

QuickStart | Cloud Cost Control

For a variety of reasons, customers are not realizing the financial return expected from their migrations to the cloud. Recent surveys estimated the amount of cloud spend that is wasted is around 35%. Similarly, end users are having increasing difficulty tracking and reporting on cloud consumption levels for reporting and chargebacks

Strategies to minimize cloud waste and optimize cloud usage

There are many strategies and tactics to enable cost efficient use of cloud resources without disrupting the inherent benefits of cloud usage – speed to market, variable costing and access to current technology.

The key is to put the right guardrails in place to enable users while at the same time enforcing cost-effective use of cloud services

CHALLENGES FACING CLOUD CUSTOMERS

Digital transformation can create positive proliferation as cloud is used to deliver results faster and more flexible and scalable. However, cloud also introduces a new set of challenges. Many companies are not fully realizing the expected business value, especially from a cost perspective.

The following are some key factors that are contributing to cloud waste:

- Cloud is disrupting operating models
- Use of multiple public clouds compounds complexity
- A constant stream of new instance types and services, which limits standardization
- Limited visibility into what applications cost in the cloud leading to ‘sticker shock’¹
- Complex monthly cloud bills that can be millions of lines long make it difficult to understand usage
- Difficulties understanding and leveraging favorable pricing models and discounts
- Ease of procurement and limited controls over provisioning exacerbate cloud sprawl
- Lack of tools to deploy automated policies and controls to systematically minimize cloud waste

¹shock or dismay experienced by the potential buyers of a particular product on discovering its high or increased price.

KPMG CLOUD COST MANAGEMENT DIAGNOSTIC

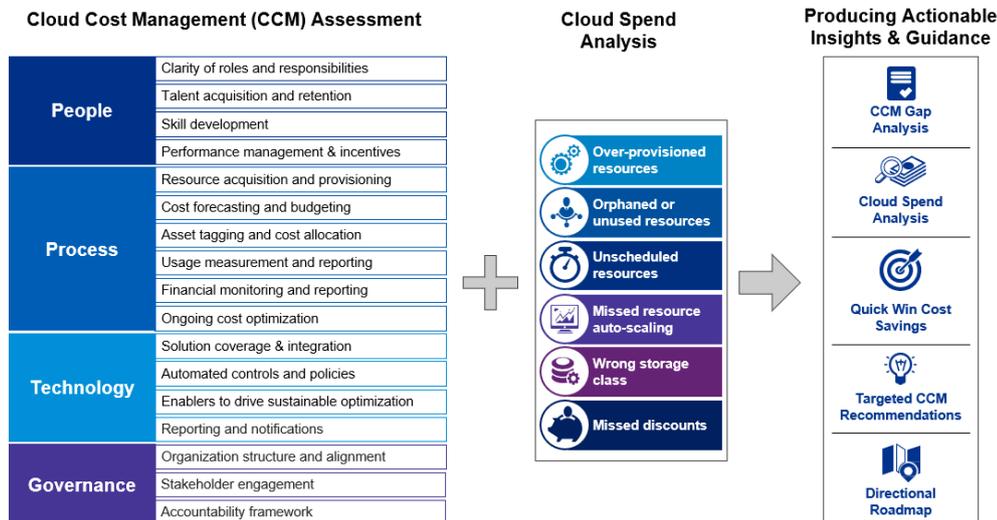
KPMG offers a cloud cost management maturity assessment, focused on people, process, technology & governance. This, in combination with a cloud spend analysis to help you understand current gaps in your cloud cost management practice and the potential magnitude of the optimization opportunity .

KPMG has a number of technology alliances that can be leveraged for the detailed spend analysis and we can use a combination of tools native to your cloud provider and KPMG internal analysis tools.

Cloud Cost Management Diagnostic | Our Approach

Our approach to evaluating cloud cost management seeks to diagnose and advise on the optimal way to run workloads already in the cloud and consists of the following two phases:

1. Evaluate current cloud cost management activities against standard and industry-leading practices.
2. Conduct a detailed cloud spend analysis to help validate the cloud cost management evaluation and to identify quick win cost savings opportunities.



WHAT ARE THE OUTCOMES?

KPMG will produce five deliverables for the project focused on empowering organizations to make immediate cost savings decisions as well as build a successful CCM (Capability Maturity Model) function for the long term.

1. Quick Win Cost Savings

- Specific, actionable steps that an organization can take to reduce its cloud spend waste.
- These can vary from specific compute instances that can be downsized to potential reserved instance strategies.

2. CCM Gap Analysis

- A comparison of the current Cloud Cost Management (CCM) function from a people, process, technology and governance perspective against standard and industry leading practices.
- This comparison will help drive insights into specific focus areas for the CCM function.

3. Cloud Spend Analysis

- Insight into your current public cloud use (utilization levels, spend) and trends by cloud provider, service type, business unit, top 10 users, project.

4. Targeted CCM Recommendations

- Clear recommendations for improving the current CCM function. Recommendations based on the CCM Gap Analysis and Cloud Spend Analysis.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

5. Directional Roadmap

- A high level roadmap for instituting leading practices for cloud cost management.
- The roadmap focuses on both short term and long term priorities based on the results of CCM Gap Analysis and Cloud Spend Analysis while taking into account your desired future state.

TIMELINES

The objective of our QuickStart is to provide you with an overall financial insight of both the benefits / value of your cloud implementation; area's of improvement and hard cost savings where possible within 7 weeks (depending on organisation size) :

Cloud Cost Management Diagnostic	: 3 weeks
1. Quick Win Cost Savings 2. CCM Gap Analysis 3. Cloud Spend Analysis 4. Targeted CCM Recommendations 5. Directional Roadmap	: 4 weeks

LET'S TALK

Would you like KPMG to support you in controlling your cloud costs ?
Please contact one of our specialists for an introduction.

Contact us

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