The Simple Guide to Collaborative Cloud Cost Management

Empower Teams to Make Smarter Decisions Across Your Infrastructure

Trying to reduce cloud costs using legacy processes and tools can be a struggle. People in this situation may be left feeling confused and unable to collaborate on cost optimization because they lack real-time visibility into cloud spend, and an engine for accurate cost allocation.

There is a fundamental mismatch between where many companies have been—in the data center—and where they want to go. This prevents them from taking full advantage of the cloud to transform their business.

Implementing collaborative cost management—empowering employees with the insights they need to make smart cost decisions across the organization—will allow you to reap the maximum benefit of the cloud. Your engineers are the driving force to enable effective cloud cost management, and they need the insights to collaborate and make smarter decisions. So what has been the problem in the past?

Legacy Governance Holds Back Growth, Collaboration, and Creativity

Legacy governance gets in the way of the transparency we now know is vital to comprehending cloud spend. It's an anachronism from pre-cloud days and it prevents people or departments from making buying decisions—ostensibly to avoid overspending on infrastructure. But this policy backfires in denying clarity to employees, who then decide there's no way to improve beyond locking down access to resources. This problem brings innovation to a halt and chokes initiative.

The beauty of the cloud lies in its ability to develop and bring products to market faster—and at far more economical cost—than traditional methods. Legacy governance processes, which add cumbersome steps to the process of resource provisioning, slow launch times; lack of visibility and transparency can actually bring about the very situation you are trying to prevent, namely overprovisioning. Teams, unsure of when they will receive more resources, lose the advantage

of on-demand cloud infrastructure. Ironically, that on-demand capability is the very advantage the cloud delivers over traditional data centers!

This guide will give you the steps you need to either implement or transform governance processes to align with the cloud-native world. It also offers guidance on how to best support employees and tap into their expertise in the process.

Once you have a clear understanding of what legacy governance is, what collaborative cost management is, and how to bridge the gap between the two, your organization can leave behind harmful, outdated processes. Instead, you can operate in a way that directly contributes to your business outcomes. Evolving from legacy governance to true, informed collaboration is not only do-able—it's essential. The key to a smooth transition is having the new tools and features that are vital to support, include, and empower teams.

Hallmarks of "Legacy Governance" and How to Avoid It

Legacy governance is a holdover from data center days, where infrastructure provisioning benefited from centralized control and decision-making. The logic behind this type of governance was to enable companies to achieve larger discounts by purchasing physical infrastructure in bulk. The benefits of buying, owning, and maintaining physical infrastructure significantly outweighed the costs in terms of speed and agility. High prices were absorbed as "the cost of doing business."

Adding a centralized team to the infrastructure for provisioning cloud resources soon becomes a barrier that creates inefficiency and complexity. It drives resource requests well in excess of the team's current needs and acts as a brake on bringing innovative ideas to market.

Today, companies might implement overly authoritarian and controlling policies in response to a major, unforeseen cost event: "We went way over budget—lock everyone down until we can figure out what's going on!" This lockdown can cause organizational whiplash—and it's rarely a temporary state, despite good intentions.

In a worst-case scenario, legacy governance leveraged in a cloud context results in engineering teams being held accountable for resource costs without being allowed to own the cost drivers. The responsible team has little or no visibility and experiences delays in cost reporting, alongside

pressure to reduce future spending. Tools may be unable to associate cloud-cost drivers with their owners—a combination of Excel, BI tools or both. This situation causes internal conflict over the accuracy and actionability of the data supplied.

These unreliable data sources, coupled with a 'do or die' mandate to reduce spending leave engineers feeling unempowered. Worse, they may resort to cost-cutting at the expense of the customer because they feel they have no other choice.

Once trapped in this cycle, it's challenging to get out; organizations maintain centralized control but lack critical information available at the edges of the organization. Such insight would enable timely course corrections to the overall infrastructure landscape. Now, the predicament drives up cost (and fear), perpetuating the very centralization of data and control that started it.

> Though legacy governance may have been a smart approach for its time, infrastructure provisioning delays are unacceptable by today's standards. Applying this model to the cloud simply does not address modern scaling or performance needs and does more harm than good.

To review, a legacy governance style:

Forms a one-way flow of directives or information from the top, often missing key information from those implementing the directive.

Provides data of budgetary cost overruns to users after the fact, with no way to triage and preempt outcomes in advance.

Uses inconsistent or untrusted data to make decisions, creating confusion and lack of forward momentum on cost optimization initiatives.

Empower Engineers to Perform Collaborative Cost Management

A large, cloud-native fintech company with more than 500 teams is a perfect example of the power of collaborative cost management to transform an organization to deliver the maximum business value. This Yotascale customer knew that if they wanted to enable engineering teams to scale quickly and continue innovating, they needed to map cloud resource usage and costs accurately to teams, product lines, and business units.

