



slalom

# Azure FinOps

The Operating Model  
for Financial Success  
in Azure

# Azure Financial Management - The Journey

Irrespective of where an organization is on their Azure Financial Management journey, Slalom brings expertise to establish clarity, accountability, and financial governance to truly realize the value of Azure.

## 01 Azure Finance Strategy

- Understand your Azure total cost of ownership and business case
- Formalize your approach to Azure value realization

## 02 Azure Cost Optimization

- Get visibility into Azure costs and track against business case
- Leverage cost-saving strategies to reduce Azure spend

## 03 Azure FinOps

- Evolve your Azure financial operation to make Azure costs visible and predictable
- Empower teams to make real-time, data-driven decisions for Azure value realization

# Azure FinOps: Common Pain Points

Moving and expanding footprints in Azure is presenting organizations with a host of multi-faceted challenges that they are not well positioned to solve on their own.



## No Visibility & Predictability

- How can I get more **visibility** into where my Azure costs are coming from?
- How can I make my Azure costs more **predictable**?



## Accountability & Culture Change

- How can I push **accountability** for Azure spend to the edges of my organization?
- How can I show teams and stakeholders how their applications and activities **impact** Azure costs?



## Best Practices & Priorities Unclear

- What are the **best practices** around tools, technologies, and processes for Azure cost optimization and operationalization?
- Which products or applications should I **prioritize** for **modernization** to drive costs down and maximize return?



## Confusing Azure Pricing

- Am I maximizing my use of Azure service provider **discount opportunities**?
- Are my cloud services and environments **configured cost-effectively**?



## Lack of Financial Governance

- How do I **implement** Azure financial governance and controls with my existing teams?
- How do I **empower** my teams to make informed, cost-effective Azure architecture and design decisions?

# Azure FinOps: Slalom Capabilities

Slalom has a comprehensive set of capabilities to solve Azure Financial Management challenges for organizations.

## Azure Waste Remediation & Consumption Optimization

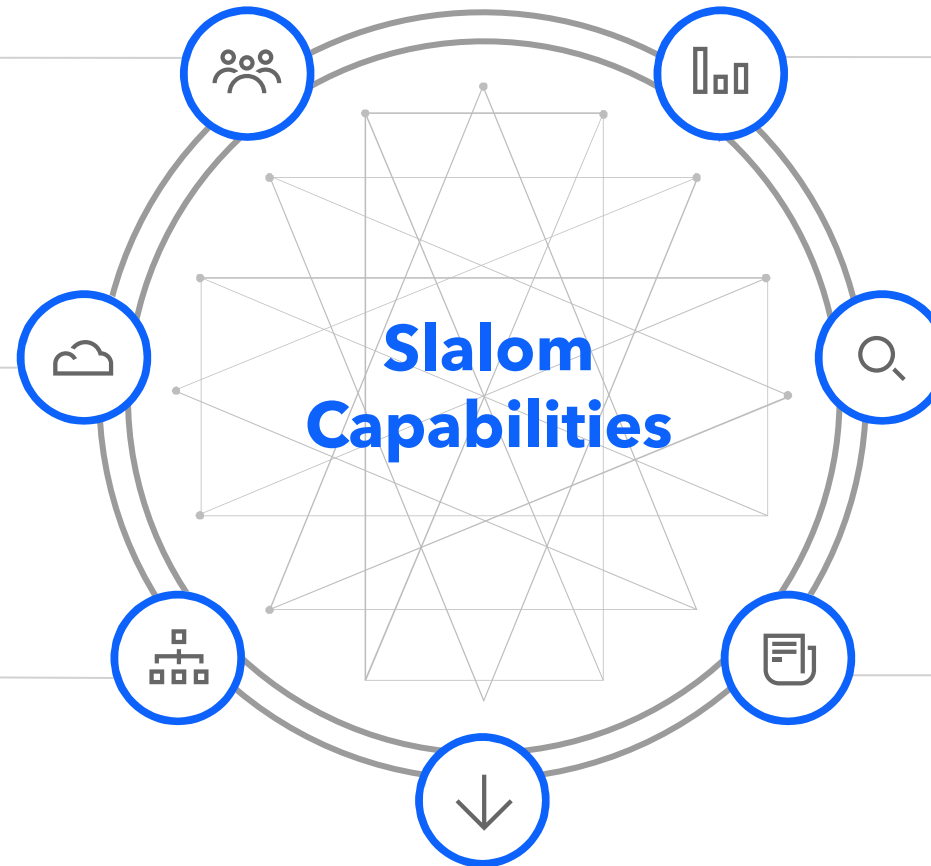
- Report underutilized & unused resources
- Resource rightsizing and scheduling
- Analysis and forecast of committed use

