



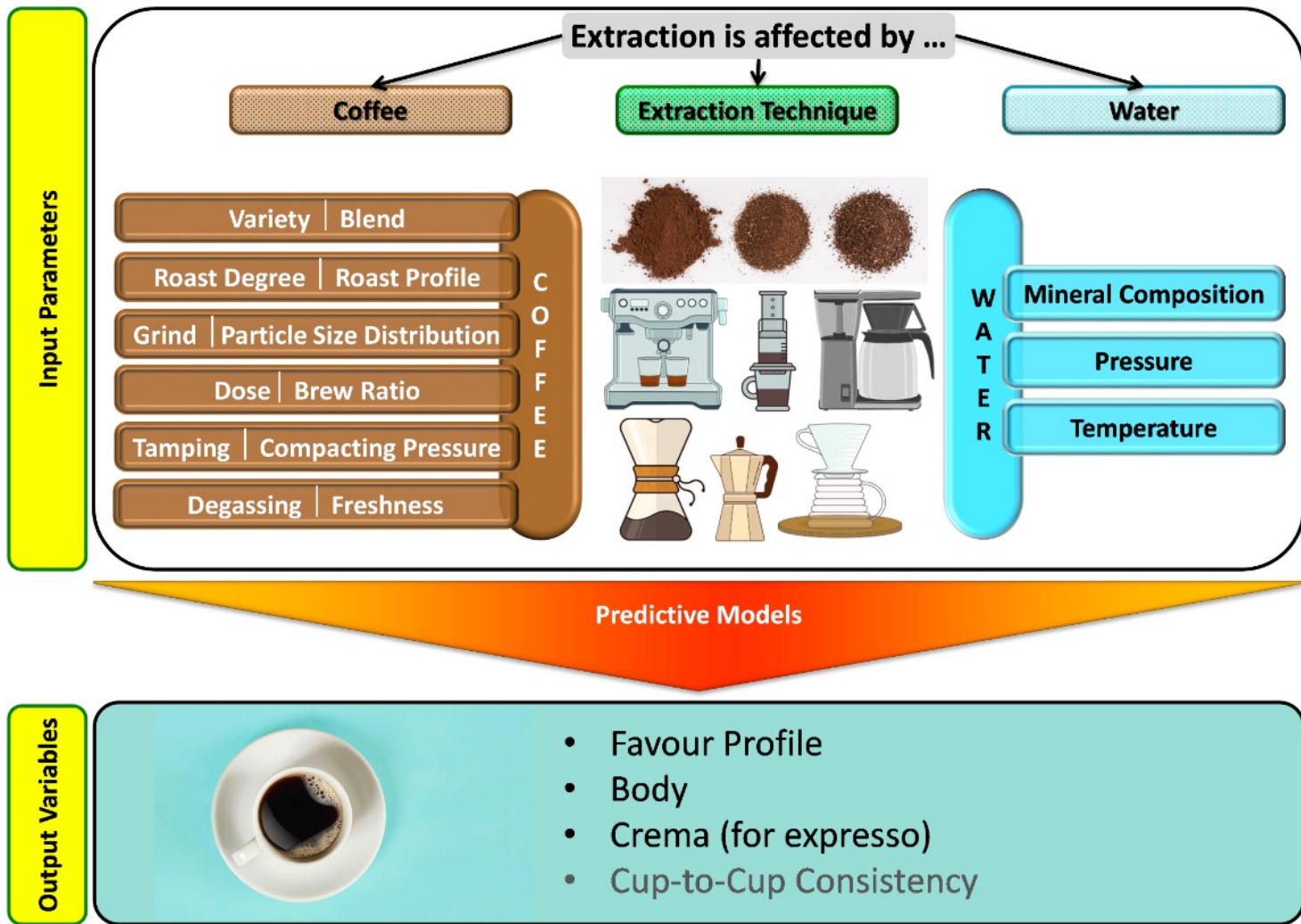
TBM & FinOps

J Platt Director, Global Partner Solutions
Michael Lau Sr Innovations Consultant

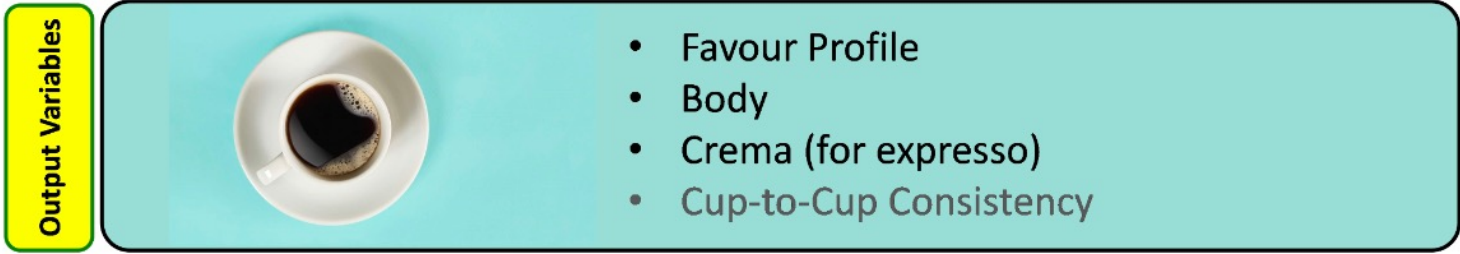
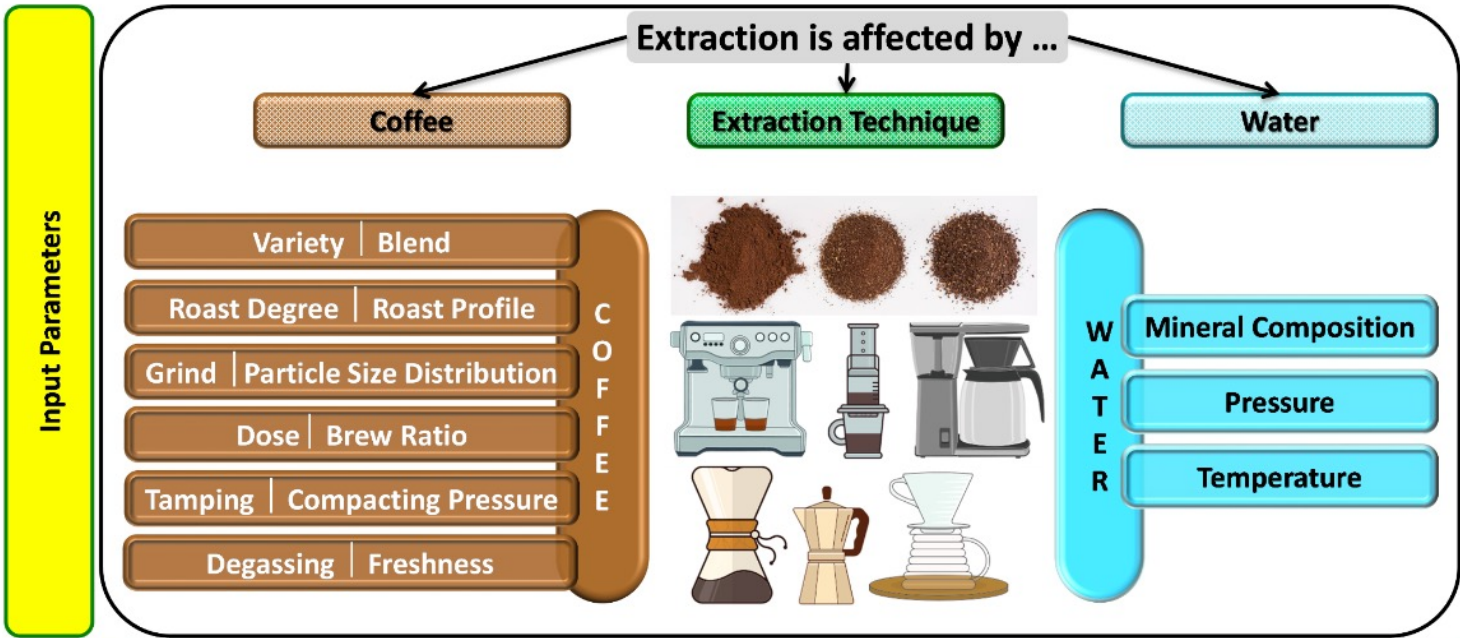
Have you had your morning coffee yet?



What goes into a consistently great tasting cup of coffee?



How can I have a consistently great tasting cup of coffee, but also keep my costs down?





Category Pioneer and Market Leader



Apptio is pioneering a new frontier in enterprise technology by creating an unprecedented network of C-suite executives across technology, finance and business



Education

The Council provides a variety of research, an authoritative TBM book, and multiple course offerings that prepare, strengthen, and advance member's skills and careers.

+11K

Global Members

+3K

Companies



Training & Careers

The foundation offers Ops Certified Practitioner course allowing individuals to validate their FinOps knowledge and enhance their professional credibility



Standards

The Council creates standards of TBM practices and principals through the TBM framework, the TBM taxonomy, business-value KPIs and TBM playbooks.

