

Maximising

the value

of Cloud

Investment

How FinOps empowers CIOs to align cloud spend with business goals, eliminate waste, and drive continuous innovation



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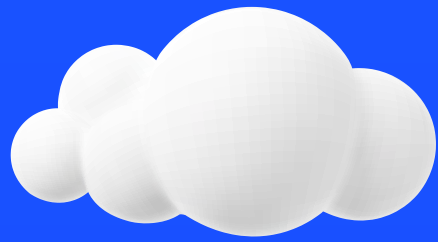
“ ”

Throughout my career at Logicalis, I've witnessed a dramatic shift in how organisations approach cloud investment. As cloud infrastructure and more cloud platform architectures increasingly dominate IT expenditure, the challenges of managing this investment have become complex.

In my role as Head of Cloud, I've seen firsthand how businesses struggle with visibility across cloud, especially multi-cloud environments. Conversations with customers about identified savings can become emotive, with relief at finding efficiencies mixed with frustration over previous wastage that could have funded wider innovation. Transforming cost-cutting into value-creation by leveraging cloud marketplaces represents one of the approaches we work with customers on.

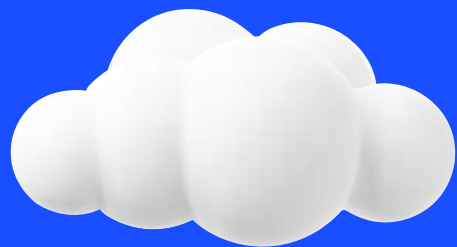
This whitepaper explores how FinOps bridges the gap between IT expenditure and business value through a cultural shift and cross-functional collaboration. By implementing a FinOps framework, organisations can transform reactive cost management into proactive optimisation, ensuring all spend delivers measurable business impact.

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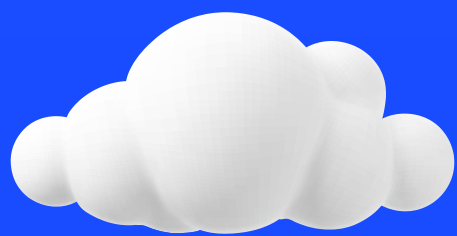
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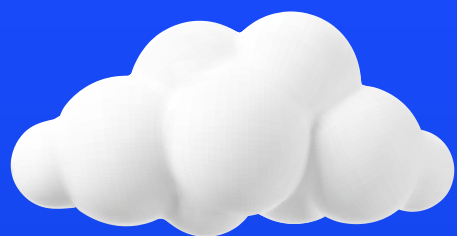
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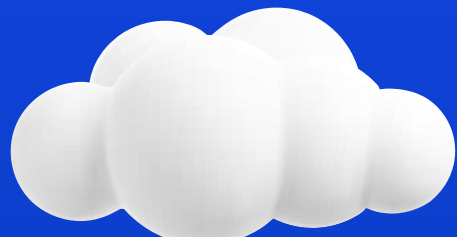
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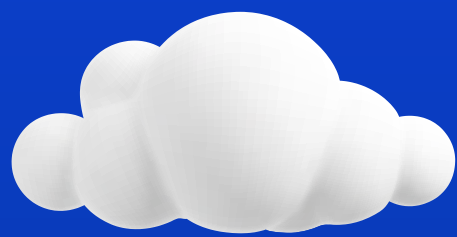
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Cloud costs are soaring

but strategic oversight is missing

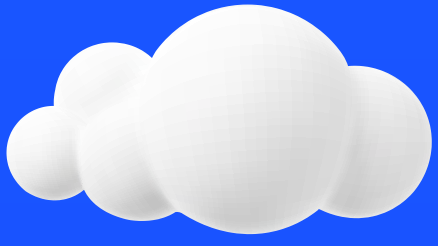
Cloud infrastructure now dominates IT expenditure and is expected to account for **83% of total compute and storage** infrastructure spend by 2029.

The pace at which companies have expanded their cloud expenditure is significant, with a **99.3% increase in spend year on year** in the last quarter of 2024 alone. However, while demand for new cloud services continues apace, a significant number of organisations also recognise the challenges associated with achieving quantifiable value.