Unfortunately, the tool that they chose initially was not able to group and disseminate cost and resource data to the right people. This forced the one and only user of the tool to curate meaningful data for each team. The result was delivery of stale, delayed information to the teams, rarely in time to influence their decisions or outcomes.

This problem was compounded by the fact that costs and resources could only be attributed based on tags. Manual cost attribution (by tagging) doesn't scale accurately or account for shared resource usage across teams and applications. Confusion arises when users arbitrarily slice data

and claim ownership without clear visibility or accountability. This situation caused a significant portion of cost to become untraceable or attributable, fully accounted for—or optimized.

With Yotascale, this organization can practice collaborative cost management across their business. Each team has a clear and consistent reference for the cost per application that they support. Combining this information with deep knowledge of their team's infrastructure makes these people uniquely qualified subject matter experts in their own costs.

> Optimize cloud computing spend through collaborative cost management. Provide engineers with the deep data insights they need to make smarter, more accurate decisions and take ownership of cloud costs.
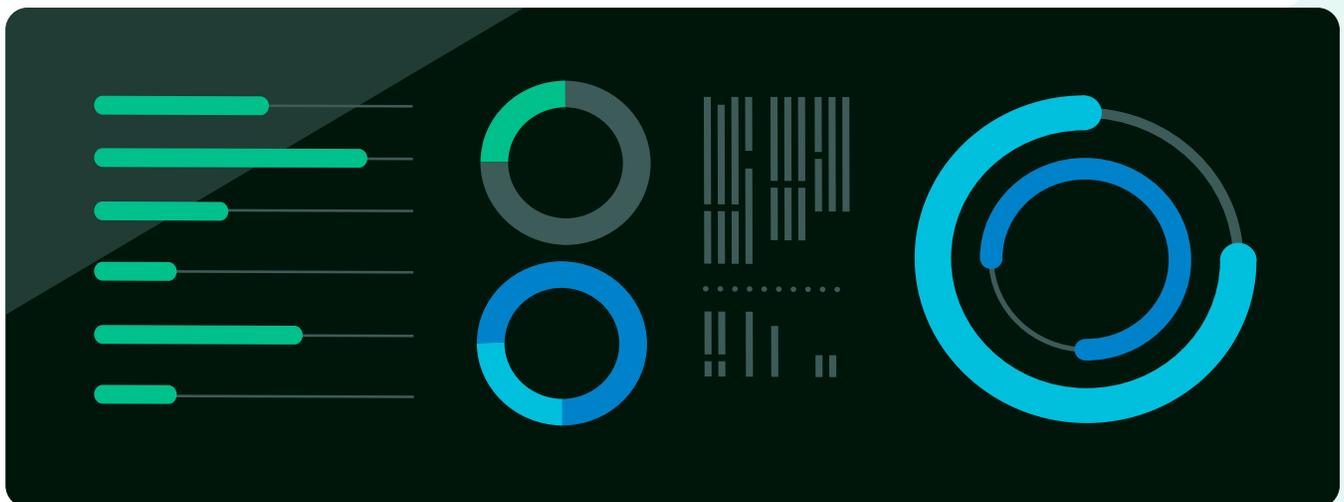
Empowering Engineers to Perform Collaborative Cost Management

Data supplied to the teams is trusted because the platform is open and gives detailed, timely information. The platform ties teams to organizational business units, enabling engineering teams and management to collaborate on when and where to implement cost-savings measures for the best business outcomes.

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Remember, a collaborative cost management style:

Gives everyone the data they need to participate in the conversation.

Standardizes the source of truth so that people can see how they're performing over time.

Consists of a conversation between multiple levels of the business with the best overall business outcome in mind.

Establish a consistent, agreed-upon source of truth for decision-making and self-evaluation against key metrics.

Lack of context or visibility into resource allocation makes it impossible for cloud operations owners and leaders to agree on who is responsible for diverse costs and resources. Everyone in the business—executives, finance, managers, and individual contributors—should be aligned and looking at the same numbers. This way, teams spend less time haggling about ownership and more time exploring how they can improve. When this doesn't happen, the focus turns to storytelling about why the numbers are wrong, not on solving the underlying inefficiency problem.

Trust the members of your organization to leverage this information for the best possible business outcomes.

Cross-functional discussions must take place if organizational mandates prevent or de-prioritize cost-savings opportunities. With Yotascale, engineers can break down or roll up pieces of the business and understand how resources they are responsible for are driving overall cost and efficiency. A single source of truth builds trust and alignment of discussions and decisions about cloud cost optimization.

Encourage collaboration inside of, and between layers of the business to ensure decisions are made with the full picture in mind.

Tradeoffs are made every day at every level of the business, so teams can align their work to organizational priorities. Yotascale cloud cost attribution creates clarity and agreement at multiple layers of the business. No more 'death-by-tagging', or guesswork about cost ownership. Now everyone can see the costs and resources they are responsible for, enabling clear, actionable communication and understanding in the business hierarchy.