## Azure App Modernization & Architecture Assessment

- Azure Architecture & Design best practices
- Workload Assessment and Optimization
- App prioritization for modernization

## Advanced Data & Analytics, BI, Data Visualization

- Azure cost transparency gap analysis and tooling recommendations
- Real-time tracking using data analytics
- Better data models for financial forecasting



## Cost Attribution Strategy Design & Implementation

- Resource label standardization & compliance
- Resource hierarchy & inventory assessment
- Cost attribution across multiple dimensions

## Azure FinOps Maturity Assessment, Design and Activation

- Crawl-walk-run road-mapping
- Cross-functional governance, org alignment
  - Culture shifts for financial success

## Processes to Operationalize Cost Management Best Practices

- Evolved budgeting & forecasting
- System for chargeback/showback
- Define and enforce best practices/standards

## Azure FinOps Talent Strategy, Learning & Training

- HR Enablement for FinOps
- Role-based learning journey mapping



# Azure FinOps Engagement Approach



# Slalom's Azure FinOps Maturity Strategy Workshop

Slalom enables clients to create structural abilities that empower and educate people at all levels to make cost effective choices and decisions. Together, we can identify high value opportunities and plot the course forward.

## Objectives



Identify opportunities and risks to cloud financial management efforts



Establish overall FinOps capability maturity and major gaps in current model



Identify opportunity areas for accelerated FinOps maturity refinement

## Focus Areas

- **Strategy:** Understand the organization's approach to managing cloud costs to develop an approach in building a FinOps friendly org structure.
- **People:** Determine skill gaps and identify opportunities to educate team members and optimize ways of working to support FinOps in the organization.
- **Technology:** Identify opportunities for cloud technologies to enhance accountability, clarity and control with cloud spend.

## Workshop Expectations

### Slalom:

- Bring FinOps SMEs and robust industry knowledge to facilitate a targeted & interactive workshop.
- Provide guidance on and assessment of current transformation and cloud adoption capability areas.

### Client:

- Engaged participation from key business leaders from Finance, Procurement, IT, and Operations.
- Bring stakeholders who understand existing finance and operations processes across the organization and are invested in future state maturity.

## Potential Outcomes

- **FinOps Best Practices:** Develop a better understanding of FinOps best practices and technological dependencies to successful Financial Management (e.g. tagging standards).
- **Opportunity Areas of Focus:** Prioritized list of efforts to build a FinOps friendly org structure.
- **Azure Spend Reporting Guidance:** Identification of cloud tools to leverage and/or key activities to perform to support real-time analytics and decision-making.
- **Talent Requirements:** Identify key skills and requirements to support the adoption of a FinOps capability.

# Slalom's Azure FinOps Maturity Assessment

Slalom has a comprehensive and meaningful Azure FinOps maturity assessment model that helps clients get insight into where they are in their journey and what they need to do to get to the next level.

### Governance

This set of questions will help your organization assess existing cross-functional cloud budget and cost management, cloud cost policies and controls, vendor procurement and contract management, financial metrics governance definitions & approval process.

### Capabilities

This set of questions will help your organization assess existing capabilities, tooling, cost estimations, etc.

4. How is the Cloud budget managed across business units (BUs)?

Process: Cross-Functional Cloud Budget

1 - Crawl - There is no clear budgeting process.

