The Ultimate FinOps Cheat Sheet

Getting started with FinOps and need a quick guide?

We've got your back! See our tips for launching your FinOps strategy below.

Map your existing usage

Get visibility

To get visibility into what your cloud needs will be, you'll need to map your usage. Find out:

- Who are your users?
- Who are your stakeholders?
- What cloud resources are being purchased?
- What agreements have been made between your company and your cloud vendor/vendors?
- What are the needs of your engineering team?
- What are their cloud use cases?
- How accustomed are they to working in the cloud?

Mapping should enable you to:

- Understand your run rate
- Create different architectural approaches for each use case
- Select and build cloud architecture that suits your company's needs both technically and financially

Use BI Tools

Take this knowledge a step further by using a BI tool to better understand:

- How your cloud resources are being used
- For what purposes
- Who the stakeholders are

You can use your cloud provider's native BI tools, or build your own to fit your business's specific needs.

Empower your team

You cannot create a mapping strategy without cooperation from the engineers working in the cloud. Your approach should be:

- Transparent
- Understanding
- Approachable
- From a place of partnership

Remember, they moved to the cloud to increase flexibility and agility. So make sure to be clear that your purpose is to accelerate -- not hinder--this process.

Tagging Assets

Tagging will help you drill down into what costs are being incurred, for which product/feature, and which team or individual is responsible for managing it.

Tagging quick facts:

⭕ Tags are metadata labels that you attach to each of your resources

⭕ You can set them according to a variety of identifiable criteria such as:

■ Business unit
■ Product/feature
■ Main user

⭕ For your tagging strategy, partner with key stakeholders to align business needs with engineering priorities

Defining a cloud budget

Once you select the ideal architecture for your cloud environment, you can start to build your budget around it.

Remember, budgeting doesn't end once you set it. You need to constantly monitor usage to see if it's in line with the budget. If not, you should see where you're creating waste and identify areas where you can cut costs.

Building a winning FinOps team

As your company grows, you'll need to put a team in place to expand FinOps priorities. Hire a well rounded team that includes experts in:

⭕ Finance
⭕ Engineering
⭕ Business
⭕ Governance

It's better to hire many individuals, each with deep knowledge in one of the above areas over a "jack of all trades".

Aligning the company

Aligning FinOps and DevOps is no easy task. Start on the right foot by:

- Understanding and addressing the engineering team's cloud pain points
- Adding value
- Coming up with mutually beneficial solutions
- Providing visibility into their cloud usage and costs
- Employing automation to make cloud cost optimization as easy as possible

FinOps KPIs

The FinOps Foundation produced a ***great list*** of KPIs which include:

- RI Coverage
- Savings Plan Coverage
- Committed Use Discount coverage
- Rightsizing opportunity value
- Usage on weekends vs weekdays
- % of spot vs other coverage
- custom pricing commitment tracking
- % orphaned EBS volumes
- % orphaned snapshots
- Aged snapshots
- Idle instances > 30-days
- Idle instances < 30-days
- Total bill vs. forecast - including variance % of forecast: actual bill
- % of oversized instances (not tagged as approved)
- % S3 storage on the wrong tier
- % EBS storage on wrong tier
- % unattached elastic IPs
- % wrong instance type
- % dev resources running out of hours (this means, running out of non-peak hours, like nights and weekends

- % untagged resources
- % wrongly tagged resources
- % total tag coverage
- % taggable items tagged
- % of spend that is untaggable
- Hours between cost incurred and cost displayed to end team
- Frequency of data updates
- Avg price per hour of compute
- Unit cost (spend divided by a business metric)

Remember your KPIs should not only consider costs, but also performance and efficiency.

After all, your ultimate goal is to unleash the true potential of the cloud's agility and flexibility in the most cost effective way possible.

So keep that in mind every step of the way to ensure your FinOps journey is successful.