

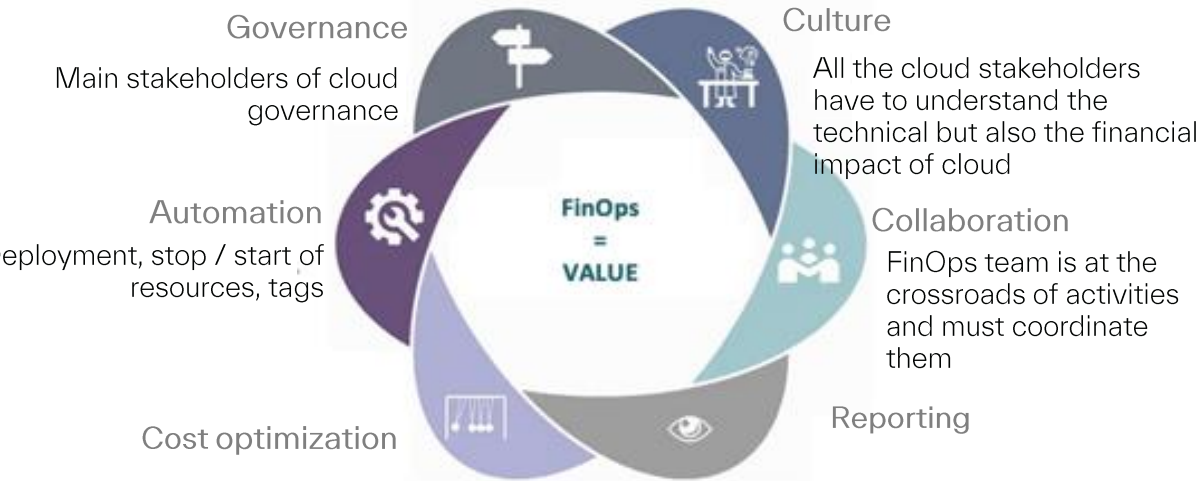
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**Kyndryl 2-Weeks Rapid
Assessment for Cloud Cost
Optimization**



FinOps Framework

FinOps is an evolving cloud financial management discipline and cultural practice that enables organizations to get maximum business value by helping engineering, finance & business teams to collaborate on data-driven spending decision.



- Cloud FinOps is the **management of Cloud spending by breaking down the silos** between Technical, Functional, Finance and Purchasing teams.
- Cloud FinOps is how to drive a **change in the culture** of Cloud Financial Management, like DevOps has been for project management.
- It is also the **promotion & animation of good practices and financial engineering strategies** within the organization.

Key FinOps Challenges

Clients express concern over control and predictability of the cost of Cloud

Security / governance

90%

of IT execs admit they're unable to effectively monitor IT spend¹

80%+

Enterprises that note security is major cloud challenge²

Cost

~20%

Typical cloud spend budget overspend²

100%

Variance in cloud spend month-to-month¹

Tools / talent

100+

Management tools in the market to choose from¹

60%+

Enterprises don't have skills / people to manage estate (and need external support)²

Productivity

~50%

Developer time spent on non-dev work¹

3+

FTEs manually aggregating operations data¹

As a result, cloud adoption slows/stalls and innovation suffers.

Why Cost Optimization?

“Today more than ever Organizations **MUST** optimize cost to navigate new economic headwinds (like inflation) without compromising growth” --Gartner

As a leader (business, IT, finance or transformational) are you struggling with:

