



Guide

Take control of cloud spend the right way for your business

A guide for FinOps practitioners and teams



Introduction

Cloud services offer immense flexibility, allowing organizations to scale their business applications and operations up or down as needed. But without proper Cloud Financial Management (FinOps), costs can quickly spiral out of control.

Organizations often implement quick-fix cost-cutting tactics to realize short-term savings – without having the visibility and the analytics to understand how these tactics will impact business operations and the organization’s ability to scale to support long-term growth and cost efficiency goals. So while the organization may be able to shave a couple of percentage points off their cloud costs, they may in fact generate far greater costs and inefficiencies that impact business operations in the long run.

With the right insights, organizations can take the right action to optimize their cloud spend for the short and long term the right way for their business, and drive ownership, accountability, and FinOps governance across their organizations. For this, organizations need to be able to:

- View a complete, accurate and up-to-date picture of cloud costs and the resources generating these costs
- Analyze the data to easily identify who’s spending what on cloud services and why
- Automatically detect issues before they become problems
- Quickly and automatically optimize cloud spend – without negatively affecting infrastructure performance and reliability, or risking financial lock-in
- Provide each stakeholder with the data they need, the way they need it to make the right decisions for the business

This guide will look at how the right FinOps solution can enable organizations to optimize cloud spend to maximize the value of their cloud investment.

The logo for GigaOm, featuring the word "GIGAOM" in a bold, sans-serif font. The "O" is a light blue circle, and the "M" has a light blue dot above it. The logo is set against a dark blue, irregularly shaped background.

According to GigaOm, adopting a FinOps solution with the cost insights and management features provided by Spot by NetApp can holistically address the challenges around cloud spend and FinOps.

Source: [GigaOm: FinOps Insights and Management from Spot by NetApp](#)

Better decisions start with the right visibility into the right data



According to the 2024 State of FinOps report by the FinOps Foundation, visibility into cloud costs and operations is a key challenge for stakeholders and decision makers.

Source: [State of FinOps by FinOps Foundation](#)

Managing and controlling cloud costs and building a FinOps practice that supports an organization's long-term objectives starts with having the right data.

With the right data at hand, organizations can identify areas of cost and resource inefficiencies, track spending trends, and identify anomalies. These activities allow them to take action to optimize cloud spend, remove waste and prevent spend drift – the right way for their business.

But gaining access to that data is no easy task. The cloud vendors' monthly bills are notoriously extensive and detailed— often containing tens of millions of lines. This complexity is magnified when using multiple cloud providers, each with unique naming conventions, identifiers, and foundational concepts such as accounts, resource types, pricing models, tiers, and purchasing packages. Such variability makes it nearly impossible to consolidate and reconcile costs across multi-cloud environments and analyze the data.

Compounding the challenge of getting visibility into real time data , is the dynamic nature of cloud, where resources can easily be provisioned and scaled up or down, anytime and anywhere. Therefore, the static information gleaned from monthly reports is nowhere near enough.

You need a single source of truth

In today's world, organizations cannot effectively operate their business in the cloud without a single source of truth. To drive the right actions and make data-driven decisions that align with business objectives, it's essential to have clear visibility into cloud costs and services. This requires a FinOps solution that enables:

- **Data to be ingested and normalized** from all cloud providers into a single unified format to enable easy and impartial analysis – all in one place
- **Real-time visualizations of cloud costs and resources** that can be customized for each FinOps stakeholder's needs
- **Granular analytics** on current and historical cloud costs and spend, including fully loaded costs, blended and unblended rates, and shared costs as well as any commitments owned by the organization
- **Accurate, automated allocation of costs to the right cost center** such as DevOps team, business unit, product line, project, or any other business-defined entity
- **Reports that easily identify waste, right-sizing opportunities, cost-related deviations and anomalies** as well as recommendations for optimization opportunities
- **Analytics on cost customizations and profits margins** at the macro level and micro level
- **The ability to transform cloud cost data** into tangible business metrics and measure the success of cost optimization initiatives – all aligned to their cost centers.

Data needs vary across departments



FinOps Leader: I need to see all my cloud spend in one place to know where to focus my cost optimization efforts quickly and get stakeholders on the same page. I also need to monitor costs at a granular level to keep everyone accountable for their spend.



Cloud strategist: I need to understand and quickly answer questions about the cloud resources deployed and not waste time navigating between multiple cloud consoles with different panes.



Cloud cost analyst: I need to quickly detect cost overruns, waste, and spend drift before they affect my budget. I also need to be able to identify cost trends, track costs against the budget and forecast costs going forward.



Business leader: I need to easily understand how cloud costs impact the profit margins of my products and services and assess the value that cloud delivers.

Get actionable insights to optimize spend and support business goals

With the right visibility and data, organizations can take the right actions to optimize cloud spend for both the short term and the long term. By integrating these essential processes into their FinOps practice they will be able to maximize the value of their cloud investments:



Automatically optimize costs



Continuously optimize commitments



Charge accurately and ensure accountability



Set up actionable alerts accountability

Take the right action, with the right data



FinOps Leader: I need to be notified immediately when something's wrong and be able to automatically take action when a cost anomaly is detected or another specific event is triggered.



FinOps Practitioner: I need to ensure I own the right commitment portfolio to serve my business needs and be able to make changes to these commitments when anything changes in my environment or my business, without creating waste or financial risk.



DevOps Engineer: I need to be able to automatically optimize costs by removing idle or orphaned instances, rightsizing instances, making changes to ensure efficient resource utilization, and perform other optimization tasks.



