

CASE STUDY

When Managing Money Costs Money: Cracking the FinOps Code

Leading EMEA Bank Reduces Operational Costs by Adopting FinOps During an AWS Migration



Customer overview

The client, a leading EMEA banking group across the African continent, operates in 10 sub-Saharan countries with representative offices in London and New York. The bank has a market capitalization of \$8.24 billion as of 2024.



The need for a FinOps cloud transformation

While undergoing an enterprise digital transformation using AWS cloud, the bank had identified potential risks around an increase in projected costs of running cloud workloads in AWS, recognizing they could exceed initial estimates.

To address this, the client commissioned the creation of an independent FinOps practice. The primary objective of this practice was to minimize costs by implementing FinOps principles of resource usage control, promoting a culture of efficient cloud utilization, and ensuring accountability for costs, including shared services, to individual teams.

This required holistic change incorporating the operational shift to the AWS ecosystem, along with process improvements and the evolution of the organization's mindset and cultural approach to cloud—this is the real disruption FinOps brings.

LTIMindtree acted as a true partner, helping create the solution, evangelizing it among both technology teams and end users. By creating the right frameworks for decision-making, we helped ensure enterprise-wide adoption and delivered strategic business goals.

Is FinOps a cost center or a strategic business framework?

The adoption of FinOps at the bank faced significant resistance due to the nature of the work. Business units were not fully aligned with FinOps objectives, and most sought to minimize costs reactively. This resistance stemmed from a lack of familiarity with the new practice, with leaders unsure about adopting FinOps as a part of the decision-making process.

By defining starting points, establishing key performance indicators (KPIs), and articulating a clear vision, FinOps can deliver sustained cost-effective change.

However, the independent nature of the practice caused other business units to perceive it as an audit and control team, leading to resistance. As a result, business leaders were uncertain about the effectiveness of implementing this new approach.

Challenges

01

First step and milestones for the FinOps cloud journey:

The client was uncertain how to begin their cloud FinOps transformation and the approach to take. They needed a guided approach with clear milestones.

02

Organization and cost KPIs:

They needed to define more KPIs at an organization and spend level to gauge the success of their new FinOps practice.

03

Wastage:

In some cases, under-utilization and abandonment of resources led to wastage that could result in budget overrun.

04

Poor tagging and lack of visibility into cost showback:

Lack of comprehensive tagging and uniformity in tagging nomenclature, led to inaccurate showback and clear cost ownership tied to respective BUs. Shared costs were particularly challenging when certain resources were not tagged.

05

Appropriate FinOps team structure and placement:

The organization lacked clarity on the FinOps team structure, positioning and responsibilities. A non-CTO led organization typically finds it challenging to set up a FinOps practice difficult as it requires a cultural shift of mindset regarding technology usage.

Our solution

As a strategic partner, LTIMindtree adopted a pragmatic and actionable approach to comprehensively address the client's challenges and guided them in their cloud FinOps transformation journey, transitioning their data center and operations to AWS. We devised a consultative approach to help them rapidly achieve a functional FinOps, with an intensive program executed over two months.

We began by assessing their current FinOps maturity using our proven methodologies based upon the FinOps Foundation's **Crawl, Walk, and Run** principles:

- 01** | We defined the requisite actions needed to iteratively increase proficiency and maturity level based on AWS FinOps best practices. Short-term objectives and long-term goals of the practice were clearly articulated and mapped to business objectives and stakeholders.
- 02** | The team structure was tailored to fit the organization's requirements. By carefully structuring the team and defining clear and achievable tasks, the team gained clarity on immediate action items.
- 03** | KPIs were established for both organizational and cost-control FinOps dimensions FinOps, facilitating transparency and enabling accurate assessment of FinOps impact, with a tactical focus on cost-optimization without performance impact to encourage widespread adoption.

Tech stack

We used AWS Billing, Cost Explorer, Budget, Cost Organization, reserved instances, AWS config, AWS SCP with tag policies.

Our approach

We assessed their current maturity state using the framework below.



We helped them evolve from the informed stage to the optimized stage.

We suggested their path forward using our Crawl/Walk/Run approach based on maturity levels.