Cost Reduction vs **Cost Optimization**

Overspending & **No insights**

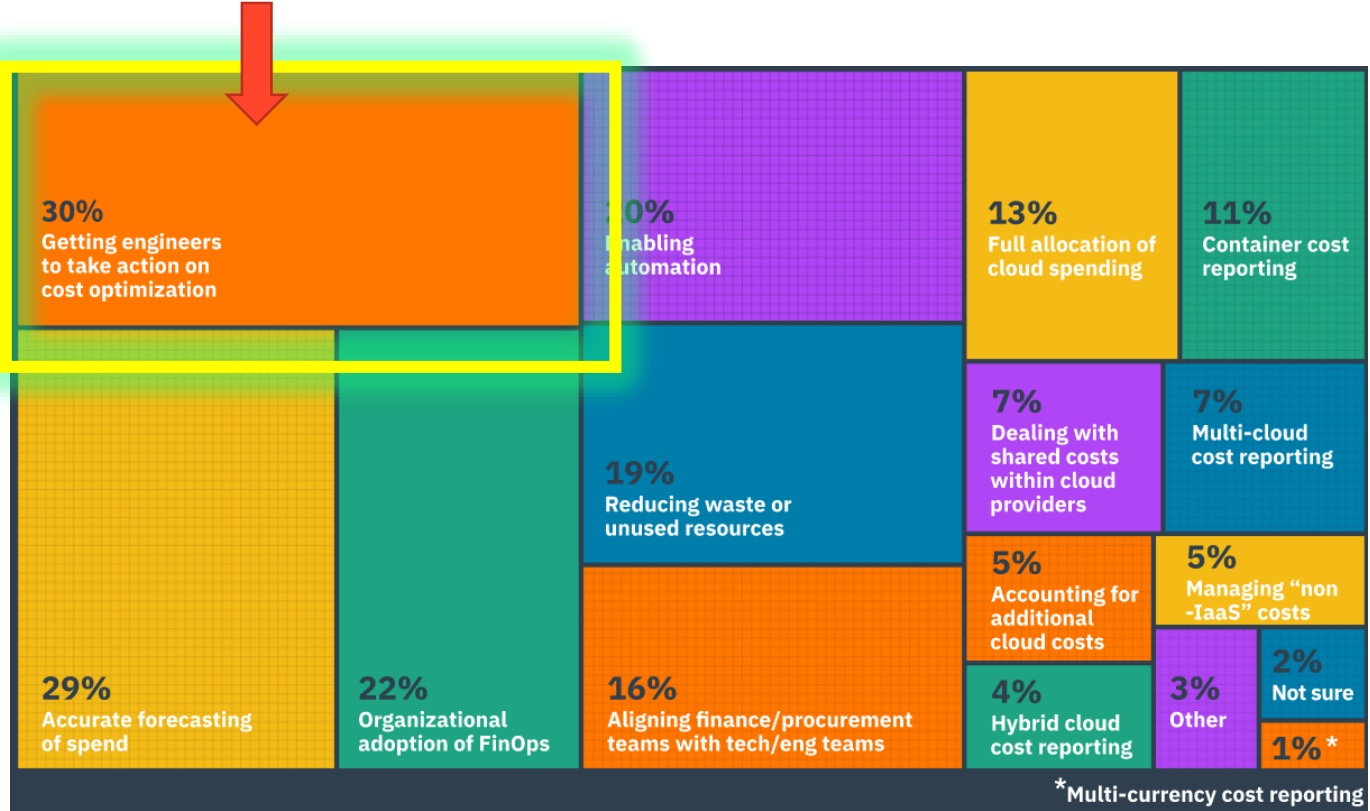
No visibility on technology spend vs business value

Technology spends **accurate forecasting**



Key FinOps Challenges

Our Accelerator (rapid assessment) addresses the biggest FinOps pain point: Cost Optimization



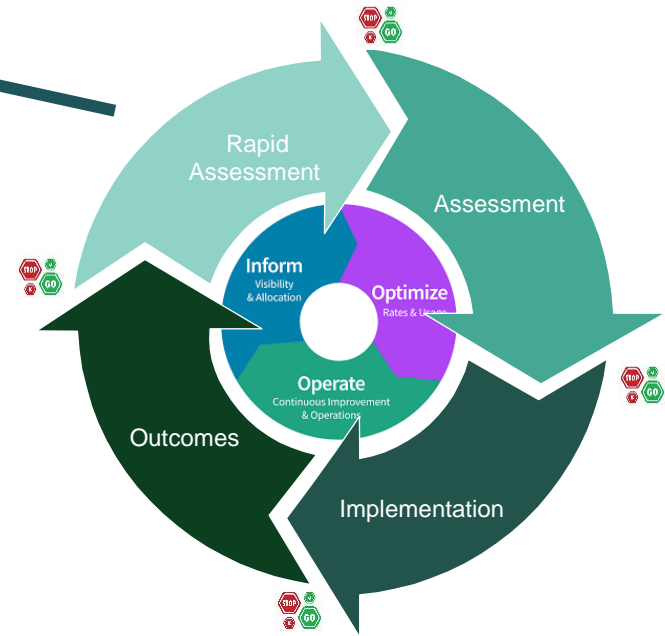
Cost Optimization Accelerator

For immediate value, we start with a rapid assessment and then expand efforts for a more strategic approach across your business/technology landscape.

