Ludicrous Speed

What You Can Do to Move Faster in the Cloud

George Hamilton

Senior Product Line Marketing Manager
CloudHealth by VMware

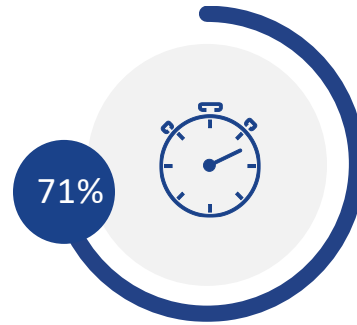# Are you prepared for cloud speed?

PREPARE FOR

LUDICROUS SPEED!!!

- Dozens, hundreds, thousands of software releases PER DAY

- Distributed teams want development and deployment autonomy

- Deployment of VMs, containers, and code across multiple clouds is non-standard, costly, and complex
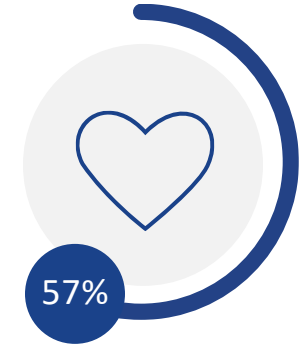
The Promise:

Speed, Agility, and Customer Delivery Drive Multicloud Adoption
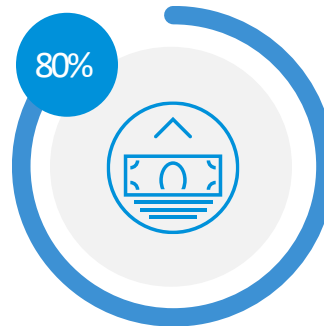
71%

Improve speed of service delivery

63%
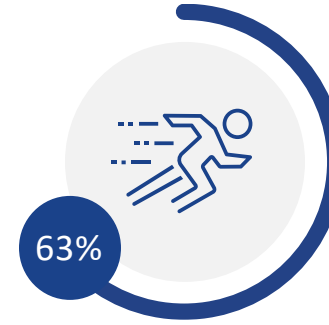
Flexibility to react to changing markets

57%

Improve customer support or services*

The Reality:

Operational Challenges Take Over

80%

Will overshoot their cloud IaaS budgets**

50%

Will accidentally expose data or services †

47%
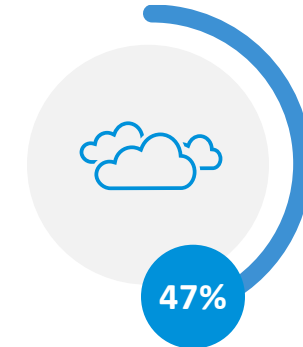
Do not optimize cloud workloads ‡

The Cloud Center of Excellence

Cloud Center of Excellence

Additional Stakeholders

ENGINEERING/
APP DEVELOPERS

LINE OF BUSINESS LEADERS

ENTERPRISE
ARCHITECT

AREAS OF
EXCELLENCE:

Cloud Financial Management

Cloud Operations

Cloud Security & Compliance

OWNERS:

CLOUD
ECONOMIST

CLOUD OPERATIONS MANAGER

CLOUD SECURITY
ARCHITECT

Gartner predicts that public cloud IaaS spend will exceed

$90B

b y   2 0 2 2 *

Source: *Gartner Forecast Analysis: Public Cloud Services, Worldwide, Published 3 June 2020
**Gartner, "How to Identify Solutions for Managing Costs in Public Cloud IaaS" Published 19 August 2019

