FinOps Foundation

Adopting FinOps

Attribution

How to use this deck

These slides are designed to allow a FinOps champion to jump start the conversation about FinOps with executives by providing a very summarized argument tailored to the executive.

When an organization is first considering adopting FinOps, it is common for executives to ask for a very short summary of FinOps, what it is, and what it will require? And often want this delivered in 10 minutes on a crowded agenda.

A sample Adopting FinOps deck includes four key slides:
1. **Problem or Opportunity statement:** what is your organization trying to accomplish with cloud? This is custom to your organization.
2. **Tailor your message to the persona you are presenting to:** the slides below contain motivations and messages tailored to that persona. Choose the one that matches your audience, and tailor your messaging about your opportunity as described.
3. **Present the immediate-term roadmap:** slides below contain example activities you can follow to jump start your FinOps practice. Choose the one that matches where you are in your journey, and tailor to your audience.
4. **Call to action:** ask for the support you need. Select from among the roadmap activities and focus on one your executive can give you to move the ball forward

Personas

The FinOps Driver Language

Executives

Engineering

FinOps Driver

Finance

Product

FinOps
Foundation

CEO Persona

Primary Goal:
Assurance that cloud investments are aligned with business objectives

Objectives	Frustrations	Key Metrics	FinOps Benefits
- Accelerate Company Growth YoY - Strategic Competitive Advantage - Faster time-to-market - Deliver innovative, market leading solutions cost effectively	- Unpredictable, sometimes chaotic, cloud spend - Unable to see link between engineering initiatives and business objectives - Unsure of the return on their company's cloud investment	- Revenue Growth - Gross Margins - COGS (Cost of Goods Sold) - Unit Cost Economics	- Manage risk - Connect engineering decisions with business outcomes - Predict how cloud spend will grow as the business grows - Guide organization to make good cloud investments

CTO / CIO Persona

Primary Goal:
Leverage technology to give the business a market and competitive advantage

Objectives	Frustrations	Key Metrics	FinOps Benefits
- Accelerate Company Growth YoY - Strategic Competitive Advantage - Faster time-to-market - Deliver innovative, market leading solutions cost effectively	- Extreme pressure to either justify or bring the cloud bill down - No guardrails on spend - Unsatisfied engineers - Business continuity - Reliability	- Revenue Growth - Gross Margins - COGS (Cost of Goods Sold) - Unit Cost Economics - Time to market for new features/product - Engineering productivity - Track R&D vs. Production spend - Maintain operations within budget	- Predict how cloud spend will grow as the business grows - Drive organization to make good cloud investments - Enable engineering organizations to gain more freedom to utilize newer cloud technologies and deliver solutions to market faster

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CFO Persona

Objectives	Frustrations	Key Metrics	FinOps Benefits
• Cost visibility and granularity, and accuracy • Overall cost-per-unit / COGS reduction • Managing costs during growth, disproportionate cost reduction during flat/declining periods	• Unpredictable, sometimes chaotic, cloud spend • Unsure of the return on their company's cloud investment • Cost fluctuations and innovation do not align to budgeting cycles	• Revenue Growth • Gross Margins • COGS • Unit Cost Economics • Predictability	• Increased accountability for cloud cost • Increased reliance on budget and forecast models • Direct impact on company bottom line

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Product Owner Persona

Primary Goal:
Quickly bring new products and features to market with an accurate price point.

