



Optimizing Your IT Budget with Effective Cloud Spend Management



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Cloud technology is everywhere in business today. It's seen everywhere from workload execution to application modernization. And while traditionally, the word "cloud" has been associated with infrastructure as a service (IaaS), that paradigm has changed dramatically in recent years.

As software as a service (SaaS) offerings have emerged and companies have begun to adopt more modern technologies, we've seen cloud start to branch out well beyond its old boundaries. IT leaders have begun using the cloud to tackle new business challenges.

Perhaps most significantly, we've seen the impact of cloud technology when it comes to reducing costs and enforcing regulatory compliance. As financial operations (FinOps) practices have evolved, companies have begun to use cloud-based frameworks and guidelines for tackling the real-life challenges that lie in front of them.

The keys to successful cloud spend management

To begin, it would be helpful to define the key terminology involved in managing cloud spend. Below are the important concepts to understand.

- **Financial Operations (FinOps):** According to The FinOps Foundation, FinOps is "an evolving cloud financial management discipline and cultural practice that enables organizations to get maximum business value by helping engineering, finance, technology, and business teams to collaborate on data-driven spending decisions."
- **Cloud Spend Management:** One of the key components of FinOps and as well as your overall enterprise cloud strategy, cloud spend management refers to practices that help you streamline and optimize your cloud spending. Cloud spend management helps you increase visibility and transparency, manage your cloud investment, improve compliance, and bolster the security of your company's data.

75%

of organizations are leveraging multi-cloud technology.

80%

of enterprises consider managing cloud spend to be a key challenge.

70%

of enterprises cite optimizing their cloud spending as a major goal.

\$17B

was wasted by organizations on unused cloud resources in 2020.

Cloud spend management involves using a set of tools, processes, and practices to manage your cloud infrastructure. Implementing cloud spend management practices will help your business avoid overbuying IT solutions or otherwise wasting your budget. It also gives you actionable insights into how your cloud use impacts your costs and ROI. The key to successful cloud spend management is to be able to monitor, measure, and analyze your spending patterns.

Why cloud spend management is a key concern

As multi-cloud technology starts to become the norm in business, CIOs are increasingly realizing that cloud spend management is a key concern. Consider the following survey data:

- 75% of organizations today are leveraging multi-cloud technology for remote work monitoring, operations management, and governance, according to Ernst & Young.¹
- 80% of enterprises consider managing cloud spend to be a key challenge, according to McKinsey.²
- 70% of enterprises cite optimizing their cloud spending as a major goal, also per McKinsey.³
- Organizations wasted \$17 billion on unused cloud resources in 2020 alone.

It's no surprise that businesses are rapidly embracing cloud spend management. Doing so helps them to accurately forecast their spending and allocate the right funds in the right places. More specifically, the core benefits of cloud spend management include:

- Consolidating and viewing spend data across the entire multi-cloud environment
- Setting up target billing limits for each billing cycle
- Forecasting cloud spending accurately
- Allocating cloud spending to the right places
- Understanding and limiting overhead costs
- Improving cloud utilization and reducing waste
- Increasing visibility, transparency, and accountability in cloud spending

Best practices for cloud spend management

There are many ways to reduce your business' cloud expenditure. They include identifying idle resources and eliminating them, freeing up storage capacity and leveraging storage tiering, aligning storage redundancy with requirements, reducing cross-zone or cross-region traffic, and optimizing network configurations. Additionally, your business can take steps to:



Zones cloud governance framework will reduce your cloud costs through continuous and autonomous cloud governance.

- Tag cloud assets across various platforms, devices, teams, and users
- Gain a better understanding of cloud utilization
- Gain visibility into patterns of resource consumption
- Get a handle on hidden and fragmented costs across multi-cloud and hybrid cloud architectures
- Deploy cost optimization tools and frameworks

How Zones can help

At Zones, we offer a comprehensive cloud governance framework that spans FinOps, SecOps, CloudOps, and more. Our approach enables you to mitigate risks, keep services running, enforce consistent policies, and avoid budget overruns. We will provide you with tools to manage your multi-cloud spend through a unified console. This includes auto-invoicing, usage transparency, and recommendations for smart usage.

