

How to Bring Managed FinOps Services to Your Customers

A Guide for Enabling Your Customers' Cloud Financial Operations Journey



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Introduction

As a managed service provider (MSP), reseller, or consultant, your customers rely on your expertise in all things cloud. But they need more than technology to receive a return on their cloud investment. Customers require a holistic approach to their cloud financial management. This ensures that they are using their cloud budget efficiently and can continually optimize their cloud spend, and that cloud usage is driving business value over time.

The question for you then becomes: What can you provide for your customers to help them optimize costs, standardize operations across the organization, and drive better business decisions at every step of their cloud journey?

The answer is FinOps. As cloud costs become an increasingly material expense, FinOps is gaining momentum as a critical initiative within organizations.

FinOps, short for Cloud Financial Operations, combines data, organization and culture to help companies optimize their cloud spend. This approach aligns advanced cost management metrics with business metrics, such as revenue and profit; development schedules, requirements, and costs; business units and operations; growth projections; long-term analysis; and more. FinOps gathers stakeholders from the C-suite as well as leaders across technology, finance, and business to examine the data and make informed decisions that tie cloud usage to the objectives of the business.

Anyone can potentially implement FinOps. Yet although it's starting to gain traction, many IT organizations haven't started down the FinOps journey yet. It's not because they don't have the need, but often because they may not yet understand the value of FinOps or have the skills and the technology to implement it.

This presents an opportunity for MSPs to lead the way.

Today, many MSPs already provide cost optimization services as part of their customer cloud engagement. To serve customers that want to mature their cost optimization practices, FinOps is a must-have offering that MSPs must be prepared to bring to

market. FinOps provides a unique opportunity for MSPs to deliver a strategic, differentiated offering in the increasingly competitive cloud services sector. A FinOps service offering also enables MSPs to further increase customer satisfaction and traction while deepening long-term relationships with customers and their businesses.



Those who want additional resources and training can

seek them through the [FinOps Foundation](#), a program of The Linux Foundation “dedicated to advancing the discipline of cloud financial management through best practices, education, and standards.”

The more tools and education you have at your disposal, the more successful your FinOps practice has a chance to be. This white paper will guide you through why you should get started and several steps you can take as a service provider to initiate a FinOps practice and bring value-add cloud financial management services to your customers.

In this white paper, we’ll cover:

- ✓ The 5 major benefits that FinOps service offerings can bring to your business**
- ✓ The 6 Principles of FinOps and how to use them to your advantage**
- ✓ The 4 essential keys to FinOps success**
- ✓ The 1 toolset you need to bring FinOps to your customers**

The 5 Major Reasons to Bring Managed FinOps to Your Customers

FinOps is primed for outsourcing to an external party, either in part or in full. This is because FinOps requires unique strategic expertise, facilitation between disparate groups within an organization, leveraging of transferable learnings from other organizations, and a data-driven approach to monitoring success. These concepts all make FinOps an ideal program that MSPs can drive.

To remain competitive in the coming years, it is imperative that you understand best practices around FinOps and can bring them to market.

Why add FinOps to your portfolio of managed services? Here's what's in it for you — and what it takes to truly see results:

1. Deliver greater value to your clients

FinOps principles are designed to drive deeper overall cloud savings and cost optimization through more intense focus, better strategy, and greater collaboration. Naturally, this is where it all begins: adding to your toolkit to give your customers something new and useful.

But FinOps is about more than optimizing costs and finding discounts. Enhancing your cost management services with FinOps powers a high-value strategy of delivering more efficient cloud services, leading to improved business results.

2. Become customers' go-to strategic partner

Bringing high-value services to clients is only part of the equation. You need to show clients that only you can be that valuable resource for your customers by offering your unique perspective and expertise.

FinOps requires strong cross-functional alignment, executive engagement, and a business strategy with a focus on cloud operations and growth. With this alignment in place, you can make deeper, longer-lasting connections with more stakeholders across the enterprise, increasing the likelihood of further growing client relationships over time.

3. Create more confidence in the cloud

Concerns about unexpected overruns and the ability to optimize costs remain key barriers to cloud migration. As a result, bringing cloud financial management best practices to customers is tough to do when they still have so many questions about whether the cloud is right for them.