Collaborative Cost Management in Action

Teams can delay implementation of a savings opportunity to meet current sprint goals. They can share this decision with their product manager to ensure a transparent and explicit process. Visibility enables the product manager and engineering team to align their decisions and make strategic choices on where to trade off features for cost optimization. They can now ensure that the highest-value business outcomes are delivered first.

Perhaps another engineering team discovers that they made an expensive, inefficient decision in choosing a service that didn't meet their workload needs. During an engineering lunch-and-learn event, they can share which service they implemented initially; what the shortcomings were relative to their needs; and what they've moved to in order to achieve a more efficient and scalable architecture.

Teams attending the lunch-and-learn event are able to make more informed decisions in similar situations. They can ask for input on subject matter expertise that will help their own team be successful. Collaboration ensures that costly mistakes aren't repeated, and drives innovation and improvement on a larger scale within the organization.

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An engineering team engaging in collaborative cost management can evaluate a cost-savings recommendation and understand what changes are needed. They would also know which infrastructure changes could theoretically prevent them from delivering on feature commitments planned for the sprint.

Making the Move to Collaborative Cost Management

Accurate, complete, and actionable data is at the core of successful cost management. Without this critical component, you cannot move beyond legacy governance practices harmful to the success of your cloud-native infrastructure. Obtaining a single source of truth for reliable data that's widely available to all decision-makers in your business is the first and most important step you can take to enable collaborative cost management.

Once you disseminate real-time, accurate information about your cloud spend, you can put this new knowledge into practice. The dynamic, responsive Yotascale interface changes when you drill down or roll up costs. So you see relevant information at each layer of the business as you move throughout the application.

Making a transition from traditional governance practices can be a cultural as well as operational challenge. Members of your organization may feel anxious about implementing a new measurement tool. Schedule time with teams to ensure they know what the tool is, how it works, and how it will be used by other groups (e.g., connecting finance budgets to the numbers that engineering teams see in their interface). You will need time to generate buy-in and build trust in the tool and how it will be used (to help them excel, not to spy on or punish them).

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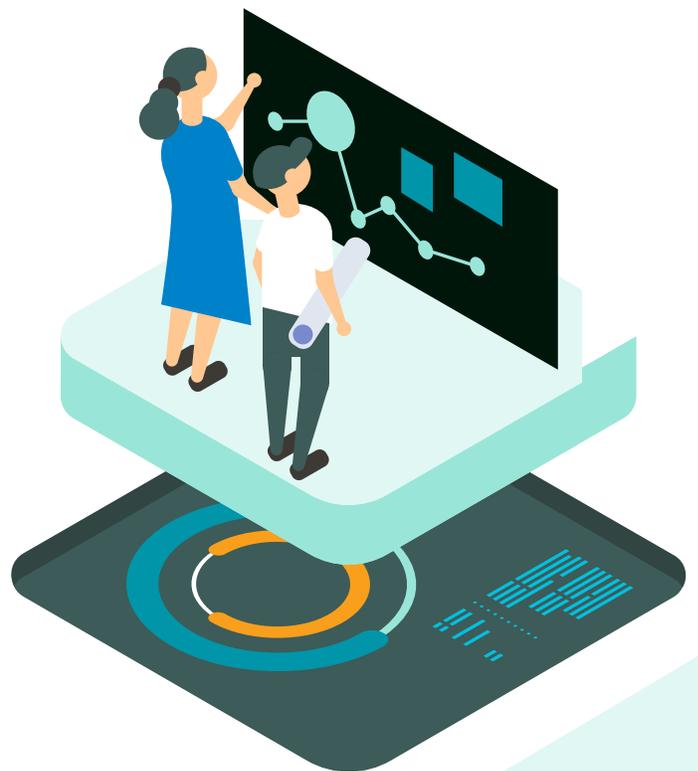
After implementation, give teams time to self-evaluate and identify areas of improvement. Foster opportunities for collaboration around the goal of improving cloud costs, like internal lunch-and-learns or developer days with a cost management focus.

Introduce cloud cost management as a top-level organizational goal, and be clear on the priority relative to other goals like revenue, users, stability, and redundancy. This way, people can focus on what matters and assess which activities contribute most to the overall company vision.

If members of your organization have knowledge about legacy governance practices, engage them to become the new experts in cloud cost management. Their expertise in coordinating and provisioning infrastructure can translate to cloud-native best practices, and will make them powerful advocates and enablers of this new model.

Last but not least, have a trusted advisor at your side, like a Yotascale expert, who has seen this process through many times before.

Let Yotascale's collaborative cost management experts help guide you on your journey to optimizing your cloud infrastructure, so you can get back to building your change-the-world ideas.

Register now for our free
Cloud Cost Assessment Service!

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