30%

CXOs

30%

CXOs on the Board



Framework

The FinOps Framework provides the operating model for how to establish and excel in the practice of FinOps



Collaboration

The Council offers collaboration opportunities through our annual global conference, regional executive summits, industry strategy community meetings, teleconferences, and more.

63%

I&O/Cloud,
Finance, & Agile
/PMO

+7K

Global Members



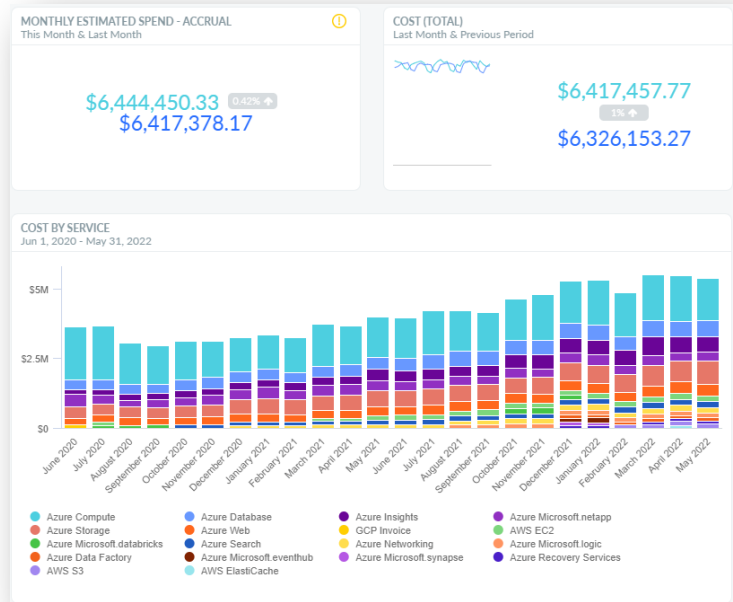
Community

A 8700+ strong community, representing 3500+ companies. It provides a variety of training and certification programs



Apptio Cloud FinOps

Market-leading FinOps solutions designed for maximum cost visibility and savings



MAIN USE CASES

- Multi-cloud and container cost visibility
- Detect anomalies and reduce waste
- Automate savings program coverage
- Track and allocate cloud total spend
- Drive unit economics and analyze customer profitability

ACHIEVABLE VALUE

- Reduce cloud unit costs by 30% or more
- Allocate 100% cloud program costs
- Increase reservation coverage to over 90%

GETTING STARTED:

Data Required

- Cloud billing credentials

Resources Needed

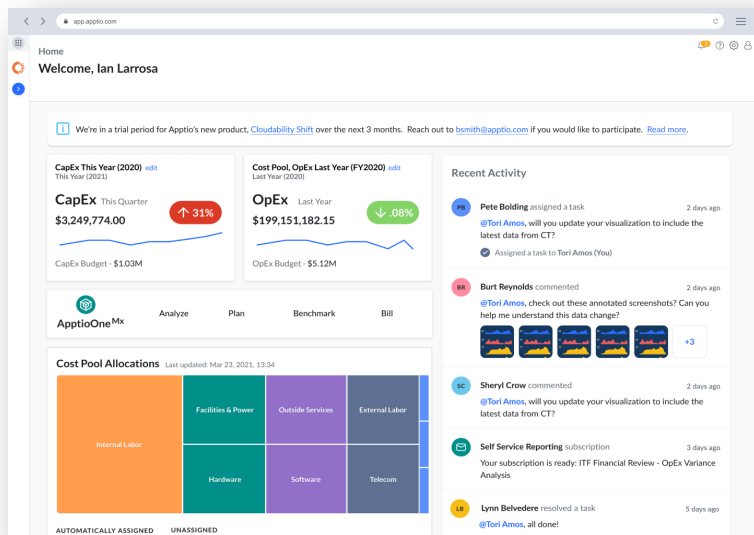
- 1 person

Time to Value

- <7 days

Apptio Technology Business Management

Gain a connected and complete understanding of tech spend and value delivered



MAIN USE CASES

- Identify key spend drivers across on-premises, cloud, SaaS, etc.
- Calculate app/service/product TCO
- Build defensible forecasts & plans
- Showback & chargeback

ACHIEVABLE VALUE

- 15% to 25% savings identified in just 4 weeks
- 75% reduced planning time with <1% variance
- Rationalize 40%+ of app inventory

GETTING STARTED:

Data Required

- General ledger & budget

Resources Needed

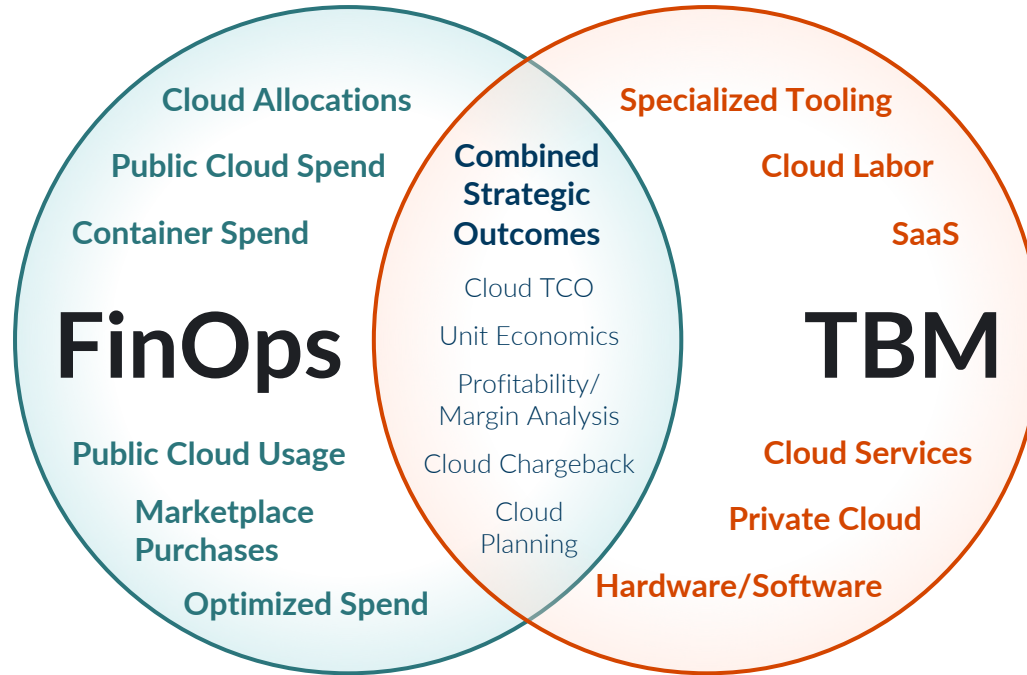
- 1 person with Excel skills

Time to Value

- 30 days

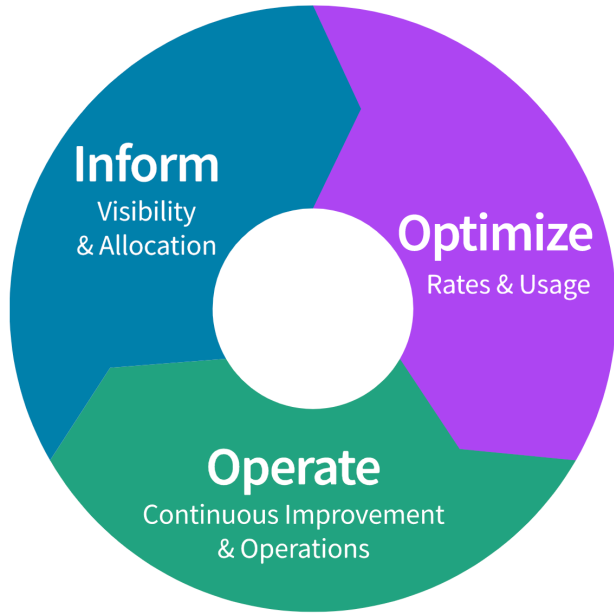
TBM & FinOps are converging and expanding