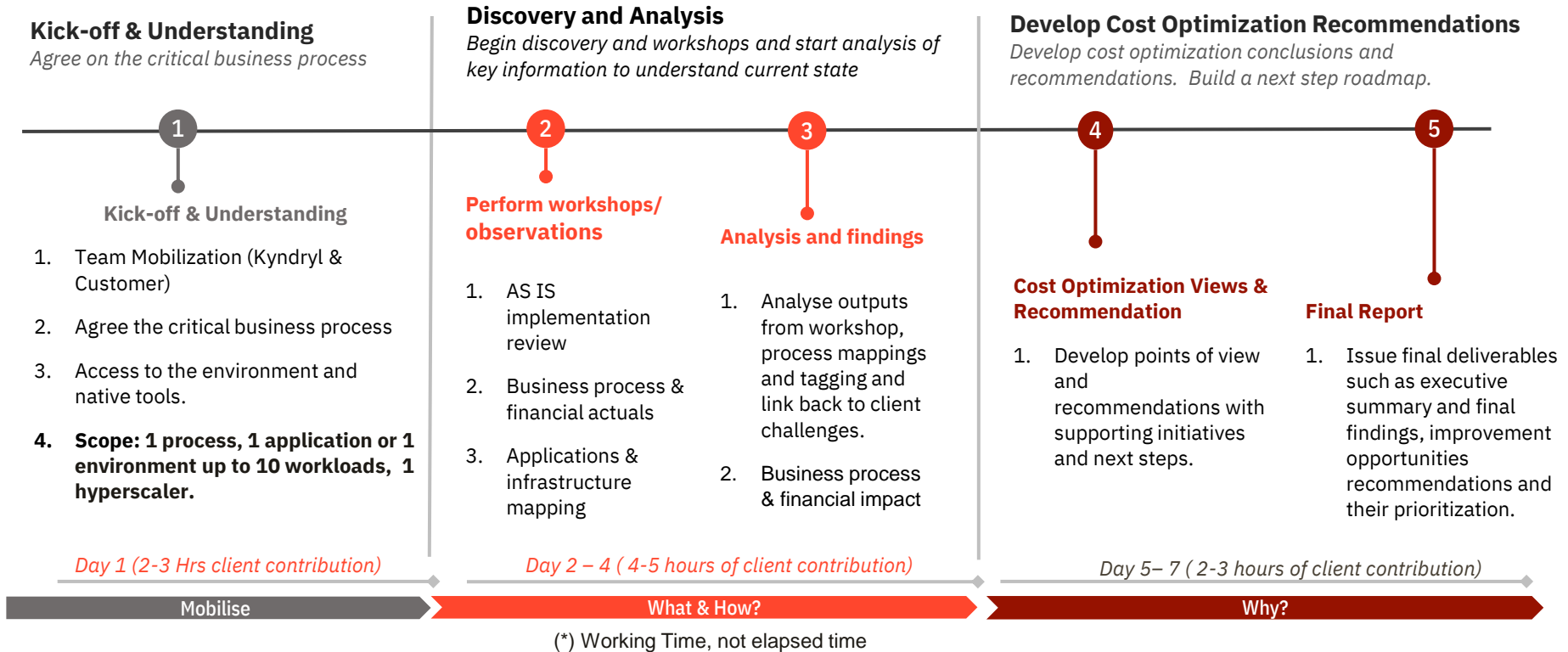
Rapid Assessment (60 hours)

Inform + Optimize

- Define **Scope**
- Spend **tracking & reporting** by business process or application
- Identify areas of **waste/overspending/cost saving potential**
- **Cost optimization** recommendations and their prioritization



Pre-Assessment timelines & activities



Client Participants – Executive Sponsor, Application SME and Cloud Operations SME
Kyndryl Participants – Cloud Consultant, Cloud Architect.

Sample Output for Cost Optimization Reports

Business Unit	Month 1	Month 2	Month 3	Trend
Holden Caulfield	\$ 1,000,000	\$ 1,000,000	\$ 1,200,000	↑
Katniss Everdeen	\$ 1,000,000	\$ 760,000	\$ 780,000	↑↓
Harry Potter	\$ 800,000	\$ 660,000	\$ 630,000	↓
Hester Prynne	\$ 300,00	\$ 330,000	\$ 400,000	↑
Hamlet	\$ 120,000	\$ 200,000	\$ 175,000	↓
Ebenezer Scrooge	\$ 120,000	\$ 127,000	\$ 128,000	↑
Ishmael	\$ 115,000	\$ 96,000	\$ 95,000	↓

Category	Instances	Annual Savings Projection	Instances actioned on	Annual Savings Realized
EC2 Instance Rightsize	2000	\$1,700,000	800	\$1,700,000
EC2 Instance Shutdown	600	\$2,500,000	100	\$500,000
EBS - Delete Asset	20	\$1,000	1	\$11.00
RDS - Shutdown Asset	200	\$2,000,000	116	\$1,400,000
RDS - Downsize Asset	60	\$200,00	27	\$50,000
Instance generation upgrade	400	\$500,000	14	\$20,000
RI Recommendation	800	\$600,000		
Doc DB - Termination	X DB Clusters & Y nodes	\$180,000	X DB Clusters & Y nodes	\$8,000
Doc DB - Right Size	30DB Instance	\$200,000		
Recommended		\$10,000,000	Total Realized	\$5,000,000

- 456 Assets recommended to Deletion
- 123 New added for the month with an estimated savings of \$31,411 per month.
- 423 Assets recommended to Rightsize
- 95 New added for the month with an estimated savings of \$8,398 per month