At the crawl stage, we helped the client with low-hanging cost benefits on the road to greater cloud cost optimization. We mapped their cloud FinOps transformation journey with actionable steps

FinOps maturity level	Maturity level characteristics	FinOps capabilities
Crawl	<ul style="list-style-type: none"> Very little reporting and tooling Measurements only provide insight into the benefits of maturing the capability Basic KPIs set for the measurement of success Basic processes and policies are defined around the capability Capability is understood but not followed by all the major teams within the organization Plans to address “low hanging fruit” 	<ul style="list-style-type: none"> Should be able to tag at least 50% of resources to BUs Resource-based commitments discount target coverage of approximately 60% Forecast spend to actual spend accuracy variance is 20%
Walk	<ul style="list-style-type: none"> Capability is understood and followed within the organization Difficult edge cases are identified but the decision is to address them later Automation and/or processes cover most of the capability requirements 	<ul style="list-style-type: none"> Should be able to tag at least 80% of resources to BUs Resource-based commitments discount target coverage is approximately 70% Forecast spend to actual spend accuracy variance is 15%

FinOps maturity level	Maturity level characteristics	FinOps capabilities
Walk	<p>Most difficult edge cases (ones that threaten the financial well-being of the organization) are identified and effort to resolve has been estimated</p> <p>Medium to high goals/KPIs set for the measurement of success</p>	
Run	<p>Capability is understood and followed by all teams within the organization</p> <p>Difficult edge cases are being addressed</p> <p>Very high goals/KPIs set for the measurement of success</p> <p>Automation is the preferred approach</p>	<p>>90% of spend can be allocated</p> <p>Resource-based commitments discount target coverage is approximately 80%</p> <p>Forecast spend to actual spend accuracy variance is 12%</p> <p>Discount target coverage is approximately 70%</p> <p>Forecast spend to actual spend accuracy variance is 15%</p>

Plan & Stages



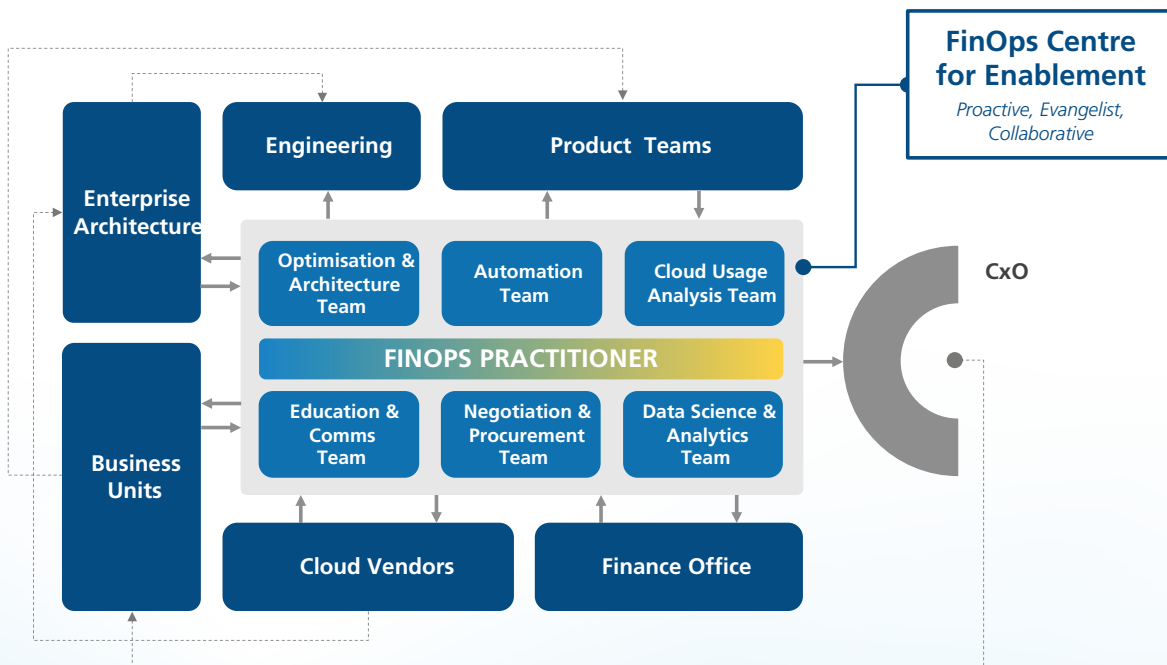
Positioning FinOps appropriately in a digital organization

LTiMindtree's solution positioned FinOps as a core business function and defined its team structure. This was crucial to ensure successful adoption to transform the organization's mindset and operations for long-term financial success.

In our methodology, FinOps is a core function of the organization that integrates tightly with product, engineering, business units, and operational teams. This positioning is based on our AWS FinOps best practices.