FinOps needs more advanced TBM capabilities for today's hybrid multi-cloud world



TBM needs to become more accessible, easier to use and faster to achieve TTV

FinOps: Financial Governance for Cloud



The 3 phases of the FinOps lifecycle

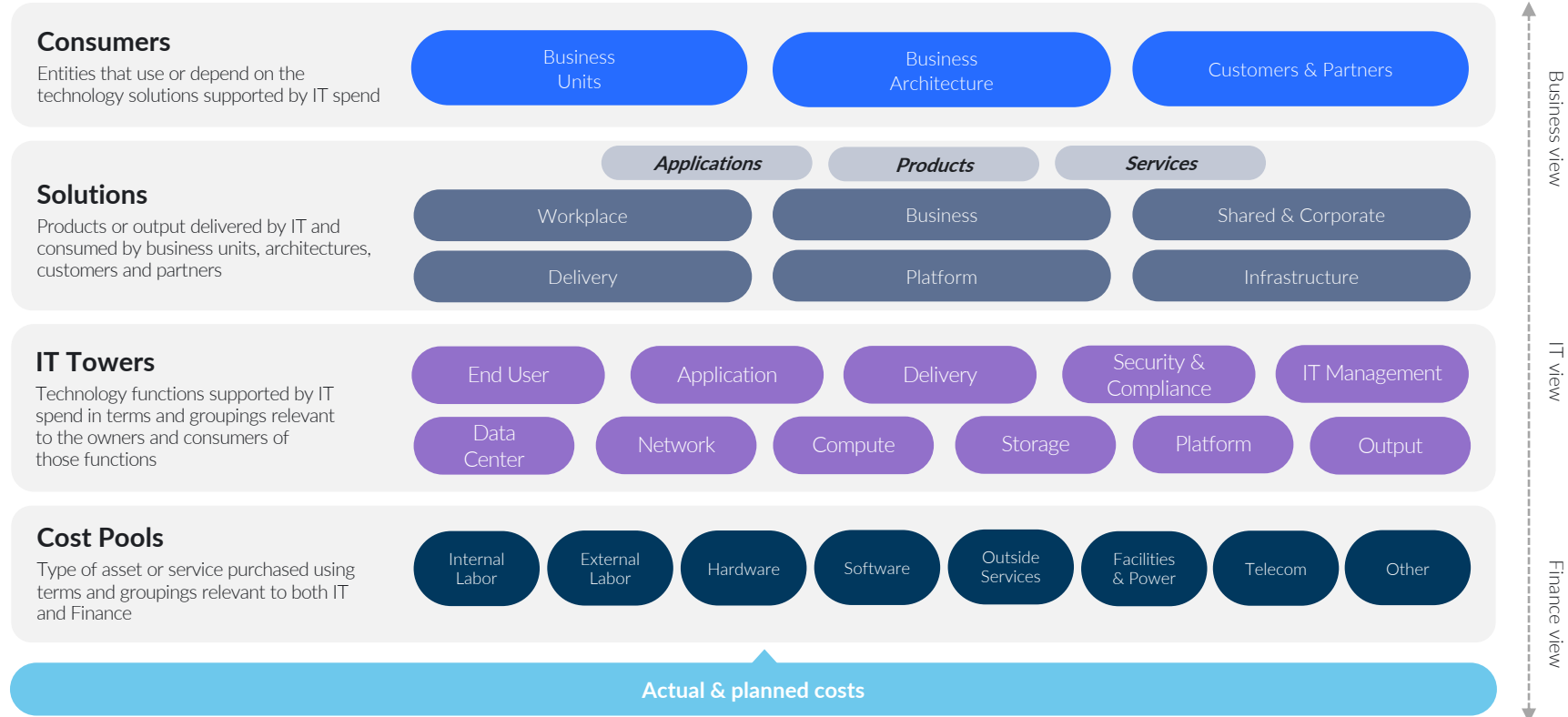
Courtesy: FinOps Foundation

- A set of principals, processes and tools
- That enable collaboration between IT, Finance and The Business
- To maximize the business value of an organization's cloud deployment