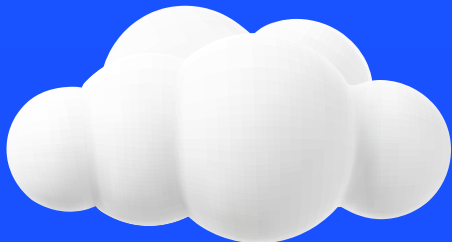
According to *IDC*, **60% of cloud buyers** believe their business' IT or digital infrastructure currently requires major transformation, and 82% said their cloud also requires modernisation.

For CIOs, the compelling benefits associated with the transition to the cloud – not least the speed with which new services can be spun up to support business goals – also create an array of management overheads. Line of business teams are increasingly pushing their own IT agendas, especially in key areas of innovation such as AI. As a result, they have more influence over IT investment, creating a complex, often conflicting set of priorities. Issues such as chargeback, for example, are rarely allocated accurately to business owners, due to the complexity of managing and comparing costs across multi-cloud environments.

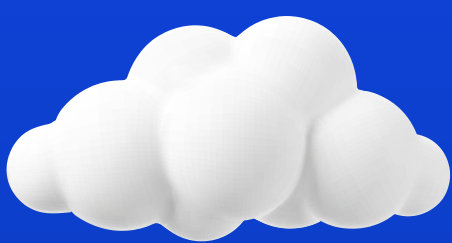
While businesses often acknowledge that elements of the cloud infrastructure spend have not been optimised, the majority of IT teams lack the resources required to assess and remediate the situation.



Can the business honestly say there are no orphan resources, where cloud services have been turned off, but the cost is still being incurred?



Is cloud service utilisation being continually assessed to ensure sizing is correct? Did the business opt for a pay-as-you-go model for a pilot deployment and carry on with that approach rather than accurately determine usage needs and opt for a cheaper, longer-term deal?



What about reserved instances? While cost **savings of up to 75%** can entice businesses to invest in reserved capacity, there is no value in over-investing in a platform if that resource is never going to be used. With all up-front (AURI), partial up-front (PURI) or no upfront payments (NURI) options, each incurring a different price point, it is important to determine the best approach.



Are companies making the most of Marketplace procurement models? With most offering increasing flexibility in cost allocation and access to an ever-expanding number of ISVs, there is a significant opportunity to reallocate spend not only to reduce waste but quickly access new solutions.

Reallocating

spend

to deliver
value

The emphasis for the majority of business leaders is on driving value from the IT investment - with **94% of CIOs** now regularly reporting to the board on return on investment (ROI), according to the *Logicalis 2025 CIO Report*.



CIOs are now shaping company strategy but also balancing internal pressures to accelerate innovation, especially in areas such as AI, with external pressures including economic uncertainty, technological disruption and shifting regulatory landscapes. The risk of distraction from core business objectives is significant: just consider the implications of the global US tariffs on IT costs and the additional uncertainty affecting procurement plans.

Furthermore, while Environmental, Social and Governance (ESG) strategies have slid down the corporate agenda in the past couple of years, Net Zero targets have not disappeared.

The board may have sidelined objectives, but customers and business partners will continue to increase their demands for insight and information into an organisation's sustainability credentials. The use of cloud resources is a very significant contributor to corporate emissions, and it is predicted that by 2027, **75% of customers will expect CO2 emissions data** on everything from build to operate and disposal of IT assets. The ability to 'right-size' cloud resources will have both financial and sustainability benefits.

Achieving visibility

and control

Given the rapid escalation in cloud expenditure and business-led demand, the goal for CIOs and procurement teams is not simply reducing cloud expenditure; it is about ensuring value from every investment. If that means savings in one area, such as right-sizing, can be immediately redeployed towards another project using digital software procured through a cloud marketplace such as AWS, the benefits are immediate.

Given the complexity of today's IT investment model, the ability to immediately reallocate unnecessary expenditure across a cloud marketplace should be a strong incentive to readdress areas of known inefficiency and wastage.