Building a Successful Cloud Center of Excellence

Best practices for each phase

MATURITY

Financial Management

Operations

Security & Compliance

Visibility

Optimization

Governance & Automation

Business Integration

COLLABORATION

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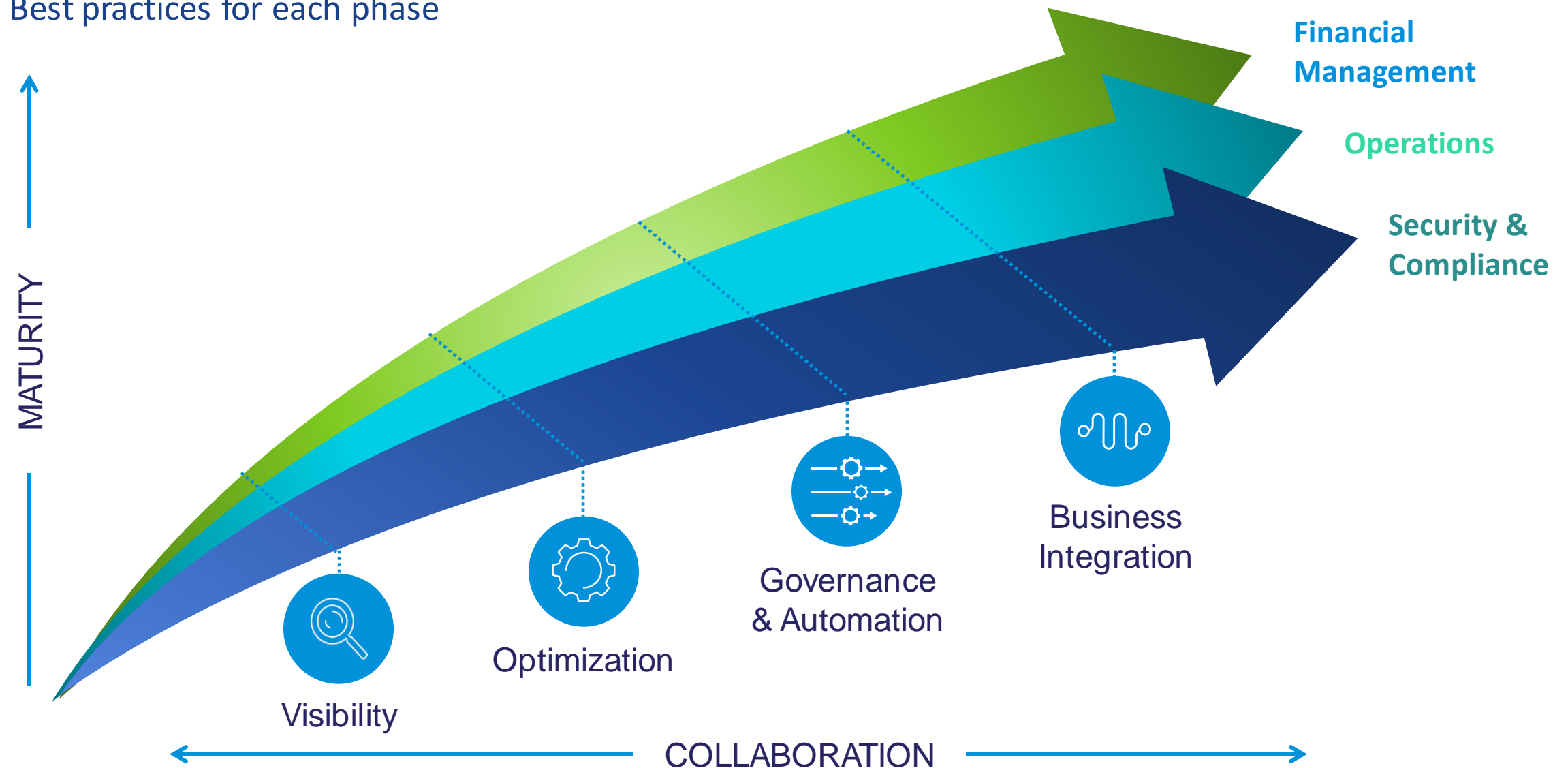
Development and engineering teams are not just being asked to deliver code faster, they're being asked to account for and manage cloud budgets

What is Cloud Financial Management?

Cloud Financial Management, also know as FinOps, is the practice of bringing together Finance, Technology, and Business to master the **unit economics** of the cloud **for business advantage**

The financial operating model for the cloud

A way of introducing accountability for cloud spend

A cultural practice that delivers financial and operational control

Source:

Visibility: Cloud Financial Management Best Practices

You' ready to enter this phase if...

- You don't have visibility into what groups are driving cloud spend
- You aren't sure why your cloud bill went up/down last month

Master this phase by...

- Building centralized visibility and common reports
- Implementing a consistent tagging strategy
- Aligning cost to business
- Driving accountability with showback or chargeback

KPIs to track

- Cost of all untagged resources ($)
- Percent of total bill charged back (%)
- Variance of budget vs. actual (%)
- Forecast accuracy (%)

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Optimization: Cloud Financial Management Best Practices
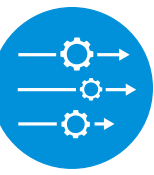
You're ready to enter this phase if...

- You already have basic cost visibility by team and resource

- You want to find ways to reduce and optimize cloud spend

Master this phase by...

- Maximizing commitment discounts (Reservations, Savings Plans, Committed Use Discounts)

- Staying current on resource types

- Rightsizing underutilized resources

- Democratizing and gamifying optimization

KPIs to track

- Percentage of infrastructure running "On-Demand" (%)

- Rightsizing savings ($)

- Efficiency improvement MoM (%)

- Effective per resource rate as a metric ($)

Automation & Governance: Cloud Financial Management Best Practices

You're ready to enter this phase if...