Objectives	Frustrations	Key Metrics	FinOps Benefits
- Accelerate Product Growth YoY - Improve time to market - Deliver innovative, market leading solutions cost effectively	- Unpredictable, sometimes chaotic, cloud spend - Cannot predict the costs closely enough for new features and products resulting in pricing misses - Cannot predict how costs will change when launching existing products in new regions/markets	- Revenue Growth - Gross Margins - COGS (Cost of Goods Sold) - Unit Cost Economics - Cost per customer - Cost per product/feature	- Manage risk - Connect product decisions with business outcomes - Predict how much cloud infrastructure will factor into feature/ product price - Guide team to make good cloud investments

Engineering Lead Persona

Primary Goal:

Deliver faster and high quality services to the organisation, whilst maintaining business as usual

Frustrations	FinOps benefits	Key metrics	FinOps Benefits
- Unsatisfied engineers as their workload keeps rising. - Long delivery cycles - Cannot predict the impact on the budget - Difficult to identify service or application ownership - Cannot predict the costs closely enough for developing new features and products.	- Drive accountability to engineering teams that are responsible for the application/services - Provide guidance to engineering teams to have a cost-effective application/service by identifying anomalies and best practices. - Work together with engineering teams to identify rate reductions and possible cost avoidance - Cost allocation	- Revenue by infrastructure costs - Cost per deployed service & service utilisation rates - Showback & Chargeback of IT costs to the business	- Increased visibility to cloud cost - Connection to cloud cost and unit economics - More accountability for utilization - Incentive towards solid architecture principles to factor efficiency

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IT Finance Manager Persona

Primary Goal:
Accurately budget, forecast and report cloud costs

Objectives	Frustrations	Key Metrics	FinOps Benefits
● Cost out and budget maintenance ● Prepare accurate forecasts ● Report actual costs and trends ● Normalize spend predictability	● Unpredictable, sometimes chaotic, cloud spend ● Frustrated team as cloud cost accountability is distributed ● Challenges with legacy finance models (cap-ex vs op-ex)	● Revenue Growth ● Gross Margins ● COGS (Cost of Goods Sold) ● Unit Cost Economics ● Budget and forecast transparency and accuracy ● Policy compliance	● Identify unallocated spend ● Facilitate showback/chargebacks to increase financial accountability ● Drive budget and forecast accuracy ● Guide team to make good cloud investments

Procurement Persona

Primary Goal:
Cloud platform relationship management

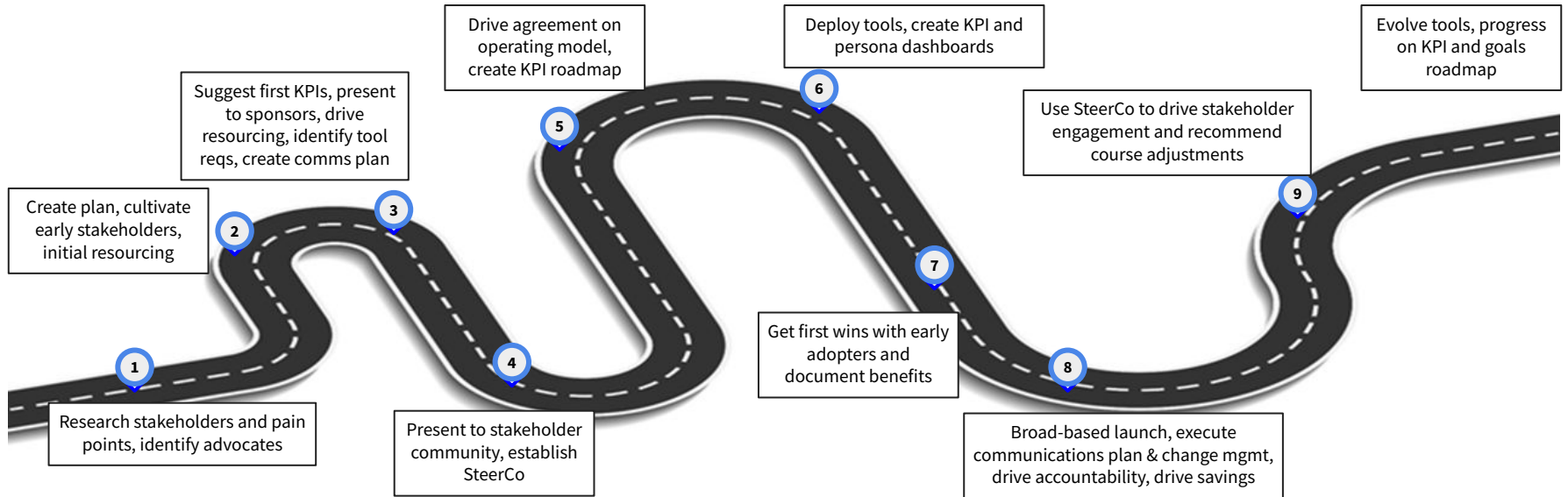| Objectives	Frustrations	Key Metrics	FinOps Benefits
• Negotiate the best win-win cloud contract • Exercise enterprise discount / volume commitment programs • Manage relationship with Cloud platform provider	• Lack of visibility to cloud cost data • Lack of centralized process for cloud commitments	• Software license optimization 　○ Cost per license 　○ Utilization of licenses per team • Cost or IT Spend per Vendor to provide possible consolidation opportunities	• Obtain the best cloud cost rates available • Translate billing data to activity based costing • Provide visibility and enable understanding of cost per technology license and contracts