Organisations are, of course, not completely blind to cloud expenditure. Every public cloud platform offers specific tools to provide insight into costs and utilisation. For the majority of companies, however, managing a hybrid cloud infrastructure across multiple platforms, without cross-platform visibility it is incredibly challenging to create a truly optimised infrastructure that delivers the tangible value demanded.


FinOps is now a mature solution to overcome the limitations of traditional models of IT acquisition and deliver control, optimisation and innovation.

With organisations' need to improve resilience and support growth, as well as managing business-led demands for innovation and ESG goals, IT investment models are increasingly complex.



The FinOps Methodology

FinOps enables organisations to move from reactive cost management to proactive optimisation and forecasting. It is underpinned by cross-functional collaboration between IT, finance, procurement and business teams to better align cloud investment with strategic goals.



Combining a robust financial management discipline with cultural practice, FinOps aims to maximise business value in hybrid cloud environments. While the initial driver for many companies is to leverage cross-functional collaboration and insight to highlight areas of wasted investment, the fundamental objective of FinOps is to drive value from expenditure while also empowering businesses to quickly deliver business innovation.

To achieve the cross-functional collaboration required by FinOps, organisations must embrace cultural change to break down the traditional barriers between IT, finance, procurement and business teams.

This shift, empowered by access to accurate information and automation, encourages both engineering teams and product owners to take responsibility for cloud expenditure. This not only ensures all stakeholders gain a better understanding of value but also supports faster product delivery whilst conforming to the broader requirements of security, resilience and scalability.

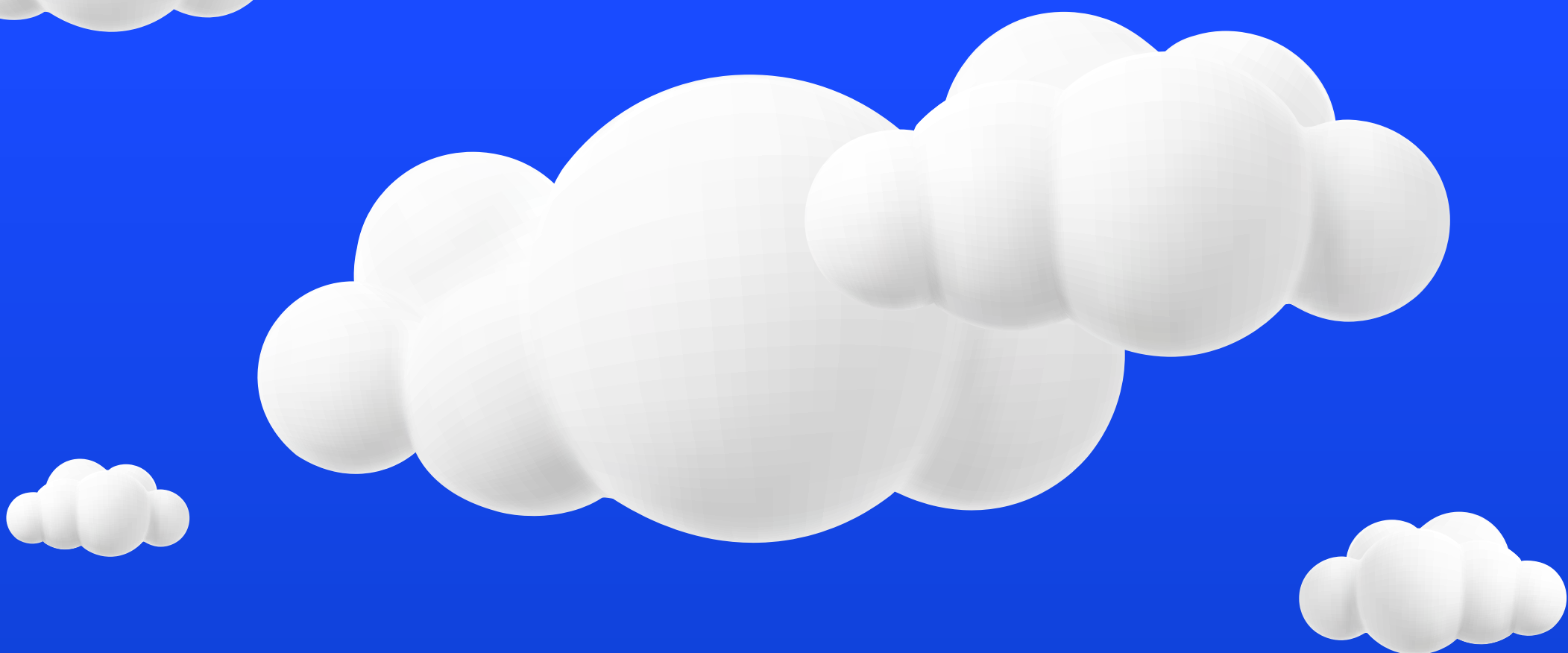
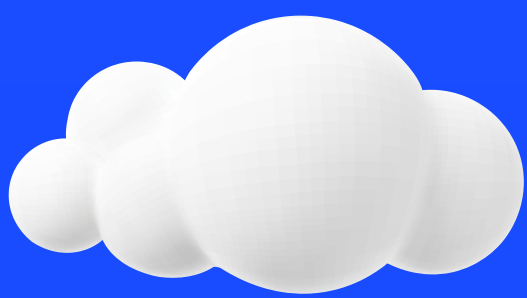