2 - Walk - Cloud budget is defined and managed.

3 - Run - Cloud budget is defined and managed, but not consistently.

4 - Fly - Cloud budget is clearly defined and managed.

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24. Can Business Unit teams track and report on their Cloud cost actuals?

Process: Cost Allocation / Chargeback / Showback

1 - Crawl - BU teams have zero insight into their Cloud cost actuals.

2 - Walk - BU teams have limited access to their Cloud cost actuals.

3 - Run - BU teams have access to their Cloud cost actuals.

4 - Fly - BU teams have automated access to their Cloud cost actuals.

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### Metrics and Accountability

This set of questions will help your organization assess cost visibility, reporting, financial metrics governance, benchmarking, committed discounts, cost variance.

48. What % of Cloud cost is allocated to business units and domains?

Process: Metrics Current Value: % Cost Allocation

1 - Crawl - Should be able to allocate costs to business units and domains.

2 - Walk - Should be able to allocate costs to business units and domains.

3 - Run - Greater than 80% of spend is allocated to business units and domains.

4 - Fly - Greater than >90% of spend is allocated to business units and domains.

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### Structure

This set of questions will help your organization assess the overall current org structure and org structure for FinOps.

46. Is there a dedicated FinOps function or team?

Process: Org Structure: FinOps Function

1 - Crawl - No FinOps function or team.

2 - Walk - Some teams are doing FinOps manual but effective processes.

3 - Run - Centralized or decentralized FinOps function.

4 - Fly - Mature FinOps function with cross-functional collaboration across the organization.

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### Ways of Working

This set of questions will help your organization assess current culture of transparency, data-driven decision making, fail-fast, learn & innovate, rewards and recognition.

39. Does the current culture encourage failing fast, learning from mistakes and innovating new more effective solutions?

Process: Culture: Fail-fast, Learn, Innovate

1 - Crawl - Failure is unacceptable and usually results in formal action.

2 - Walk - Only some teams understand the importance of failing fast. Usually, this is present among agile mature teams.

3 - Run - Most teams that operate hands-on in the cloud embrace a fail fast culture, allowing for quick innovation.

4 - Fly - The organization, from the CEO all the way down, and across all departments, understand and embrace the culture of failing fast. The organization knows that failure is critical to learning and growing business, as well as its people.

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Standardization  
Talent Readiness and Training  
Futuristic Technology Readiness  
Tools/Automation/System  
Cost Impacting Processes

## 1.57

Capability Score

State: **Crawl**



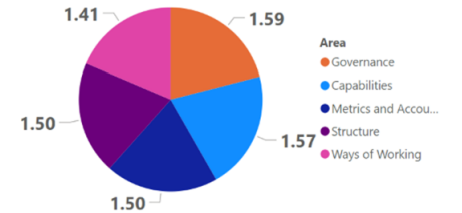
Focus Areas:

Cost Impacting Processes

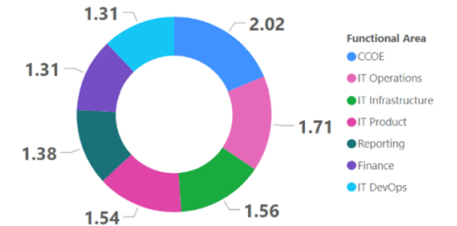
Tooling / Automation

Talent Readiness & Training

Score by Area



Score by Function





# Azure FinOps Maturity Strategy Workshop

## BUSINESS NEED

Client is needing guidance on how to best manage their Azure spend. Slalom will conduct a workshop to understand client's current financial management practices and make key recommendations to improve their Azure costs. Areas of focus will include people, team interactions, technical processes, tools currently being used, and current historical Azure spend.

Slalom will work with key client stakeholders to **Discover, Design, and Deliver** an 8-hour workshop aimed at providing the client team with a strong understanding of FinOps best practices and a high-level plan to accomplish their Azure Cost Management goals.

Client stakeholders across functions will take a **FinOps Assessment Survey** during Week 1, answering questions spanning FinOps topics like Principles, Governance, Processes, Technology, Tooling, Talent Readiness, Culture, Metrics, Accountability.

