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FinOps:
A guide to 1Nebula's FinOps service

Fast Facts

Operating in SA, UK, USA & NL

25 Years of experience in the Technology industry

SA App Development Partner of the Year 2022

SaaS solutions available through Microsoft Azure Marketplace

Focused on FinOps, Cloud technologies and Digital Transformation

Primary industries include technology, retail, energy and finance

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1Nebula FinOps Thought Leadership

1nebula.com/blog

3 key metrics your FinOps team needs to measure.

Read More

The evolution of cloud cost management.

Read More

Finding your FinOps North Star metric.

Read More

FinOps Service

1Nebula's FinOps service is based on the industry standard Inform, Optimise, Operate Principles and aligned with the FinOps Foundation's management domains, and industry best practice. The FinOps service is supported by OneView ™, 1Nebula's FinOps platform.

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1Nebula's Cloud FinOps Approach

Inform		Optimise		Operate
Understand fully loaded cost	Performance benchmarking	Realtime decision-making	Predict, plan & purchase capacity	IT, Finance & Lob Collaboration
• Visibility into IT spend • Granular cost allocation • Team Level budgeting and spend	• Trending and variance analysis • Internal teams benchmarking • Industry peer-level benchmarking	• Find and Remove underutilised services • Understand if resources are under or over provisioned • Automation of resources	• Right size instances and services • Centralised AI buying Process • Compare pricing	• Finance moves at the speed of IT • Continuously improve for efficiency and innovation • Define governance and control for cloud usage

OneView®

10 Keys FinOps Framework

Shared Practitioner Resources

10 Keys FinOps Framework

- Cost Allocation & Tagging
- Data Analysis and Reporting
- Data Ingestion & Processing
- Managing Anomalies
- Forecasting
- Managing Commitment Based Discounts
- Resource Optimisation
- Budget Management
- Financial criteria for Workload Onboarding
- Recharge & IT Finance Integration

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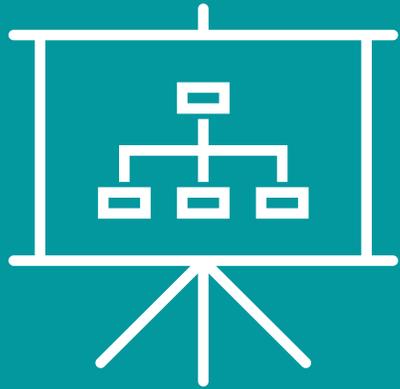
Cost Allocation & Tagging

Allocate usage & cost to the business areas responsible for it with up to date tagging and mappings.

Actions:
- ensure naming standards are applied on all hierarchy levels
- recharge reports
- driving liaison with business to update & maintain

Service Level Expectation: 90% allocated to resource level.

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Data Analysis and Reporting

Reporting on costs for specific accounts, business area/s and/or resources & identify opportunities for cost optimisation.

Actions:

- Report on cost drivers & areas of optimisation
  - resource right-sizing
  - resource decommissioning
  - resource modernisation
- Business case tracking as required.

Service Level Expectation: 90% allocated to resource level.

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Data Ingestion & Processing

Single repository of all cloud consumption & costs, normalised (i.e. comparable) and actionable.

Actions:
- ingesting data from multiple cloud providers
- validating the consumption and cost
- understand changes vs baseline
- providing normalisation as required in order to drive comparisons & benchmarks

Service Level Expectation: 95% allocated to resource level.

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Managing Anomalies

Detect, identify, clarify and alert on unexpected or un-forecasted cloud cost.

Actions:
- set-up thresholds/rules for notifications
- analyse ingested data against baseline
- trigger notifications
- investigate issues & resolve problems

Service Level Expectation: Notifications sent within 30 mins of data received and processed.

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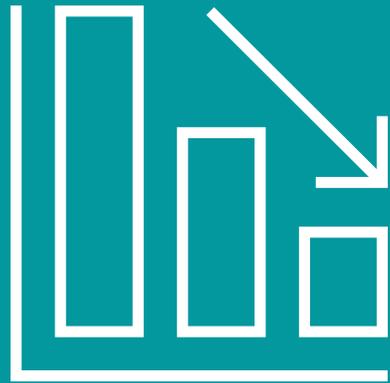
Forecasting

Impact on future cloud spend (& budgets) based on historical consumption & costs and future plans.

Actions:
- create forecasts
- identify variations against forecast
- investigate variances

Service Level Expectation: 80% match between forecasted & actual costs.

