**FinOps**

FinOps is the operating model for the cloud — a combination of systems, best practices, and culture to increase an organization's ability to understand cloud costs and make tradeoffs.

**Phases of FinOps**

**Inform**
- Gives you the visibility for allocation and for creating shared accountability by showing teams what they're spending and why.

**Optimize**
- Empowers your teams to identify and measure efficiency optimizations, then make goals based on those opportunities.

**Operate**
- Defines and executes processes which enable the goals of Technology, Finance, and Business to be achieved.

**Principles**

1. Teams need to collaborate
2. Business value of cloud drives decisions
3. Everyone takes ownership for their cloud usage
4. FinOps reports should be accessible and timely
5. A centralized team drives FinOps
6. Take advantage of the variable cost model of cloud

**Personas**

**Executive**
- Example: VP/Head of Infrastructure, VP/Head of Cloud Management and Operations, CTO, CIO

**Business/ Product Owner**
- Example: Director of Cloud Optimization, Cloud Analyst, Business Operations Manager

**Finance/ Procurement**
- Example: Technology Procurement Manager, Strategic Sourcing, Financial Business Advisor

**Engineering/ Operations**
- Example: Lead Software Engineer, Principal Systems Engineer, Cloud Architect, Engineering Manager

**Domains**

- **Understanding Cloud Usage & Cost**
  - Cost allocation (metadata & hierarchy)
  - Manage Anomalies
  - Manage Shared costs
  - Data analysis & showback
  - Data ingestion & normalization
  - IT asset management

- **Performance Tracking & Benchmarking**
  - Measure efficiency
  - Trend & variance analysis
  - Forecasting
  - Budget management
  - Budget thresholds & alerts
  - Measure unit costs

- **Real-Time Decision Making**
  - Persona identification
  - Identify anomalies
  - Budget alerts
  - Identify optimization opportunities
  - Timely analysis curated for stakeholders
  - Business case velocity

- **Cloud Rate Optimization**
  - Manage commitment based discounts
  - Volume & usage based discounts
  - Pricing model analysis
  - License management
  - Leverage unused cloud provider capacity

- **Cloud Usage Optimization**
  - Workload management & automation
  - Resource Utilization & Rightsizing
  - Cost avoidance
  - Adopt modern cloud provider technologies
  - Architecture modernization
  - Application decomposition
  - Observability

- **Organizational Alignment**
  - Establish FinOps culture
  - Chargeback & IT finance integration
  - Policy & governance
  - Continual learning, knowledge sharing & advocacy programs
  - Socialize innovation for culture change & adoption
  - Modernize processes to align with cloud cost management

See the latest framework at finops.org and join the independent community.

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