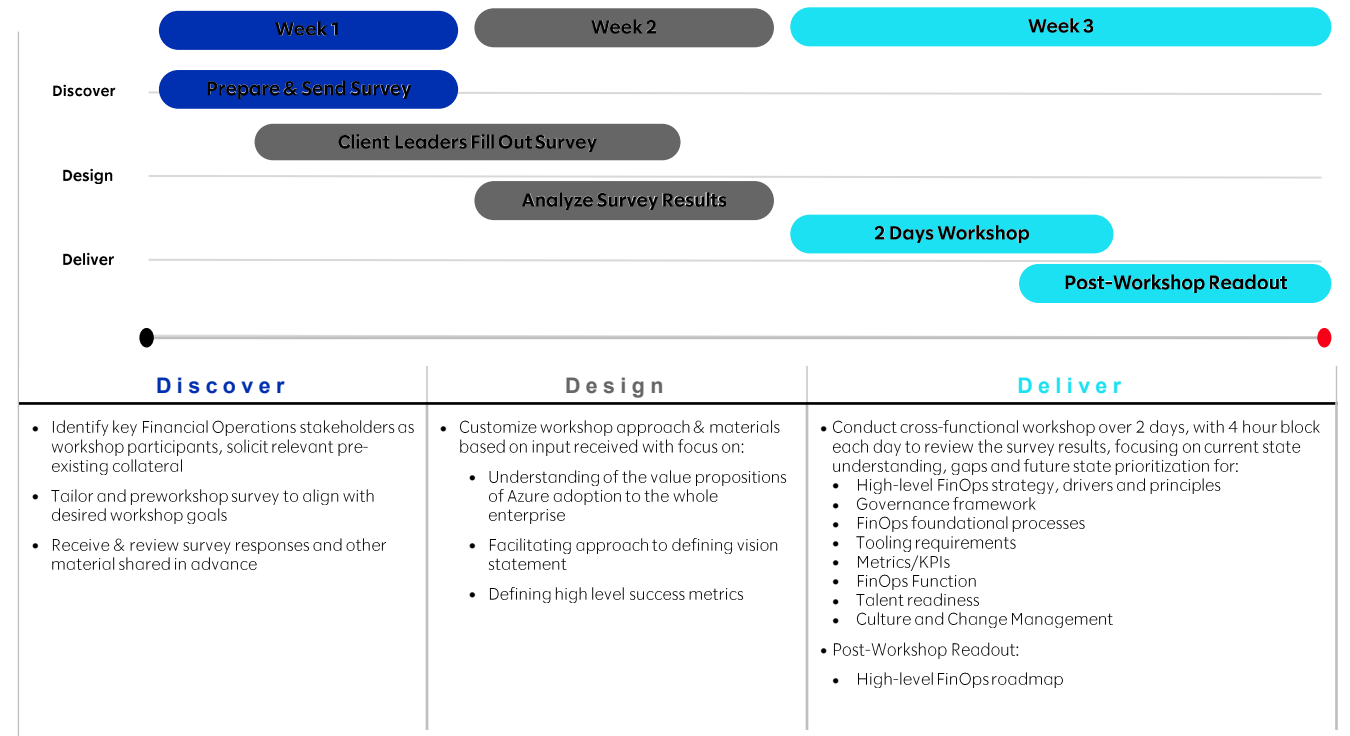
The workshop will be comprised of **Slalom SMEs** who specialize in FinOps and Azure adoption, and the session will focus intentionally on critical elements of:

- Azure Finance Strategy
- Azure Cost Optimization
- Azure FinOps Operating Model

By the end of the workshop, stakeholders should have an understanding of their crawl-walk-run journey to achieve financial success in Azure, specifically:

- Why is Azure FinOps important
- What are FinOps best practices and how to implement them
- How to make modernize ways of working effectively
- How to approach a Proof-of-Concept plan for targeting specific challenges