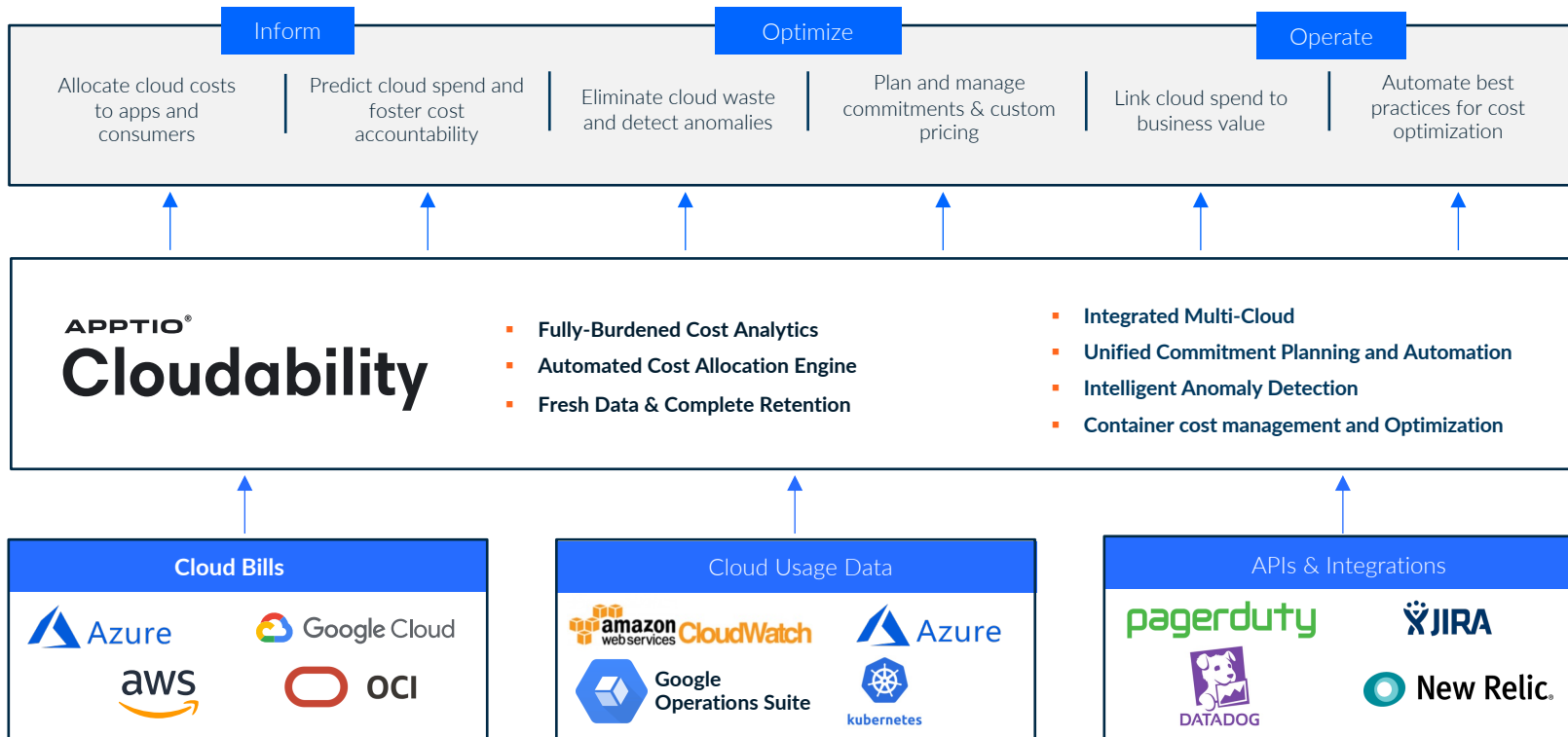
The Virtuous Cycle of Financial Management



The Industry Standard Classification of Costs



Cloudability empowers FinOps, the operating model for cloud

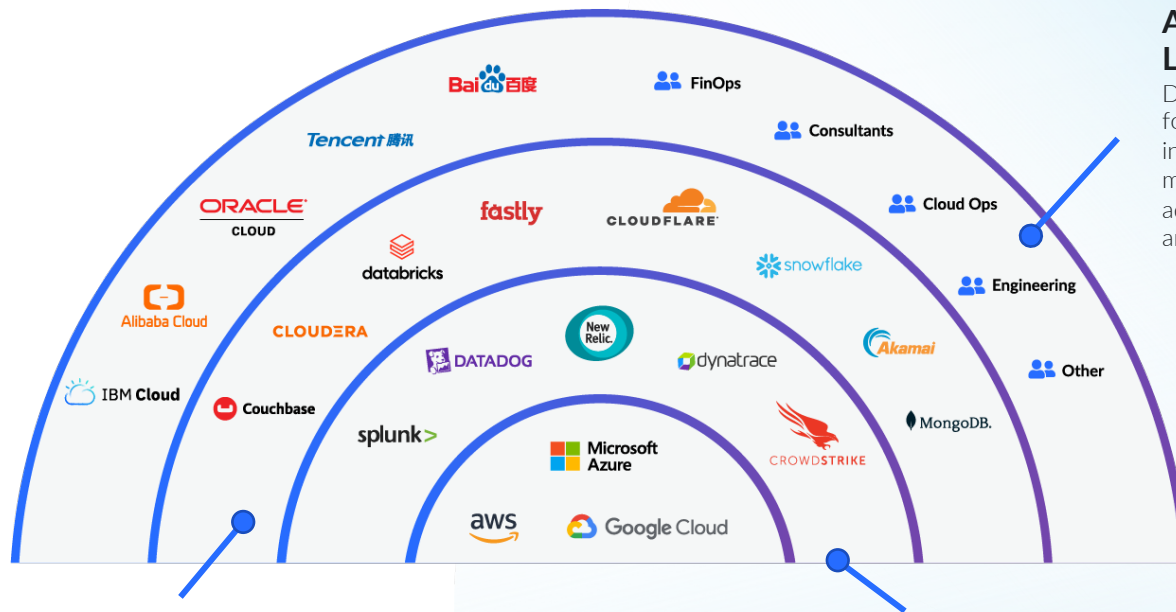


Cloud costs don't end at your monthly AWS, Azure and GCP Bills



Visualize costs across your full cloud ecosystem

Capture & allocate total cloud program spend



Additional Vendors & Labor

Depending on your cloud footprint and how you allocate internal resources, indirect costs may also include labor and additional cloud vendors like IBM and Oracle.