Our cloud governance framework will reduce your cloud costs through continuous and autonomous cloud governance. It includes:

- Capacity optimization
- Cost governance
- Alignment
- Intelligent procurement
- Savings and discounts

Capacity Optimization

- Cost reduction, aka "rightsizing"
- Detect unused resources:
 - Ideal VMs
 - Unattached persistent disks
 - Unused disk snapshots
 - Disassociated IP address
 - Ideal load balancers
- Instance modernization

Cost Governance

- Billing
- Budget monitoring
- Cost and usage reports by cost center, project, etc.
- Cost allocation (showbacks and chargebacks)
- Spending anomaly detection
- Outlier analysis

Alignment

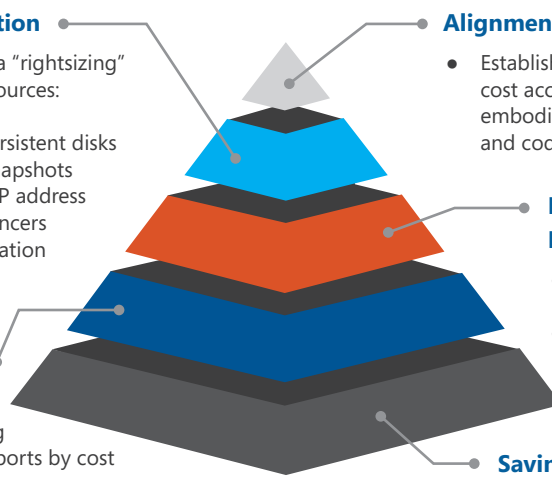
- Established culture of cost accountability that is embodied in policy, process, and code across all groups

Intelligent Procurement

- Spot instance scheduling
- Run-time management

Savings & Discounts

- Multi-year spending commitments
- Capacity reservations
- Usage discounts



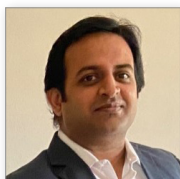
Introducing Zones Cloud Spend Management

Zones Cloud Spend Management is an AI-powered, next-generation, multi-cloud governance tool that empowers enterprises to rapidly achieve autonomous and continuous cloud governance. It is compatible with all major public and private cloud platforms (including Oracle, Google, Microsoft Azure, and Amazon).

It allows you to track your entire cloud budget in one place, while also delivering you real-time visibility into your spending. Additionally, Zones will provide you with valuable recommendations for right-sizing cloud resources by using the right services at the right volume at the right time. This is a cost-effective way to save time and money by monitoring your money without the hassle of invoices or spreadsheets.

Zones Cloud Spend Management not only helps reduce your operating expenses by simplifying the way you work with your cloud provider and consolidating your cloud services, but it also shows you how to optimize different spending levels. It does this by continuously measuring your resource consumption and recommending adjustments to maximize efficiency. It also shows you the costs of all your services and guides you through the process of budget management. You can create a budget for any time period and sign up for email alerts notifying you when you've exceeded your preset spending limits.

With Zones Cloud Spend Management, your organization can get the most out of its IT infrastructure investment. You'll achieve better cost optimization, total control, and clear visibility into your entire environment through a single pane of glass.



Amit Phadnis



Naveen Yadav

About the Authors

Amit Phadnis is a Cloud and Data Center Practice Lead at Zones. He has 18 years' experience delivering cloud and data center solutions and services for clients worldwide.

Naveen Yadav is a Cloud and Data Center Solutions Architect at Zones. He has 10 years' experience providing technical leadership for cloud computing and automation initiatives.

About Zones, LLC

At Zones, we have long worked with our clients to transform their approach to data management by investing in cloud technology. We offer a wide range of Cloud Assessments and Cloud Solutions designed to help organizations size up their environment and intelligently streamline their IT. With Zones Cloud Spend Management, we have an innovative new way for organizations everywhere to invest in cloud without breaking the bank.

If you're ready to optimize your cloud spending and drive increased efficiency across your entire cloud environment, then now's the time to act.

Connect with a Zones cloud expert today at ZonesServices@zones.com.

Corporate Headquarters

Zones, LLC
1102 15th Street SW, Suite 102
Auburn, WA 98001-6524

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SOURCES:

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