## APPROACH



## ASSUMPTIONS

- The workshop will be directionally correct and will need to be refined as key inputs are gathered during Discovery
- Client provided information will be trusted; will not be validated prior to workshop
- Client stakeholders (and partners) across multiple organizations will be required to participate in the workshop with up to 8 persons per workshop
- Does not include stakeholder persona mapping, analysis, activation roadmaps, or tactical execution level materials



## Who Should Attend?

**Recommended:** 2-3 leaders each from

- Finance
- Operations
- Procurement
- Platform/Infrastructure
- Security
- Networking
- Application Development
- Product Management

**Optional:** 1-2 SMEs each from

- PMO
- Change Management
- HR



# Client Success Stories



# Azure Financial Management Impact Delivered to Clients across Industries



Life Sciences

**\$450k**

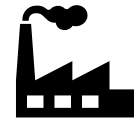
In annual savings



Retail

**\$7 Million**

In annual cloud spend  
saved



Manufacturing

**\$60k/mo.**

Savings identified per  
month



Travel

**\$6.1 Million**

In annual cloud spend  
saved

Investing in Azure Financial Management has the potential to produce a quick, and substantial ROI.

# Enabling Cloud FinOps in Azure

FinOps | Azure | Power BI

## Why

A large supermarket client in Canada, initially encountered challenges when migrating applications to the cloud, experiencing a significant and unexplained increase in OpEx costs. Senior leaders struggled to control these costs due to a siloed organizational culture and lean teams. Their attempt to create Power BI dashboards internally for spending analysis faced difficulties and stalled. A data breach incident further hindered their efforts to manage costs and governance.

Recognizing the need for a solution, the client brought in the Slalom team and aimed to unite teams, establish financial operations (FinOps) governance, and gain control over cloud spending. Cost optimization and predictability became paramount goals. They also identified tagging as a foundational issue for cost management and lacked cost governance for cloud deployments.

INDUSTRY: RETAIL AND CPG  
SLALOM CONTACT: POONAM BHARGAVA

## What

After a series of workshops and a maturity assessment, Slalom divided the project into three workstreams: 1) FinOps operating model and change management, 2) FinOps tool creation for cost visibility, forecasting, 3) Architectural improvements with tagging as a critical focus. The discovery phase assessed FinOps maturity and scoped the project. In the design and pilot phase, three high-spending pilot teams were chosen, an operating model was designed, dashboards were created, and tagging issues were remediated. Slalom brought siloed leaders together to align on how application teams would collaborate with Finance and Business Partnership teams to forecast their Cloud spend based on business and technology drivers, and also on inserting cost approvals in their Cloud deployment processes. cost governance processes.

The persona-based dashboards enabled different roles within the organization to analyze costs and initiate valuable discussions. Change management efforts included a FinOps SharePoint site and a newsletter for sharing best practices. Forecasting capabilities were integrated into dashboards, involving collaboration between application teams, business partnerships, and finance to identify cost drivers.

## Wow

As a result, the client gained improved visibility and understanding of their cloud spending. With the help of the Slalom team, they successfully broke down the budget into multiple applications, enhancing cost tracking.

At the end of the engagement, Slalom created a roadmap to guide the client in expanding and maturing the solution across the whole enterprise. Consideration of future work in cost optimization is underway. This first FinOps project was fully funded by Microsoft, and the Microsoft sponsor is currently seeking additional funding for phase two.

The client is now able to achieve alignment across different leaders within the organization and has a structured approach to cost governance and management, addressing previously unmet needs.