Specialized Cloud Technologies

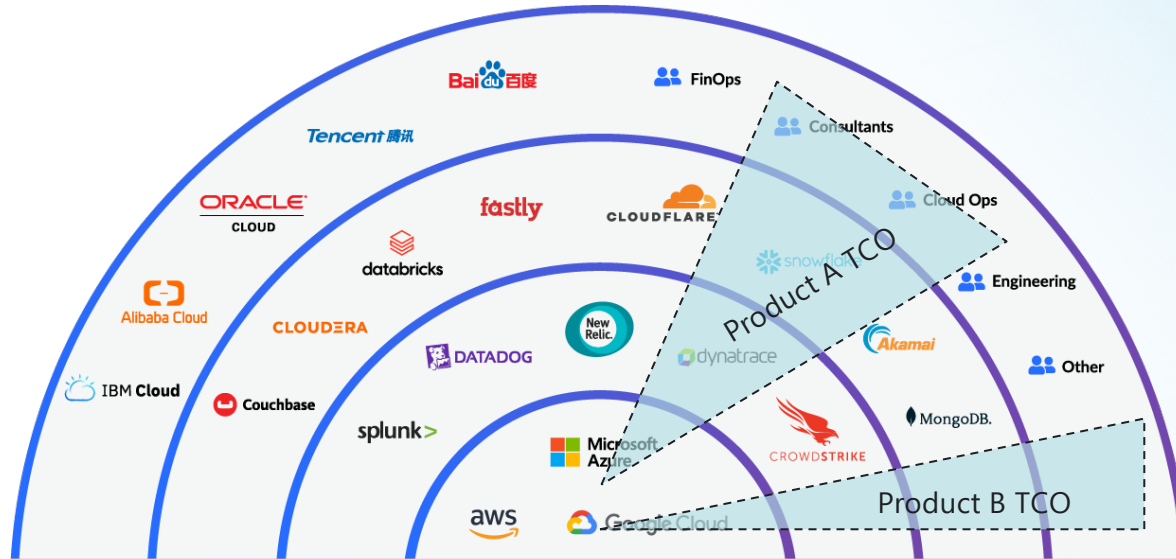
Many organizations are now enhancing their business applications by adopting specialized third-party cloud services across technologies including CDNs and serverless data warehouses.

Observability Solutions

Most large cloud footprints leverage observability solutions to help ensure the operational and security integrity across a fleet of VMs.

Align costs to the business

Advanced cost sharing brings financial accountability to the total cost of running cloud



Cloudability TotalCost

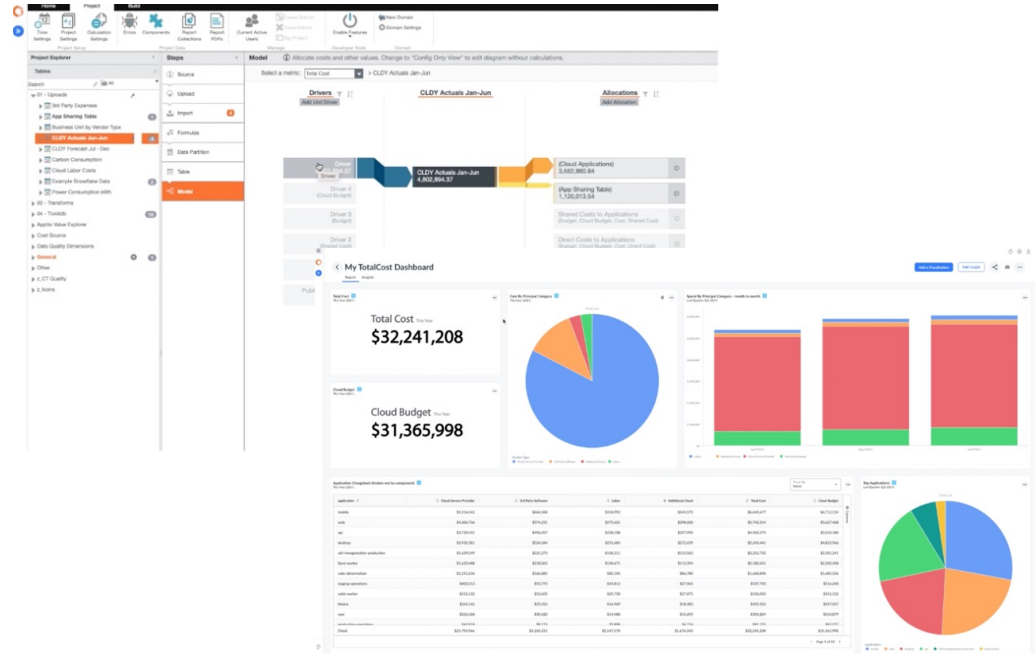
Capture & allocate **fully-loaded cloud program spend**

