

- <https://jaychapel.medium.com/wasted-cloud-spend-to-exceed-17-6-billion-in-2020-fueled-by-cloud-computing-growth-7c8f81d5c616>
- [One-Third Of Cloud Spending Wasted, But Still Accelerates \(forbes.com\)](https://www.forbes.com)

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