FinOps

Foundation



FinOps is an operational framework and cultural practice which maximises the business value of cloud and technology, enables timely data-driven decision making, and creates financial accountability through collaboration between engineering, finance, and business teams.



To support the key principles of the FinOps methodology, the FinOps Foundation has created a ***FinOps Framework***, encompassing principles, personas, measures of success, maturity characteristics, and functional activities in a common language that reflects how successful practitioners drive value from cloud and intersecting technology spend.

The six principles of the FinOps Framework – **collaboration, ownership, business value, central control, accessible data and optimised investment** – demand both cultural change and the adoption of a centralised information resource to provide rapid, preferably real-time, insight into performance and costs across the hybrid cloud environment.

Cultural Change

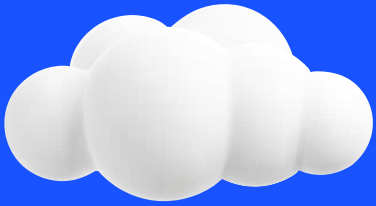
Collaboration empowers finance, technology, product and business teams to work together. To achieve continuous improvement in both efficiency and innovation, the emphasis is on achieving near real-time collaboration to reflect the per-resource, per-second operational model of cloud deployments.

Ownership models need to maximise the value of cloud investment. By encouraging a model of accountability that ensures individual ownership, feature and product teams can manage their own usage of cloud and intersecting technologies against their own budget. Decisions around cost-effective architecture, resource usage and optimisation become decentralised. To achieve this effectively, technical teams must begin to consider cost as a new efficiency metric from the beginning of the software development lifecycle.

Business value cannot be maximised unless stakeholders consider the innovative aspect of cloud and use unit economic and value-based metrics to demonstrate business impact, rather than aggregate spend. Achieving the objectives of each project requires decision makers to consider the balance between cost, quality and speed.

Central control is key to enabling best practice in a shared accountability model, while individuals remain responsible for their portion of technology use. The centralised model allows economies of scale, especially in areas such as discount optimisation. Removing the need for engineers and operations teams to think about rate negotiations, for example, allows them to stay focused on the usage optimisation of their own environments.

FinOps platform



Accessible data enables collaboration and a trusted centralised ownership model. Real-time visibility of accessible and accurate FinOps data drives better cloud and technology utilisation, while combining cross-functional visibility of cloud and technology spend with fast feedback loops leads to more efficient behaviour. Core information resources include real-time financial forecasting and planning, trending and variance analysis and internal team benchmarking to drive best practice.

Optimised investment and an emphasis on agile, iterative planning drives the shift towards continuous improvement and enhanced investment value. Accurate data combined with automated processes supports just-in-time prediction, planning and capacity purchasing with continuous adjustments.

At every stage of the FinOps evolution, emphasising the value of the cloud investment enables businesses to eradicate wasted expenditure and ensure investment is aligned with core business goals.

The journey to FinOps

How can an organisation achieve the shift from long-held, traditional models of IT spend towards a FinOps approach? At Logicalis, FinOps is not just a methodology — it's an integrated, managed service.