Main use cases

- Total cost of cloud (including 3rd party software, labor)
- Cloud showback/chargeback
- Unit costing, unit economics

Achievable value

- Allocate 100% cloud costs
- Reduce unit cost by 30%+
- Develop unit economics to measure profitability

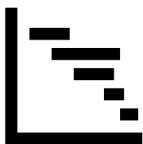




Demo



Appendix



Industry Leading Subscription Management Provider

Using Unit Economics to Drive Profitability

Situation: To determine pricing for their products, complete profitability analysis and gain insights into margin, **the company needed to determine cloud unit economics** (COGS per customer).

Calculating the cost per customer for cloud spend was difficult due to their multi-tenant Kubernetes environment, where multiple customers may use shared resources that cannot be easily allocated. To calculate COGS, **they needed to visualize and allocate both cloud and non-cloud costs**, including third party costs like Snowflake, labor and their AWS, Azure spend.

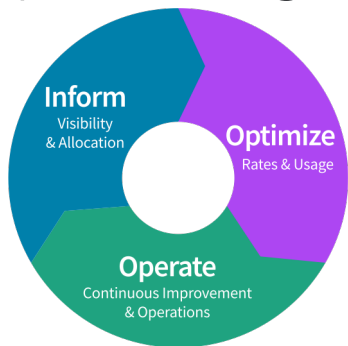
Current Cloud Estate:

- 100+ AWS & Azure accounts, >\$300M cloud SUM
- 35+ Snowflake accounts
- 1500+ customers
- 14+ clusters running in EKS

Results

- With Cloudability TotalCost, the company was able to bring their AWS, Snowflake, hawkEye and labor cost together to **determine total cost of running their products in the cloud.**
- Using Cloudability's integrated allocation and reporting capabilities, they were able to **import telemetry data** like # of APIs, # of subscribers and compute time **to calculate the unit cost per product and customer.**
- They extended the use case by layering cloud unit economics with revenue data to **perform customer profitability and margin analysis.**

Empowering the FinOps operating model for cloud



Business Intelligence

- Org-wide visibility of all cloud and cloud related costs
- Overlay historic and future spending plans
- Align investments to business outcomes

Cloud Planning

Workload planning

- Define cloud workloads
- Compare clouds and pricing options
- Formalize deployment plan

Financial planning

- Manage spend to plan
- Customize to build defensible plans
- Collaborate and socialize plans

Cloud Program TCO

TCO chargeback

- Categorize shared costs
- Allocate shared costs
- View budgets and actuals

TCO visibility

- Ingest observability costs
- Ingest third-party platform costs
- Ingest additional CSP & labor costs

Unit Economics

- Metrics & KPIs (cost per)
- Support profitability / margin analysis
- Identify trends and causation

Public Cloud Cost Management & Optimization

Multi-cloud chargeback

- Normalize cloud billing data
- Customize pricing
- Map cloud & container spend to the business

Multi-cloud visibility

- Single-pane-of-glass
- Resource-level analytics
- Curated dashboards
- Personalized views

Usage optimization

- Idle resource detection
- Rightsizing recommendations
- Intelligent anomaly detection
- Container optimization

Financial optimization

- Commitment portfolio
- Commitment recommendations
- Spot instances

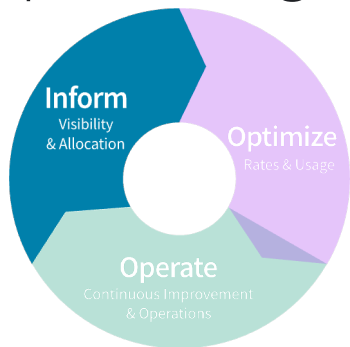
Cloud intelligence

- Full data retention
- Unit costing
- API integrations
- Scorecards

FinOps Maturity

FinOps Scale

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