FinOps Persona

Primary Goal:
Drive best practices into the organization through education, standardization, and cheerleading.

Objectives	Frustrations	Key Metrics	FinOps Benefits
- Cultural change flag bearer - Create cloud cost management best practices - Create benchmarks for teams to use - Create visibility and transparency to cloud cost - Create or inform cloud budgets and forecasts	- Lack of access to needed data - Distributed accountability - Building adoption at enterprise scale - Tool reliance that does not deliver capabilities needed	- Accurate budgets - Accurate forecasts - Unit Cost Economics - Discount/Reservation coverage % untagged resources - Efficiency opportunity	- Centralized cloud cost management in single cloud or multi-cloud environment - Align accountability to cloud users - Build confidence around budgets and forecasts - Advance communication throughout the organization

Adoption roadmap

Adoption Roadmap for the Driver

Plan	Socialize	Prepare	Launch	Run

Drive agreement on operating model, create KPI roadmap

Deploy tools, create KPI and persona dashboards

Evolve tools, progress on KPI and goals roadmap

Suggest first KPIs, present to sponsors, drive resourcing, identify tool reqs, create comms plan

Use SteerCo to drive stakeholder engagement and recommend course adjustments

Create plan, cultivate early stakeholders, initial resourcing

Get first wins with early adopters and document benefits

Research stakeholders and pain points, identify advocates

Present to stakeholder community, establish SteerCo

Broad-based launch, execute communications plan & change mgmt, drive accountability, drive savings

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1. Planning for FinOps in an organization

Do your research

Seek out stakeholders
You will need senior level sponsorship & supporters to build momentum.

Talk with Sponsor & key Advocates
Have one-on-one conversations with each of them to determine adoption strategy 1

Clearly articulate pain points
During your conversations, write down the problems being experienced by the organization (e.g. cloud costs breaking business cases; lack of cost visibility by cloud consumers, etc.)

Research impacted groups
Identify the teams and individuals, during your conversations, who are affected by the pain points.

Create a plan

Paint the future-state.
This should appeal to the business (valuation of technology like cloud, unit economics, etc.)

Identify an organizational "home" for the FinOps function. This may be in a CCoE, in finance, or in IT.
Identify candidate early-adopter teams

Identify KPIs that will be used to measure the FinOps function as well as ways to measure engagement and performance of stakeholders like business units and application teams.

Bring supporters together

Highlight current state, pain points, other issues

Demonstrate what Crawl, Walk, Run would look like for the organization.

Present the roadmap
Get feedback from the executive sponsor and adjust as needed
Including initial team size, budget, timeline for initialization

Value proposition (e.g. ROI such as the cost of having a FinOps function vs. an ongoing reasonable cloud overspend)

Perform initial resourcing

Request support from Sponsor to recruit other executive leaders as sponsors

Form a change coalition (true org. Influencers & stakeholders)
Get budget approval, headcount
Procure new tool (if appropriate at this stage of the roadmap)

2. Socializing FinOps for adoption in an organization

Stakeholders Community

Communicate the values that are central to the change
Collaborate on mission & vision statement

Share a short summary of what you "see" the future organization to look like
Provides northern stars and guide commitment from stakeholders.