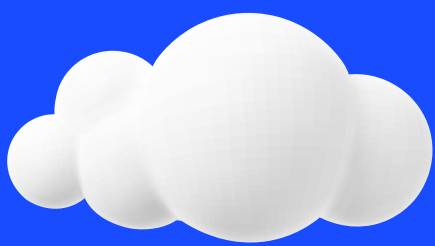
From technology choice to empowering stakeholders to embrace change, working closely with an experienced partner such as Logicalis with a dedicated FinOps team plays a vital role in enabling the transition and fast-tracking value.

Managed

Service

Logicalis takes a Managed Service approach to FinOps, ensuring every business, irrespective of maturity or current approach to cloud investment, can begin to embrace the FinOps core principles and achieve an optimised, scalable environment that delivers tangible value.

The Logicalis three-stage FinOps Managed Service:



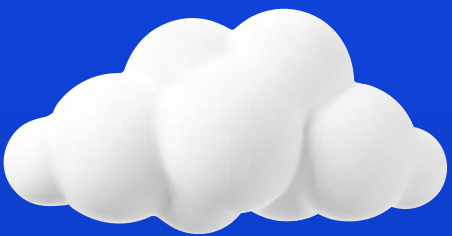
Align

Demonstrate the FinOps capability, including free proof of value.



Transform

Implement FinOps tools, migrating workloads and engaging with Logicalis service experts.



Scale

Continually optimise and innovate, leveraging insight and recommendations to drive improvement.

Align

Before embarking upon the fundamental aspects of FinOps - cultural change and a platform for consolidated data and automation – it is important to understand the potential benefits to the business. **Logicalis offers a 30-day Proof of Value assessment** to highlight if and where money can be saved and investment redirected to enhance value. Simple steps, such as identifying orphan resources and incorrect sizing, can quickly reveal opportunities to both save money and reallocate spend across a marketplace to achieve better value.

Transform

Armed with this insight, **businesses can quantify the opportunities for improvement** and begin to embrace the FinOps process to continually optimise the entire hybrid cloud infrastructure.