Finance leader: I need to be able automatically chargeback or showback for services to ensure that the right cost center is accurately charged for their costs.

Automatically optimize cost

Cost optimization is a core process of a successful FinOps strategy, as organizations must take action to address wasted spend. This involves terminating or adjusting unutilized, underutilized, or unattached resources and right-sizing instances. Additionally, migrating older generation resources to newer, faster, and more cost-effective options is crucial. Organizations should also consider moving storage resources to more economical alternatives while ensuring they still meet failover and data recovery requirements. When appropriate, relocating resources to more cost-effective regions can further enhance overall efficiency.



Expert insight: To effectively implement these cloud cost optimization strategies, organizations should:

- Use a solution that automates cost optimization processes, triggered by policy-based alerts
- Ensure that cost optimization processes align with infrastructure optimization processes to prevent interruptions to business applications
- Ensure optimization processes are performed continuously to prevent problems from recurrent, and spend drift

Charge accurately and ensure accountability

The detail and complexity of cloud provider invoices make it nearly impossible to consolidate and reconcile costs consistently across multi-cloud environments and accurately charge the right cost center for their cloud usage.



Expert insight: Use a solution that supports the FinOps Foundation's FOCUS specification to normalize cloud billing data and provides holistic visibility, together with comprehensive billing reporting and intelligent cost allocation capabilities. This will drive:

- Precise and transparent tracking, allocation, and billing of cloud costs
- Ownership and accountability for cloud spend
- Understanding of the financial impact of resource choices
- Data to better assess "Cost of Sales" and analyze profit margins
- Ability to easily identify optimization opportunities and reduce waste
- Consistency and standardization of cloud cost management processes

Continuously optimize commitments

To achieve maximum savings on cloud, organizations need to continuously manage and optimize their commitment portfolio. This requires a solution that understands their environment and business needs, along with the nuances of each commitment type and can build and manage a commitment portfolio that meets your business needs, without requiring long term financial lock in. Moreover, this solution must be flexible to quickly adapt if the organization's cloud infrastructure or business circumstances change.



Expert insight: Select a reserved commitment management service that provides fully managed optimization across cloud environments – AWS, Azure, and Google Cloud. Look for a solution that:

- Provides adaptive coverage to maximize utilization and minimize financial exposure
- Supports the largest range of cloud provider services, ensuring all possible commitments are optimized
- Enables reserved commitment exchanges that ensure flexibility, reducing costly on-demand use and overcommitments
- Provides human oversight to ensure your commitment portfolio is tailored for your specific business needs

Set up actionable alerts

Alerting plays a pivotal role in assisting teams in their quest to continuously optimize cloud spend by providing timely notifications and insights into cost-related anomalies, trends, and potential optimization opportunities. Be notified in real-time and be able to act immediately.



Expert insight: Automated best practice checks should include monitoring for:

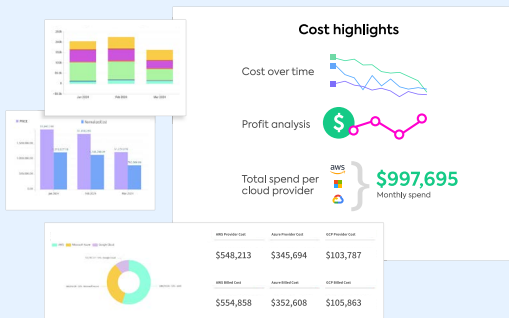
- Idle or orphaned instances
- Resource availability, efficiency, and utilization
- Autoscaling failures
- Outdated instances used
- Reserve Instance utilization
- Regional deployment cost and latency inefficiencies

Drive your FinOps practice with cost insights and management

Spot by NetApp delivers FinOps cloud cost management capabilities that optimize cloud spend efficiently without impacting infrastructure performance and reliability. These capabilities can align stakeholders, drive accountability, and deliver the data to make informed business decisions, ultimately helping organizations achieve their desired outcomes.

Spot by NetApp cloud cost management suite

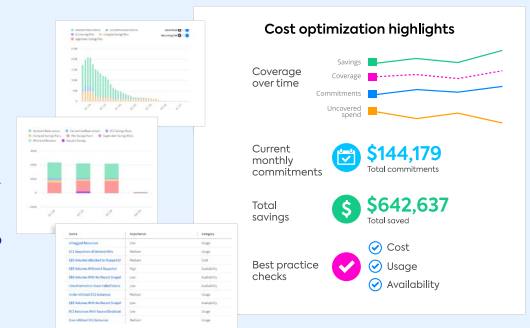
See



Spot by NetApp delivers insights to optimize cloud spend, align FinOps stakeholders, drive greater efficiencies and productivity and achieve business results

Cost Intelligence | Billing Engine | Spot Eco

Act



Unlock the value of FinOps and drive business growth

Don't let cloud costs spiral out of control. Spot by NetApp can help organizations optimize their cloud spend and put them back in control of their cloud costs.



Optimize cloud spend, remove waste and inefficiencies and prevent spend drift - the right way for your business



Get accurate, actionable data to make the right decisions to power your business



Drive accurate, cost allocation and billing to support business objectives



Power a strong FinOps culture through stakeholder alignment, collaboration, and accountability



One of the greatest benefits of the Spot by NetApp solutions for FinOps is that we can easily optimize our commitments for each customer, as well as apply custom pricing. Our Finance team can then easily integrate this data with our ERP system and generate accurate and timely bills.” - **Chris MacLean, VP of Cloud Services, Pivotree**

Ready to see these capabilities in action? [Schedule a demo](#) and take the first step toward optimizing cloud spend efficiently today.