

## FinOps

Drive financial accountability and cost-conscious culture at the intersection of finance, business, and technology

### Highlights

- Proactively manage cloud spending
- Bring financial accountability and predictability to cloud costs
- Break down silos to increase cost-conscious culture
- Manage spending and usage for multiple clouds at scale

Managing cloud costs can be complicated. In traditional IT financial management, consumption was controlled by a centralized, capital expenditure (CapEx) procurement process. However, this model is restrictive, and businesses are looking to innovate at the pace necessary to remain competitive in today's digital world. In addition to the fundamental change from CapEx to operational expenditures (OpEx), the consumer-driven nature of cloud creates a situation where traditional, centralized financial governance processes are often bypassed. In exchange for convenience, ease of use, and faster innovation, they're sacrificing control.

It's easy to overspend on cloud services. Constant changes in pricing models, variable pricing, and a lack of standardization in cloud billing make it difficult to budget and forecast for your organization's unique requirements. And with consumption driven by the users themselves, accountability can be sporadic. In this new, cloud-enabled world, costs tend to be managed reactively. If the business doesn't respond, the result can be significant wasted spending. Reactive cost optimization is a cycle that tends to repeat itself, leading to stagnant innovation and uncertainty about the ability to manage cloud as the business need it to be.

A new way of working is needed. That new way of working is called FinOps, driving sustainable and systemic change in the way we manage IT usage and spending.



## The Kyndryl Approach to FinOps

Kyndryl™ FinOps is designed to optimize your cloud investments by bringing together financial, technical, and business functions to drive financial accountability and create a cost-conscious culture in your enterprise. Our solution will help you achieve the desired business outcomes of digital transformation by leveraging the expertise, experience, proven methodology, and assets of Kyndryl to help your business sustainably manage spending and usage for multiple clouds at scale.

Kyndryl puts emphasis on the importance of transparent visibility in creating awareness and driving the cultural transformation, and on the systemic changes needed to operationalize FinOps for the long term. Our approach begins with a diagnostic assessment and helping establish stakeholder alignment by developing a case for change and the roadmap to success. With stakeholder commitment and the roadmap in hand, we work with you to traverse the journey to FinOps.

The Kyndryl FinOps engagement framework is designed to develop a sustainable FinOps capability, with the flexibility to meet you wherever you are on your journey to cloud and adoption of FinOps. We draw from our experience to encourage best practices, like building support early in the program through the adoption of the FinOps operating model with a pilot group of users in a common cost center—a pilot that both proves the business case and provides insight into the sustainability of the target operating model.

**Kyndryl works with you to build your FinOps capability.**

### What is FinOps?

FinOps brings together IT, finance, and business teams to accomplish organizational goals and bring financial accountability and predictability to cloud costs.

#### When FinOps is working:

- Engineers and finance teams act together, breaking down silos
- A cost-conscious financial culture is evident throughout the organization
- Visibility into spending is transparent, shared, clearly understood, and always available
- Users are empowered to embrace agile experimentation with reasonable budgets
- Spending is predictable
- Optimization is continuous



**We advise.** We help you identify the current state of your FinOps maturity and where you need to be. We provide design and planning services to help you understand how to get to the desired state.



**We implement.** In an iterative fashion, we help deploy the systems and adopt FinOps processes and best practices into your enterprise.



**We continuously improve.** Once the FinOps model is defined and adopted, we continue to monitor and optimize the solution, ensuring that your organization is always getting maximum value.



**We continuously operate.** Depending on the requirements of your unique environment, we offer various levels for continuous operation of the FinOps operating model.

## FinOps from Kyndryl in action

- Realize up to **30%** savings by consolidating visibility and optimization of costs across multiple providers.<sup>1</sup>
- A food distributor saw an **85%** reduction in lead time to verify allocated costs by **85%**<sup>2</sup>

## Why Kyndryl?

Kyndryl has deep expertise in designing, running, and managing the most modern, efficient, and reliable technology infrastructure that the world depends on every day. We are deeply committed to advancing the critical infrastructure that powers human progress. We're building on our foundation of excellence by creating systems in new ways: bringing in the right partners, investing in our business, and working side by side with our customers to unlock potential.

- Purpose-built, value-based modern operating model focused on business outcomes
- Certified practitioners with knowledge and practical experience with public and private cloud, and FinOps
- IP-led FinOps solutions co-created with customers

## Next steps

To learn more about how Kyndryl can help you boost the value of your cloud spend, contact your Kyndryl representative or visit us at [Kyndryl.com](https://www.kyndryl.com)



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The performance data and client examples cited are presented for illustrative purposes only. Actual performance results may vary depending on specific configurations and operating conditions.

1 *When Do Cloud Savings Start to Kick in?*, FinOps Foundation, 2022

2 *BRF Global, Kyndryl*, October 2021

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