- You're performing optimization tasks, but they are all manual and ad hoc
- You are constantly reacting to out-of-the-box alerts provided by cloud provider native tools

Master this phase by...

- Defining financial management governance policies
  - Financial management
  - Cost optimization
  - Operational governance
- Automating policies as much as possible

KPIs to track

- Cost optimized over time ($)
- Cost optimized per policy over time ($)
- Time saved as a result of policies (Hours)
- Number of reservations automated (n)

Business Integration: Cloud Financial Management Best Practices

You're ready to enter this phase if...

- You have robust governance policies defined and have automated as much as possible

- You're ready to integrate cloud processes into business processes
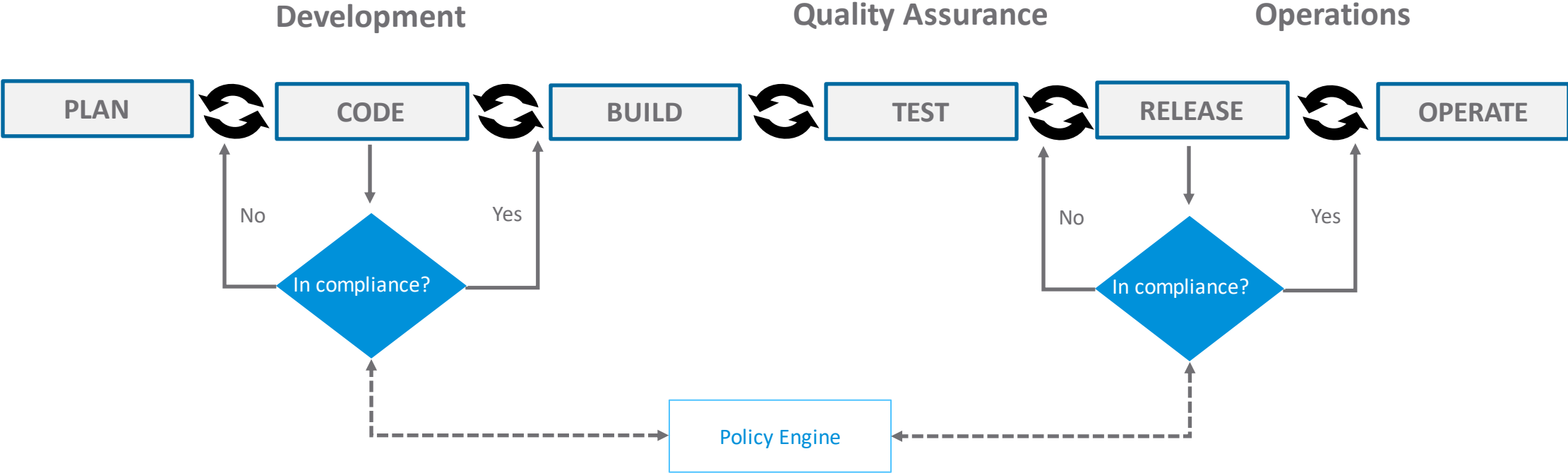
Master this phase by...

- Cross-organization optimization

- Automating financial reporting

- Integration to business context

- Aligning your financial management service with a Cloud Center of Excellence

KPIs to track (and prove your value!)

- Cloud spend as a percentage of revenue (%)

- Reduction in COGs over time (%)

- Cost per customer

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Integrate Cloud Governance in your CI/CD Pipeline

Development   **Quality Assurance**   **Operations**

| PLAN | | CODE | | BUILD | | TEST | | RELEASE | | OPERATE |

No → In compliance? → Yes

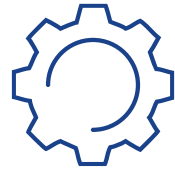No → In compliance? → Yes

Policy Engine

CloudHealth Multicloud Management Vision

REPORTING | DASHBOARDS | API

Financial Management

Operational Governance

Security & Compliance

PERSPECTIVES | POLICIES | AUTOMATED ACTIONS

INTEGRATED DATA LAYER

IAAS

CONTAINERS

PAAS

Simplify Financial Management: Report spend by cost center, drive accountability against budgets, and find opportunities to lower your cloud spend

Streamline Operations: Create custom policies that automate daily cloud operations, speed decision making, and reduce risk

Strengthen Security and Compliance: Report on vulnerabilities, proactively monitor, detect, and remediate risks in real-time

aws

Azure

Google Cloud Platform

vmware® CLOUD FOUNDATION™

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HYPERJET ENGINE STATUS

LIGHT SPEED

RIDICULOUS SPEED

▶ **LUDICROUS SPEED**

PLAID

Thank You

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