EC2 Deletion recommendations

BU	Instance Count	Projected Savings
Holden Caulfield	290	\$120,000
Harry Potter	44	\$35,000
Hamlet	53	\$17,000
Katniss Everdeen	39	\$14,000
Ebenezer Scrooge	11	\$6,000
Hester Prynne	10	\$5,000
Ishmael	3	\$400
Piggy	6	\$0
Grand Total	456	\$200,000

EC2 Rightsizing recommendations

BU	Instance Count	Projected Savings
Holden Caulfield	202	\$8,000
Harry Potter	72	\$5,000
Hester Prynne	5	\$5,000
Katniss Everdeen	17	\$4,000
Ebenezer Scrooge	47	\$3,000
Ebenezer Scrooge	59	\$3,000
Hamlet	15	\$650
Piggy	5	\$100
Ishmael	1	\$25
Grand Total	423	\$30,000

kyndryl Note: the costs depicted here are only representative

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- 134 Assets recommended for Shutdown including prior month's
- 26 New added for the month from the billing report with an additional estimated savings of \$11,935 per month.
- 8 Assets recommended to Rightsize including prior month's
- 3 New added for the month with estimated savings of \$912 per month

RDS Shutdown Recommendations

BU	Projected Savings	Instance Count
Ebenezer Scrooge	\$2,000	6
Ishmael	\$500	2
Holden Caulfield	\$10,000	38
Katniss Everdeen	\$5,000	25
Hester Prynne	\$1,000	6
Hamlet	\$5,000	11
Piggy	\$2,000	6
Harry Potter	\$13,000	35
	\$5,000	5
Grand Total	\$45,000	134

RDS Rightsizing Recommendations

BU	Projected Savings	Instance Count
Holden Caulfield	\$715	2
Hamlet	\$600	5
Piggy	\$300	1
Grand Total	\$1,700	8

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Possible Next Steps after Cost Optimization Accelerator

Complete
Environment
Assessment

Reference Documentation & Requirements

Required Documents

- Application Logical Architecture Diagram and documentation
- Cloud/Infrastructure Architecture Diagram and documentation
- Application and Infrastructure components mapping documentation
- Existing Cloud Resources billing and cloud advisor tool recommendation
- Existing Tagging Strategy Documentation
- Existing FinOps best practices, guidelines, operating model details
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Accesses & Tools

- Azure Cost Management and Billing
- Azure Monitor
- Azure Advisor
- Azure Reservations
- Azure Virtual Machine Scale Sets
- Azure Blob Storage Lifecycle Management

Case Study - Large North America Retailer

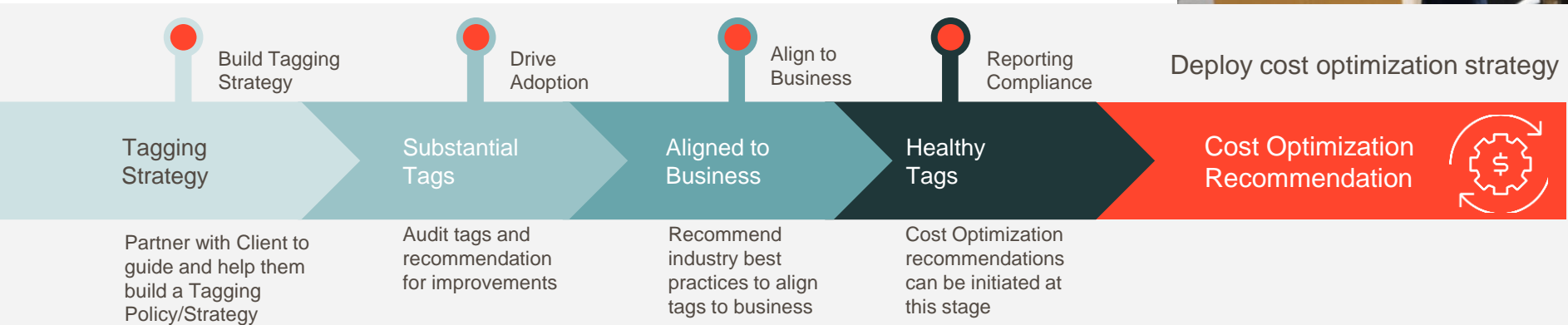
Cost attribution strategy helped client gain visibility into their public cloud consumption. Expedited month-end cost allocation and rolling forecast/budget.

Problem Statement

Customer was struggling to understand the cost spread across the organization and business units. Most of their cloud cost were categorized as unknown as there were very minimal information available on tags (the gap was 94% assets did not have any tags).

Benefits

- Able to achieve tag coverage from ~ 6.25% to 92.58% with at least one tag per asset
- Coverage for top 5 tags in-focus is improved from 0.05% to 84.47% for one of the tags, other have also improved significantly from their previous state



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Thank you