Driving FinOps practices provides better cloud visibility and more meaningful levels of savings. These insights can help alleviate stakeholders' fears, which can encourage them to move more workloads to the cloud even faster. By explaining key concepts around cloud finances to clients, you can serve as a resource to ease the transition from on-prem to the cloud.

4. Easily attract and retain talent

People are the lifeblood of any business, and they are one of the first investments you should consider when implementing new service offerings like FinOps.

Enabling key talent to learn and demonstrate new methodologies like FinOps creates stronger employee engagement and satisfaction for MSPs themselves. With FinOps built into your service portfolio, you can create a path for advancement for current employees and open the door to recruit finance and cloud experts.

5. Differentiate your business in the marketplace

As more and more businesses enter the cloud services space, creating differentiated service offerings is increasingly important to attract new customers. FinOps presents you with the opportunity to engage new and existing customers with unique value propositions and methodologies.

However, FinOps is more than another offer to add to your services menu. It requires decision-makers and team members in your organization to cultivate a deeper understanding of cloud financial management, combined with messaging and strategy that align with your clients' business needs. When all of the above pieces come together, you stand out by demonstrating your position as a thought leader, showcasing your team's expertise, and helping the customer achieve success on their cloud journey.

The 6 Principles of FinOps... and How You Can Play a Role in Each

For many organizations, FinOps is becoming more of a must-have than a nice-to-have. But they can't do it alone.

Effective FinOps requires strategic expertise in cloud finance and operations, facilitation between disparate business functions, and a data-driven approach to measuring success. MSPs can help their customers with each of these aspects as they implement FinOps oversight and level-up their cloud financial management.

FinOps is based on six key principles (as defined by the FinOps Foundation). These principles can be approached in any order, and all must work in tandem for a robust FinOps practice. MSPs can become an essential partner with their clients as they work together to achieve the goals of the FinOps principles.

The 6 FinOps Principles:



1. Everyone takes ownership for their cloud usage



2. Teams need to collaborate



3. A centralized team drives FinOps



4. Decisions are driven by business value of cloud



5. Take advantage of the variable cost model of the cloud



6. Reports should be accessible and timely



1. Everyone takes ownership for their cloud usage

When everyone shares the responsibility of managing cloud spend, individual teams must track and manage their own cloud usage against their budget. MSPs can help customers follow best practices that bring increased visibility into their cloud spend – at both macro and micro levels.

MSP Service Checklist:

- Establish, monitor, and evolve accountability metrics and KPIs
- Define best practices, governance, and workflows around cloud utilization, optimization, and anomalies
- Facilitate gamification practices, such as leaderboards, to promote accountability
- Map all cloud usage and costs to appropriate cost centers via advanced tag management strategies
- Forecast impact of business decisions on future cloud infrastructure needs and cost



2. Teams need to collaborate

FinOps brings together finance and cloud operations teams, including IT and engineering, to continuously improve cloud governance. MSPs can help foster this collaboration by ensuring that all users have access to the right information and controls for their cloud environment.

Collaboration Checklist:

- Offer always-on dashboards for cloud costs and utilization aligned with business defined metrics, with the ability to view and analyze granular costs
- Establish training programs to help stakeholder groups develop a common language and understanding of FinOps
- Organize ongoing meetings with FinOps core and extended team members to discuss trends, performance, and opportunities for improvement



3. A centralized team drives FinOps

While everyone should be responsible for their cloud spend, there is still a need for leadership. A centralized team guiding FinOps practices provides cohesive governance that can help cloud practitioners across all relevant business functions understand the variable costs of the cloud and take responsibility for their cloud spend.

Team-building Checklist:

- Work with customers to identify cross-functional FinOps contributors inside and outside the organization
- Create a FinOps Center of Excellence (or integrate it within the organization's Cloud Center of Excellence) to disseminate best practices, performance assessments, and training
- Conduct initial and continued training on FinOps principles and processes
- Review business outcomes with the FinOps team on a regular basis



4. Decisions are driven by business value of cloud

Once the FinOps team members have been selected, they need to make decisions that tie the value of the cloud to the organization's business goals. As part of this process, this team will also analyze costs, develop benchmarks that drive best practices, and determine the overall performance of FinOps efforts.