# FinOps Workstream

A large Oil and Gas client wanted to create a well governed and sustainable culture of cloud financial accountability that enables lines of business to maximize business value and promote cost-efficiency in support of delivering innovative solutions to their customers



## The Context

- The client had been a cloud first organization for several years but achieving its IT objectives with cloud had become difficult.
- As a result, Slalom was enlisted to conduct a discovery program to understand the gaps in the client's cloud strategy and recommend workstreams to immediately work on.
- The workstreams identified were DevSecOps, Cloud Operating Model, FinOps and Hybrid Multi-Cloud.
- The FinOps workstream would mature the client's FinOps processes, governance and measurability for improved and timely decision making, driving financial accountability and maximizing value from cloud investments



## The Team

- Slalom: FinOps Lead, FinOps Analyst, FinOps SME
- Client: Cross-functional leaders from CBO, Finance, Product Management, Application Teams,

## The Work



**Charter:** Define the FinOps mission, vision and objectives



**Governance Framework:** Create FinOps governance model



**Process Maps:** Create and/or update FinOps process to be implemented as part of the new FinOps operating model



**Pilot Plan:** Design and run FinOps Pilot Program based on select new/updated processes



**Vendor Assessment:** Analyse and recommend FinOps Tooling



**Integrated Change Impact Assessment & recommendations:** Includes ShowBack and communications

## The Impact



- 5 revamped cloud financial management processes
- New FinOps tooling chosen and in the process of implementation
- Greater clarity on FinOps practitioners' roles and responsibilities
- Automation of FinOps data collection and analysis in flight. It is already reducing workload on FinOps SME
- New Showback process approved will leading to better enterprise visibility into cloud financial performance
- Mandatory resource tagging incorporated into new DevSecOps pipeline to streamline data input and compliance



Industry: Retail

# Cloud FinOps and Cost Optimization

435+

Projects' billing data analyzed

5%

Cost savings within 8 weeks

19%

Projects identified as unattended

11

Cost-reducing process improvements

## Focus on FinOps

With migration to Cloud well under way and trending over budget, a large retail company sought expert advice to get visibility into their spend, make cost-effective design decisions, and create better governance to increase accountability and minimize the unnecessary spending.

## Current vs Desired State

Slalom partnered with the client's Cloud Platform, Engineering, Architecture, Product, Procurement, and Finance teams to get insights into their Cloud bills, architecture, design and infrastructure deficiencies, as well as their FinOps organization structure, governance model, cost-impacting metrics and processes.

By providing technology and operating model expertise, Slalom was able to conduct a gap analysis to help the client see the direction they want to drive towards.

## Drive Success & Fundamental Shifts

Over the course of the engagement our team helped streamline processes and drive governance

Examples of success include:

- **Process improvements** to report on under utilized and unused resources, which should be reviewed for resizing or deletion
- **Robust resource level strategy** to enable client to shut down non-prod environments when not in use
- **New Metrics and Governance Model** introduced to increase visibility of Cloud spend and utilization at all levels of the organization for effective mitigation
- Educated client leadership on why a **Central FinOps function** is critical for financial success in Cloud
- **Culture shifts** to encourage everyone to take accountability of spend, instead of a selected few

Finally, Slalom partnered with the client to generate a **prioritized backlog** for teams to be able to take meaningful and immediate action.

**Point of contact:** [Poonam Bhargava](#)

Industry: Financial Services

# Cloud FinOps and Cost Optimization

4

Applications analyzed and remediated

9.4%

Cost savings within 8 weeks

7.2%

Further cost saving projected with recommendations made for future implementation

8

Foundational FinOps Op Model elements implemented

## Focus on FinOps

After migrations to Cloud were completed without any attention to Cloud costs, and with spending trending over budget, a large financial services company sought expert advice from Slalom. They were not sure where to start. Slalom helped them baseline their Cloud spend, understand how to make cost-effective design decisions, and create a culture of spend accountability with the application and other teams.

**Point of contact:** [Poonam Bhargava](#)

## Current vs Desired State

Slalom partnered with the client's Cloud SRE, Application Development, Architecture, DBA, and Finance teams to get insights into their Cloud bills, architecture, design and infrastructure deficiencies, as well as their FinOps organization structure, governance model, cost-impacting metrics and processes.

By providing technology and operating model expertise, Slalom was able to conduct a gap analysis to help the client see the direction they want to drive towards.

Slalom also provided cost optimization recommendations and did hands-on remediation resulting in an immediate 9.4% reduction in Cloud spend.

