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7 principles of a cloud cost-efficient organisation

Capacitas has developed 7 principles to build a cloud cost-efficient organisation. Implementing these principles will help you fix the problem of underlying drivers of cost increases, making cloud costs easier to manage. They will also help you speed up product development through simplifying engineering, freeing up budget and reducing time on incidents. In addition, cloud cost efficiency ensures that every part of your cloud investment is delivering business value, helping you capitalise on the immense potential of cloud by improving cost, speed and value together.

Awareness – Create context around cloud costs.

How much is your spend (look at current, historic, and forecast figures), how much is your budget, and how much is it relative to the overall technology budget. You should recognise that cloud costs are important to your teams, while your teams should be aware how much of the overall cloud budget is consumed by their services.

Prioritisation – Set aside time to manage and continually optimise cloud spend.

You need dedicated time for cloud infrastructure, operations, or development teams to seek out unnecessary cost or capacity. This is in addition to housekeeping activities. Both these activities are needed for success.

Observability – Gain visibility at the right levels for cost, performance, and utilisation data.

Visibility, in both the short and long timeframes, will help you manage cost, performance and utilisation, and also provide insight into the inner workings of your systems.

Understanding – Measure, quantify and articulate the business drivers of capacity, cost and performance.

You can prevent unnecessary processing cost and reduce incidents by ensuring teams can see how usage and costs correlate with the business demand.

Confidence – Develop skills and confidence in making cloud infrastructure changes.

Building confidence by experimenting with removing and changing capacity in production systems ensures changes can be made quickly and without affecting service reliability. Increased confidence also guarantees greater speed in delivering quality code and products into production.

Product – Understand the value that a software product brings to users and/or the business.

Look at both performance (understand the level of performance and resilience a system should have relative to its cost and value) and obsolescence (ensure the business and engineering are aligned on the current value that is being delivered).

Predictability – Accurately predict cloud spend over next three years.

This is based on predicted business demand and also includes understanding the drivers of the costs over the time period, while understanding the anticipated value that will be delivered to the business.

To find out more about building a cloud cost-efficient organisation, download our whitepaper, or get in touch with us.

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