Decision-making Checklist:

- Define key business metrics for cloud performance and track unit economic trends over time
- Perform gap analysis to determine missing data inputs and create recommendations to remedy existing gaps
- Develop performance metrics and utilization thresholds for all systems and projects, and assess tradeoffs and resource sharing opportunities against speed, cost, and quality (i.e., the FinOps "Iron Triangle")
- Track cloud performance improvements and tie them back to their impacts on business outcomes (e.g., customer satisfaction)



5. Take advantage of the variable cost model of the cloud

The cloud presents unique opportunities to your customers in terms of capacity planning. As their service provider, you can help customers make more informed decisions around cloud cost optimization and resource utilization to get the most out of their cloud investment.

Cost Management Checklist:

- Utilize MSP subject matter experts to guide customers' cloud purchasing and management based on FinOps best practices
- Maximize value by utilizing MSP's centralized cloud volume buying power
- Provide cloud management tools to optimize discount purchase opportunities, such as committed use discounts (e.g., reserved instances, spot instances, and Savings Plans)



6. Reports should be accessible and timely

MSPs have a variety of cloud management solutions at their disposal and should generate reports from the data that these tools collect. Giving customers this information, in easily consumable reports, brings insight and visibility into their resource utilization and provides a fast, consistent feedback loop to drive efficiency in their cloud practice.

Reporting Checklist:

- Create and deliver reports in near-real time to break down cloud spend, cost allocation, resource utilization, security and compliance data, and more
- Determine the appropriate cadence for reporting and accessibility based on industry best practices and customer needs
- Survey stakeholders on a periodic basis to ensure that reporting addresses business needs and provides actionable recommendations

The 4 Keys to FinOps Practice Success

How can you get started bringing FinOps to your customers? Here are the “keys” you’ll need to unlock this new service offering.

#1: FinOps Expertise

Ensure that you have the capability to bring strategic and practical FinOps guidance to your customers

Provide your team with the right training, certifications, and expertise to effectively guide customers on their FinOps journey.

#2: Tailored Messaging

Know how to deliver the right message to the right customer

Make sure that your message aligns with the client’s business and cloud journey, so that they understand the value that only you can deliver.

#3: Effective Communication

Foster collaboration with key business, finance, cloud, and engineering leaders as well as other relevant stakeholders in the customer’s organization

Help stakeholders define and gather the right metrics to support their business objectives and share a common language around FinOps.

#4: Actionable Insights

Share reports and insights that detail cloud costs and resource utilization, to reassure customers that they are being wise with their cloud costs

Take a deep-dive into costs and demonstrate the value of the cloud to your customers with cloud management tools.

CloudCheckr for MSP FinOps Practices

Driving an effective FinOps strategy requires systems, best practices, and cultural alignment between disparate business and IT functions, underscored by a data-driven approach of the FinOps journey.

CloudCheckr, part of Spot by NetApp, supports the FinOps journey. The CloudCheckr cloud management platform works alongside complementary capabilities from the Spot portfolio. Together, they deliver critical cloud cost visibility, intelligent insights, and continuous optimization that are essential to a robust FinOps practice — all without the operational complexity or management burden for MSPs.



We're with you every step of the FinOps journey

Ready to see how we can help you build a comprehensive FinOps practice? Learn more at cloudcheckr.com, and **reach out** to begin a conversation with one of our reps.

About CloudCheckr

CloudCheckr, now part of Spot by NetApp, gives organizations control of their cloud. CloudCheckr proactively analyzes cloud infrastructure to deliver a unique level of visibility, insight and automation to better manage and reduce costs, make infrastructure more secure and in compliance and optimize resources in use. Thousands of enterprises, managed service providers and public sector organizations rely on CloudCheckr to help manage and govern over \$4 billion in annualized spend for their complex cloud environments. For more information, visit [CloudCheckr.com](https://www.cloudcheckr.com), connect with CloudCheckr on [LinkedIn](#) or explore the [CloudCheckr Resource Center](#).