Modern Positioning – FinOps as a Core Business Function

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Team structure

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- Practice head
- Financial analyst
- Vendor management
- Operations and reporting
- Cost optimization specialist
- Training and development
- Compliance
- Admin support

Established KPIs to measure FinOps success

Aside from positioning, it was essential to establish KPIs at an organizational level and with regard to spend to measure the success of the FinOps function. We established 20 KPIs some of which included

Spend KPIs

- Reserved instance (RI) coverage
- Committed use discount %
- \$ Saved with automatic stop-start of non-24X7 workload
- % Tagging coverage
- % EBS volume coverage
- Forecast accuracy
- Orphaned EBS volume cost
- Number of automated FinOps tasks

Organization KPIs

- Cloud user efficiency
- Return on cloud investment
- FinOps maturity level
- Number of cloud certified team members
- Employee FinOps training successful rate

Successful FinOps practice

Clear vision

The customer demonstrated an understanding of the significance of FinOps and its distinction from a simple cost-saving initiative. They successfully educated various segregated teams on this matter, leading to the establishment of a unified vision for the practice of FinOps.

Tailored operating model

Following our consulting exercise, the client successfully determined the optimal team structure, and placement of the FinOps team within the appropriate practice, and effectively leveraged the personal expertise of available staff members to fulfil FinOps responsibilities.

Actionable checklist to increase maturity level

The customer was able to simplify the FinOps worklist by dividing the extensive action list into three stages and smaller action items. This approach provided them with a clear understanding of the objectives and actionable steps for a successful cloud FinOps transformation.

Results

Quick wins

We identified low hanging cost opportunities

- EC2 instance right sizing
- Moved logs to S3 and archival to Glacier
- Moved all backups to S3
- Usage EBS to Snapshot
- Spot instances and reserved instances
- 95% tagging accomplished
- Automated stop and start workload only during business hours leading to significant cost savings and less wastage of resources

Our solution led to several business benefits

- Eliminated manual jobs such as extracting the right KPI status using an appropriate automation tool.
- Decentralized ownership of cloud spend by implementing charge back and showback models.
- Implemented mandatory tagging using AWS native tools set up such SCPs with Tagging Policy, AWS Config, and CloudFormation for comprehensive tagging to enhance cost visibility and showback, enabling cost optimization.
- Enabled successful adoption of a FinOps cloud mindset for greater efficiency that led to streamlined operations and optimized cloud costs.
- Our guidance helped them establish a successful FinOps practice that laid the ground for better IT budget management and cost forecasting along with less wastage with the potential to save millions of dollars.
- Better visibility into cost charge back and showback to specific BUs also served to enhance decision-making for better management of IT and cloud resources as well as improved business outcomes.

Conclusion

Implementing FinOps for the bank was far more than a mere technological exercise for cost optimization. It was a mission to change the perspective of people and processes regarding cloud usage. LTIMindtree's expertise and frameworks enabled the necessary cultural shift for the bank to realize better value from dollars spent in the cloud.

Our frameworks also fast-tracked the bank's FinOps cloud transformation journey, establishing a successful FinOps practice in just two months. Moreover, establishing the right KPIs to track the value and success of the FinOps practice enabled a broader holistic perspective on budget management for long-term success.

Testimonial

"I want to express my appreciation for the phenomenal support and dedication we have received from LTIMindtree's FinOps consultancy during the last two months. You have fully invested time and energy throughout this journey and the outcome of the work done has set us up for future success.

Your ability to share your expertise, pragmatically guiding us through our newly built strategy, vision, objectives and resource utilization has provided great optimism amongst our team. requirements"

We find ourselves in an aligned position on how we will work through the bought-in stages of building our FinOps Practice. We have formulated our plans on what our future state should look like and the placement of our FinOps team. Our roadmap on how we will build our future state and communicate our values are clear and we are now committed to educate, communicate and track the shared responsibilities on cloud cost and operation responsibilities. Building on our vision of what a successful FinOps practice look like and for us to achieve the summarized Inform, Optimize and Operationalize objectives we were able to work through our team requirements"



-VP, Finance

LTIMindtree is a global technology consulting and digital solutions company that enables enterprises across industries to reimagine business models, accelerate innovation, and maximize growth by harnessing digital technologies. As a digital transformation partner to more than 700 clients, LTIMindtree brings extensive domain and technology expertise to help drive superior competitive differentiation, customer experiences, and business outcomes in a converging world. Powered by 81,000+ talented and entrepreneurial professionals across more than 30 countries, LTIMindtree — a Larsen & Toubro Group company — solves the most complex business challenges and delivering transformation at scale. For more information, please visit <https://www.ltimindtree.com/>