## Drive Success & Fundamental Shifts

Examples of success include:

- **Cost optimization** by reducing excessive logging, and rightsizing oversized Managed Instance Groups and shared Kubernetes clusters
- **Robust labeling strategy** to enable client to shut down non-prod environments when not in use
- **Cost allocation model** measuring app level shared cost either based on direct consumption level or on business logic like % direct cost or revenue
- **Process improvements** to mitigate under utilized and unused resources, and to forecast per app
- **New metrics and governance model** introduced to increase visibility and optimization of Cloud spend
- Educated client leadership on why a **Central FinOps function** is critical for financial success in Cloud
- **Culture shifts** to encourage everyone to take accountability of spend, instead of a selected few.
- Started **FinOps newsletter** and created **role-based FinOps training** recommendations.

Created a **prioritized FinOps backlog** for teams to be able to take meaningful and immediate action.

Industry: Technology

# Creating a Cloud Cost Optimization & Billing Center of Excellence

Financial Cloud Management | Cloud Operations | Cost Management | Billing & Invoicing

## Why

The Cloud Operations Center of Excellence team (for a cloud service provider) provided services and capabilities to assist their strategic customers with high touch, high-value cost optimization, and billing support. The CoE team engaged with these customers to ensure that they were well informed on governance, tooling, and strategy around cloud operations and cloud cost management. This enabled the customers to reduce their cloud spend through cost management efforts and alleviated field sellers' pressure by addressing customers' questions and needs. The CoE managed these interactions allowing the field teams to focus on driving additional cloud usage and revenue while providing consistent and valuable direction.

## What

Slalom leveraged our cloud expertise to analyze cloud spend data and identify common customer pain points related to current consumption and forecasted cloud usage. The team developed a customer engagement workflow and easy-to-digest dashboards and workbooks to make recommendations for savings and efficiency opportunities. Slalom also developed deep relationships with cloud product development teams to drive feature additions and enhancements.

Also, Slalom developed a proof-of-concept and rolled out a self-service solution to enable customers to download their cloud usage data using API's. This unblocked their IT teams' and enabled the delivery of CFO and Finance dashboards.

## Wow

Based on Slalom's work, the Center of Excellence team provided a self-service RI recommendation dashboard to the field sellers and cloud specialists, enabling them to have proactive conversations with their clients. Also, they created a cost optimization framework and analysis, which led to increased quality relationships, engagement, retention, and goodwill.

The Center of Excellence team bridged the gap between customers and cloud product teams, allowing these customers a direct voice into feature roadmaps.

Industry: Automotive

# Cloud Cost Optimization

## Focus on Cost Optimization

With this migration well under way and trending over budget, a large automotive company sought guidance from an experienced Cloud Architect who could dig in with the finance team and with engineering teams to **focus on Cost Optimization, raising visibility and reigning in unnecessary spending.**

## Enhance and Explore

Slalom partnered with the client's Cloud BizOps team to **quantify and enhance existing savings programs and to explore new options.** By providing cloud expertise and engineering support, Slalom has expanded the scope of saving initiatives and increased the level of automation in delivering reports to key stakeholders.

## Drive Success

Over the course of the engagement our team has helped streamline processes and drive governance.

Examples of success include Process improvements to the RI purchasing program, new "Cost Optimization Potential" reports for each Budget and Account targeting areas of potential savings, and detailed Aging Asset reports which highlight aging resources which should be reviewed for deletion. All of this has enabled the team to drive communication with Finance to make sure that spend and optimization remain visible and actionable, and we are helping generate backlogs for each team to review with cost saving options and priorities

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**1 000+**

accounts  
analyzed

**\$6MM**

In new  
reservations

**\$60,000/mo.**

Additional savings  
identified per month



An aerial photograph of a dark asphalt road that winds through a dense, lush green forest. The road has white dashed lines in the center and solid lines on the edges. A small white car is visible on the road in the lower-middle section. The forest is composed of many tall, thin trees, likely conifers. The overall scene is vibrant and natural.

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**Thank you**