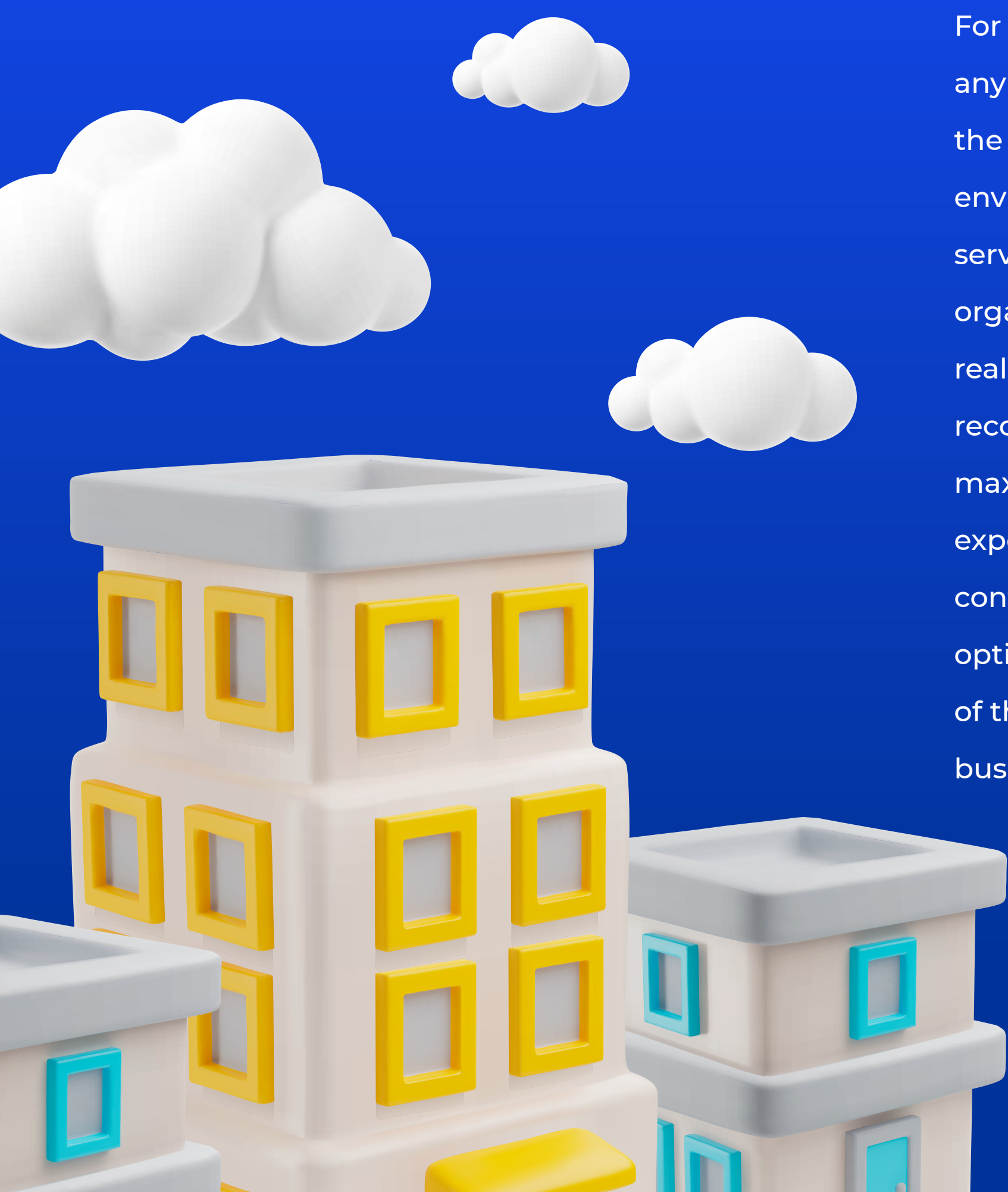
FinOps Culture

While the largest companies will opt to set up a dedicated FinOps team, for the majority of organisations, the role falls to IT architects and infrastructure managers.

To embed accountability for cloud spend across diverse teams, a core aspect of this process is education and awareness to bring together diverse teams across IT and different lines of the business.

A mix of workshops, webinars and seminars provides the initial FinOps understanding required to foster collaboration and build accountability. Logicalis works closely with budget holders, including CIOs and the procurement team, to reinforce the best practice approach. **Best practice also requires robust governance**, including creating the hierarchy and policies for spinning up new services to ensure they reflect the needs for reliable, secure and high-performing systems that meet corporate value objectives.

For example, to extract the most value from any FinOps solution demands a team with the right skill set to analyse and interpret the environment data. The Logicalis FinOps service combines an understanding of each organisation's goals / workloads with real-time insight into cloud utilisation to recommend the most effective actions and maximise value. 24/7 access to a team of experts provides businesses with total confidence that every new system is fully optimised and driving outcomes, irrespective of the time pressures created by line of business heads.



Achieving cultural change is a core aspect of the journey to FinOps, but this change has to be supported with accurate information to enable collaboration and effective management of cloud resources. IT Financial Management solutions, including **IBM Apptio**, provide comprehensive visibility and actionable insights into IT spending. Enabling users to consolidate financial and operational data from multiple cloud deployments into a single platform, a FinOps platform creates a business-centric view of technology that supports the drive towards efficiency, optimisation and innovation.



Collaboration and Ownership

Comprehensive reporting and dashboards provide role-specific data views and support collaboration based on aligned business and technology objectives. With a common framework for evaluating the financial and operational implications of such investments, finance, procurement, IT and line of business teams can work towards shared objectives.

Providing granular visibility into IT spend, IT Financial Management provides a complete picture of expenditure across diverse services and platforms. This transparency enables companies to identify inefficiencies, track spending against budgets, and introduce effective chargeback across the business based on accurate consumption of IT resources.

Accountability and value

Tailored views of the data ensure business owners and decision makers understand current and future cloud costs, enabling both improved accountability and a rapid shift towards value-led investment models. Sophisticated analytics provide fast insight into opportunities for spend reduction or reallocation – such as right-sizing and decommissioning orphan resources - to drive cost optimisation.