Share high-level roadmap
and allow for input on prioritization

You will need senior level sponsorship & supporters to build momentum

Establish a regular cadence for check-ins and gathering feedback.

Practice Formation

Define the Practice
Provide an understanding of what FinOps is.

Define the constraints
Understand their issues and explain/educate on how FinOps could help them.

Define the milestones
Discuss proposed KPIs and adjust per conversation feedback
Establish interaction model between FinOps and key partners (IT domains; Controllers; App Teams)

Define the core team
Identify future members during socialization for CCoE and Executive SteerCo.

FinOps Model

Define the FinOps Model
Including operating model, resource, cross-functional contributions, and other key interactions.

Customize FinOps Model
Adjust the the inform, optimize, operate cycle for the organization

Built the team
Identify the FinOps team with internal transfers where there is overlap with existing roles or individuals; fill remaining gaps via recruiting / contracting

Map the change network for FinOps across the organisation - sponsors, influencers, adopters. Create a clear training and communications strategy that a SteerCo is bought in to, that ensures full coverage of all impacted resources.

If the organisation is huge to reduce dependency on the central team, one scaling approach is to create a hub-and-spoke change management roll-out model.

KPI Roadmap launch by finalize first-set of KPIs and reports, and identify and plan for next-gen KPIs and reports

3. Preparing the organization for FinOps

Preparing the organization for FinOps Readiness

Define taxonomy such as tags, metadata, and organizational taxonomy

Build toolbox by deploying, configuring, and smoke-test tool(s)

Finalize baseline of KPIs
KPI's/Business adoption metrics can evolve over 'adoption periods' to create a 'crawl, walk, run' mentality and not push full maturity in one go. This will allow for less mature teams and executives to not be 'scared off' and do it step by step.

Define usage and spend thresholds for alerts and report limits

Define and prepare persona-based self-service dashboards. These should show important metrics like the first wave of KPIs, cost allocation, budget anomalies, optimization recommendations, and other views of interest to stakeholders

Prepare forecasting model with unit cost calculations included. At this point, this is likely just a spreadsheet.

Stakeholder Engagement

Get commit expectations by determining business unit appetite for commitment levels (total cost for enterprise discount negotiations, RI/Savings Plan/CUD/etc.)

Find your champions by engage early adopter team to get optimization wins (e.g. shutting down test environments or instances who are no longer in use to show material savings). These are important for socializing, rolling out, and winning addition adoption later

Stack up easy wins
Get some additional early **governance wins** for getting FinOps implemented (e.g. tagging policy, lease-to-live automation, etc.)
Over communicate easy **optimizations wins**

Start cadence for feedback loops. Including regular meetings. FinOps/CCOE team meeting with the business units, app teams, practitioners and stakeholders to implement best practices and track KPIs.

4. Launching FinOps formally

Communication / Education Strategy

Communication

- Win walls
- Service Guide / KB documents
- News Flashes
- Meeting cadence notes

Education

- FinHacks
- FinOps Friday Blogs
- Engineering Brown bags
- Formal organization training Certification

Develop Workflows

Anomaly alert tracking

Metadata compliance

Budget alert

Finance sign-off on commitment purchases

Optimization Recommendation cadence

Billing Processing

Cost Governance policy

Organizing and auditing key data

Templates for Measuring

RI/ SP calculations

Forecasting Template

Business Case

Value proposition

KPI tracker

Business Value reporting

Customize Framework Playbook

Understanding Cloud Usage & Cost

Performance Tracking & Benchmarking

Real-Time Decision Making

Cloud Usage Optimization

Cloud Rate Optimization

Organizational Alignment