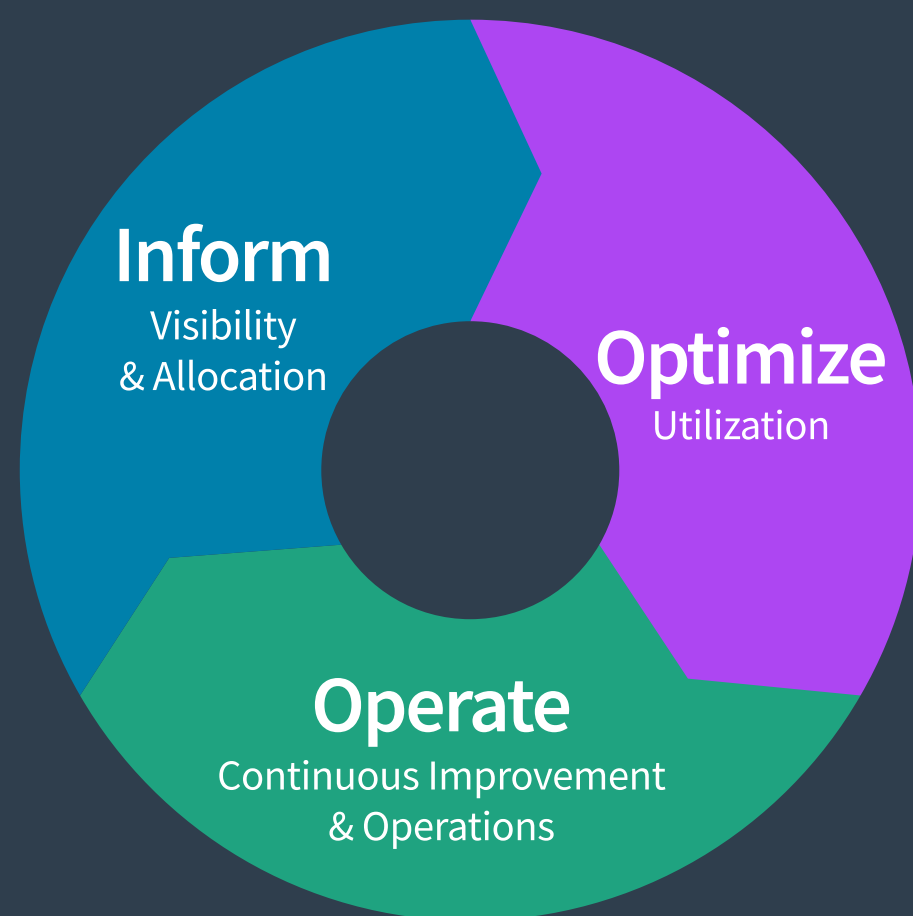


# FinOps

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



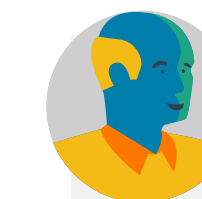
### Executive

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



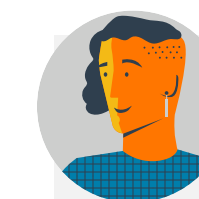
### Business/ Product Owner

**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
- Cost allocation constructs
- Anomalies
- Shared costs
- Data visualization & showback
- Data normalization
- IT asset management

### Performance Tracking & Benchmarking

- Performance KPIs
- Efficiency metrics
- Trend & variance analysis
- Forecasting
- Budget modeling
- Budget thresholds & alerts
- Unit economics

### Real-Time Decision Making

- Persona identification
- Identify anomalies
- Budget alerts
- Identify optimization opportunities
- Timely analysis curated for stakeholders
- Business case velocity

### Cloud Rate Optimization

- Commitment-based discounts
- Volume & usage based discounts
- Pricing model analysis
- License management
- Leverage unused cloud provider capacity

### Cloud Usage Optimization

- Workload management & automation
- Underutilized resources
- Cost avoidance
- Adopt modern cloud provider technologies
- Architecture modernization
- Application decomposition
- Observability

### Organizational Alignment

- Align cloud-allocation constructs with business chargeback-model
- Policy & governance
- Continual learning, knowledge sharing & advocacy programs
- Socialize innovation for culture change & adoption
- Modernize processes to align with cloud cost management

See the framework at [finops.org](https://finops.org) and join the independent community