Given the current economic environment businesses are having to navigate, CIOs and procurement teams also need better insight to mitigate financial risks associated with spikes in cloud usage and/or the impact of global changes, such as US tariffs. Using predictive analytics and scenario modelling tools, businesses can gain greater clarity into potential costs and improve budgeting, planning and control.

Scale

Education and awareness, in tandem with clear policies, can quickly change the value the business is gaining from its cloud expenditure. Having achieved the initial transformation, as organisations become more mature in their FinOps evolution, the drive towards gaining incremental business value will gain pace. Working closely with the experienced team at Logicalis will deliver scale by encouraging continuous improvement and facilitating the delivery of faster, value-driven innovation.

The right technology platform can also drive ongoing optimisation and operational improvements.

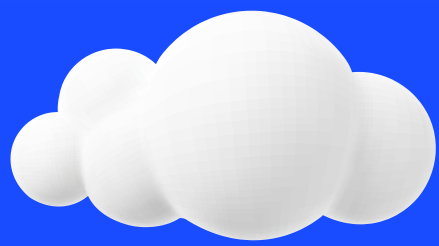
For cloud engineers and operations teams working within mature FinOps practices, tools such as **IBM Turbonomic** support continuous spend optimisation without disrupting the applications and services that support the business. These teams can manage cloud expenditure while still prioritising performance through responsible resource allocation that ensures cloud resources match the appropriate workload requirements and wasted resources are eliminated by only provisioning required services.

Logicalis' FinOps Managed Service leverages the power of technology platforms to embed value-driven thinking across all stakeholders. As organisations embrace the FinOps methodology, the dedicated Logicalis FinOps team encourages the adoption of best practice across the business, using tactics such as gamification to encourage adoption and benchmarking to demonstrate and celebrate performance. The ultimate goal is to achieve cloud unit economics, where every pound can be related directly to business value – but **every step brings tangible benefits.**

FinOps is a journey. Having eradicated waste, the next step is to embrace dynamic resourcing to achieve continual optimisation and ensure excellent performance.

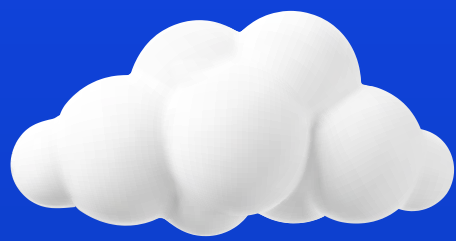
Realising the benefits of FinOps

In addition to aligning cloud investment with strategic goals, FinOps provides a platform to support innovation and enable effective business-led adoption of technology.



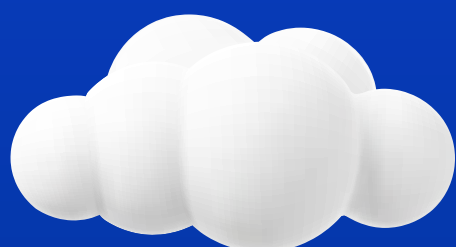
Delivering Board-Level insight

Using FinOps to pull together not only cloud costs, but all IT costs, can transform both day-to-day management and forecasting and future planning. The ability to include security tools, for example, enables CIOs to provide the board with detailed insight into the complete IT landscape. This supports both ROI reporting and the need to demonstrate the cost / risk equation associated with resilience and redundancy.



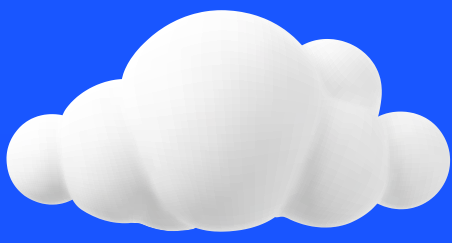
Exploring Marketplace Procurement

Maximising the value of marketplaces as a procurement channel should be a priority. The ability to reallocate expenditure across different providers within a marketplace provides an immediate win when unnecessary resources are decommissioned.