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Managing Commitment Based Discounts

Ability to measure effective savings due to discount agreements/initiatives (i.e. effective rate vs would-be costs).

Actions:
- track usage against commitment
- notify & forecast on shortfall
- determine & report on impact

Includes EDP tracking, reserved instances and savings plans as well as custom commitments.

Service Level Expectation: 100% report on spend vs commitment.

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Resource Optimisation

Observing a resource's utilization over time to understand if the performance, availability or other quality metrics are of value for the expense incurred vs an alternative.

Actions:
- highlight any opportunities to increase utilization and efficiency & work with the teams to review feasibility of alternative options.

Service Level Expectation: Quarterly high-level overview & recommendations.

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Budget Management

Setting and managing budgets based on business projections, actual & historical trends.

Actions:

- obtain company-wide budgets (accounts & cost centres) inputs into budgets (global & per business area)
- report on spend vs budget and highlight anomalies
- set-up cloud budgets including RI & savings plans & system hours of optimisation review
- Set-up & align budgets in OneView ™ with cloud native tooling.

Service Level Expectation: All business areas to have set cloud budgets, and tracking against it.

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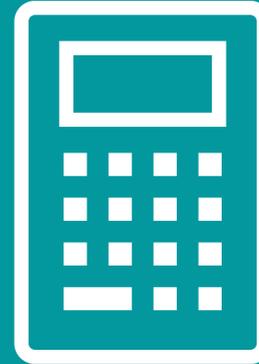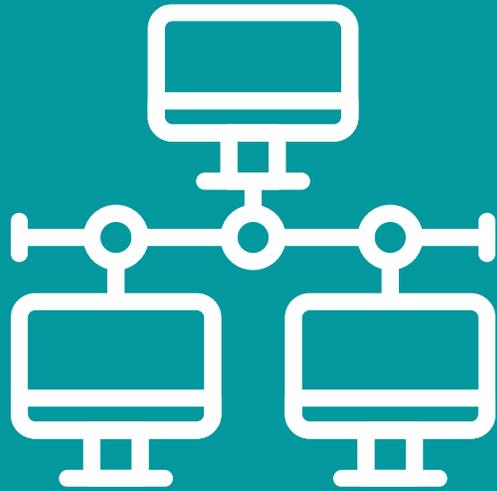
Financial criteria for Workload Onboarding

Process to onboard applications through financial viability and feasibility assessment criteria.

Actions:
- proving guidance on ensuring sign-off processes (including financial assessments) are completed prior to workload creation.

Service Level Expectation: 90% of all new workloads scoped and updated before migration, tracking throughout migration, reporting after.

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Recharge & IT Finance Integration

Monthly cost recovery reports/journals (integrated into SAP) to facilitate internal cost recoveries together with cost centre-level reporting. For costs that in carried by IT (i.e. not recoverable for a specific business area) putting in place a mechanism to proportion such costs as required (recharge model).

Actions:
- determine and action cost recovery mechanisms
- monthly SAP journal automated
- cloud owner spend reports

Service Level Expectation: 90% of all cost allocated to cost centres and reported on.

OneView®

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Case Study:

Telecoms Industry

When our client started their Azure Migration journey, they needed:

- Complete visibility of all their migrated resources and resource groups.

- To ensure roll-out is aligned with the approved migration budget and Azure cost Calculator.

- To monitor spend proactively to enable informed decision making.

During the Migration phase, OneView ™ assisted the client by enabling them to:

- Receive notifications as their subscriptions and resource groups were migrated to Azure, to align to the project plan.

- Easily track the spend and report back on approved budget, using the interactive dashboards and reporting.

- View and track their daily spend and project the cost on a per-business area or per-project basis throughout the migration.

After the migration process, the client used OneView ™ on an ongoing basis to:

- Proactively track their spend versus budget throughout the month, to avoid bill shocks.

- Easily recover cloud costs from internal business areas.

- Enable them to do trend analysis and forecasting.

- Detect anomalies and identify optimization opportunities.

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Case Study:

Telecoms Industry

Additional benefits of using OneView ™:

- Customizable spend and budget notifications.

- Allows for a single view into your multi-cloud environment.

- Scalable and secure SaaS platform.

- Different monthly licensing options to suit your cloud environment.

Since using OneView ™ in their environment:

- Consolidated view of Azure & AWS spend.

- Identified a 40% reduction in cost.

- Driving contract terms with Microsoft.

- Visibility and ability to recover costs internally.

Click here
to find out more

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