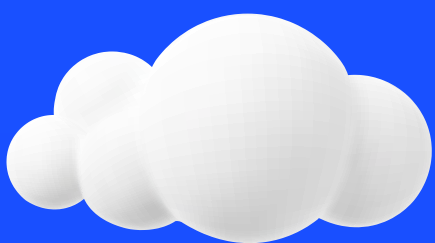
Embedding Continual Optimisation

FinOps delivers immediate opportunities to reduce costs and reallocate spend towards added value investments. By taking the next step and ensuring every investment decision is weighted against agreed policies, a business can continually optimise performance and enhance value.



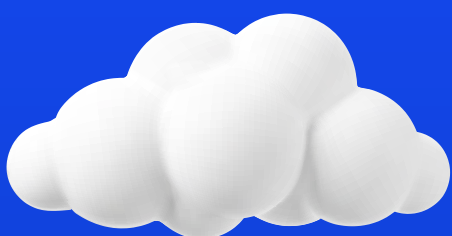
Achieving Effective Charge Back

The combination of a collaborative mindset and accountability transforms the approach to chargeback and showback models. FinOps delivers comprehensive insight into both current expenditure and the likely cost of a proposed project, allowing business leaders to understand the true business value of the investment.



Accelerating Innovation

Business leaders are increasingly looking to embrace AI, putting additional pressure on cloud resources. AI is driving workforce transformation with predictions that, by 2026, 20% of knowledge workers will take charge of their work transformation, using AI tools to automate workflows. Investment in AI will require not only a step change in cloud resourcing and effective chargeback models but also an additional focus on security and governance. Leveraging FinOps will ensure investments align with policies and deliver tangible corporate value.



Enforcing Best Practice

A well-architected cloud framework is not just cost-effective, it is also secure and optimised for resilience and redundancy. The adoption of FinOps reinforces best practice and ensures fundamental design objectives are always embedded within decision-making.

Value optimisation through FinOps is one strand of the Logicalis managed service model. Embracing other key aspects of the IT infrastructure into a managed service, including security, allows organisations to evolve towards a truly efficient, responsive, reliable and well-architected IT framework.

From cloud cost to business value

FinOps is the key to
strategic agility

The ***Logicalis 2025 CIO Report*** confirms that technology and business strategies are now aligned in the vast majority of companies. Innovation, through AI and automation, are priorities, but the continually escalating threat landscape is also heightening the need for resilience, security and redundancy. Collaboration and cross-business understanding of both the potential and the risks are imperative – yet the hybrid, cross-platform nature of today’s IT infrastructure can undermine rather than enhance the delivery of either innovation or the consistency required to mitigate risk.

FinOps not only **enables CIOs to create and deliver technology strategies** that amplify the business’ core objectives but also provides the foundation for collaboration and accountability that is essential to manage costs and safely deliver innovation. With near real-time insight into the impact of decision making, FinOps delivers essential business agility, allowing organisations to respond both to business opportunities and challenges – such as the impact of new tariffs.

Further, FinOps provides a best practice model that not only supports cross-business consistency but also enables the business to compare its performance to industry benchmarks, allowing success to be celebrated and highlighting areas for improvement. By embracing these principles, **CIOs and business leaders can ensure technology investments deliver** not only technical capabilities but tangible business value and position the business for future success.

Is FinOps the right way forward for your business? Why not try an initial assessment from Logicalis and understand just how much more value your business could and should be attaining from its cloud investment?



We are Architects of Change™.

We help organisations succeed in a digital-first world. At Logicalis, we harness our collective technology expertise to help our clients build a blueprint for success, so they can deliver sustainable outcomes that matter.

Our lifecycle services across cloud, connectivity, collaboration and security are designed to help optimise operations, reduce risk and empower employees. As a global technology service provider, we deliver next-generation digital managed services, to provide our clients with real-time visibility and actionable insights across the performance of their digital ecosystem including reliability, user experience, security, economic performance and sustainability.

Our 7000+ 'Architects of Change' are based in 30 territories around the globe, helping our 10,000+ clients across a range of industry sectors, create sustainable outcomes through technology.

Logicalis has annualised revenues of \$1.63 billion, from operations in Europe, North America, Latin America, Asia Pacific, and Africa. It is a division of Datatec Limited, listed on the Johannesburg Stock Exchange, with revenues of over \$3.6 billion.