CASE STUDY

Global Diversified Media Company
Applying cloud economics to save $15 million per year.

Business Objective
Like many organizations, the Global Diversified Media Company knew they were overprovisioned in the cloud. With more than 300 businesses units within the corporation, they needed help identifying and applying cost optimization strategies.

Problem
Because the media company is highly distributed across their business units, leadership needed expertise on where to start in strategically reducing cloud spend. The project of applying cloud economics and FinOps to more than 300 business units required the attention and guidance of an experienced third-party partner.

Solution
First, by using automation at scale to ingest billing data into a billing data lake, 2nd Watch was able to apply optimization models to create a single pane of glass dashboard, giving the media company a robust picture of how much is being spent, what it is being spent on, and who is spending it. With a clear and accurate view of spend across clouds, 2nd Watch's cloud economics team worked with the business to understand their architectures and goals and then applied FinOps strategies to optimize costs throughout the corporation.

About the Business
The company is a leading global, diversified media, information, and services company with more than 300 businesses. Its major interests include ownership in cable television networks; global financial services; a health division, a group of medical information and services businesses; transportation assets; and over 30 television stations that reach a combined 19% of U.S. viewers. The company also owns multiple daily and weekly U.S. newspapers, and over 200 magazine editions around the world.

The Business Challenges

One of the biggest challenges any highly distributed, large corporation faces is data accessibility and accuracy. With over 300 businesses units, the company expected that they were over provisioned – like most organizations – but they didn't know how to tackle cloud optimization across the corporation. They needed a central repository where cloud spend could be assessed to move forward with meaningful impacts.

The company needed an experienced partner to help them get the most out of their cloud infrastructure for the lowest cost. Without guidance, they were risking unfavorable enterprise discount program (EDP) agreements, overpaying inaccurate cloud bills, applying incorrect data and tags for decision making, and losing out on the business benefits of the cloud. Overall, these common missteps add up to millions of dollars wasted on unnecessary expenses.

The 2nd Watch Solution

When the company partnered with 2nd Watch over four years ago, the engagement was rooted in cost optimization. Since then, 2nd Watch has implemented the following FinOps and cloud economic strategies throughout the corporation. These changes to their ongoing operations are custom to the company, but central to the way 2nd Watch does FinOps. We don't assume the tactical strategies of cloud economics are one-size-fits-all. Instead, we apply the principles of cloud economics to tailored solutions fit for the corporation and their business units.

EDP Planning and Advocacy

As a trusted partner of the Global Diversified Media Company and with over a decade in optimizing enterprise Cloud bills, 2nd Watch acts as a third-party advisor and consultant for entities negotiating deals with any of the three cloud providers. Whether it's an enterprise agreement (EA), a Google agreement, or an EDP private pricing agreement with AWS, 2nd Watch helps both sides get a mutually beneficial deal.

As an AWS Premier Consulting Partner, Google Cloud Partner, and Microsoft Gold Partner, 2nd Watch is in the unique position of being trusted on both sides of an agreement. Our involvement not only yields better returns for the media company, but we also help communicate agreement terms on behalf of cloud providers. We've helped the company streamline the process of signing agreements they feel confident about, speeding up the process, and empowering business units with a comprehensive understanding of the deals they're signing.

Billing Audits and Surface Correction

Specific to 2nd Watch are the custom calculations we do in the cloud. Often times tools go without quality checks and the raw data being ingested is assumed to be correct. Unfortunately, that presumptive approach can result in inaccurate data output that causes errors throughout the operation – including inflated costs. As they say, bad data in equals bad data out.

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2nd Watch not only performs quality control checks on all of the company's cloud bills, but we correct the surfacing of the data as well. Through these checks we assure the accuracy of the data we surface to the company and their business units. On the other side, we work directly with cloud providers to get the appropriate credits necessary. This is especially important to cost optimization because some cloud providers have complex ways of analyzing data to apply the terms of their saving contracts. Unfortunately, errors occur quite frequently. With 2nd Watch going in, fixing the data, and customizing it, we're able to apply savings correctly and roll up accurate data aggregately at the business unit level.

Migration from CloudHealth to Cloud Financial Management Tool (CFM)

The media company wanted to move away from their cloud management solution, CloudHealth by VMware. Instead, they wanted to migrate to another CFM tool. 2nd Watch reviewed the CFM and found that the tool was incapable of reapplying savings plans accurately. Specifically, business units were unable to see how much they were being billed by the corporation for overall management of central IT.

2nd Watch worked directly with the CFM tool in order to solve this problem specific to the media company. As a partner and advocate for this company, we worked with their internal finance teams to ensure consistency between third-party tooling and actual chargebacks to business units. Similar to how we perform billing audits and surface corrections with cloud providers, 2nd Watch also helps them monitor third-party tools for errors.

Tagging Quality Controls

In keeping with the principles of data accuracy for cost optimization, 2nd Watch also implemented a unique tagging structure at the company. If an instance in the cloud was not appropriately tagged when it was created, and then gets tagged months later, the tag will only show up from that point forward in financial tracking and tools. In their case, one of those tags is business unit spend. It's paramount to deciphering what business unit the spend belongs to in order to apply cost optimization strategies.

2nd Watch goes back in time and fixes all prior months – where the tag was not appropriately applied – to provide proper surfacing information over time. The logic we've implemented corrects inaccurate, or untagged instances, to give the company a proper understanding of their financial operations. Only with a factual account of all instances can they apply cloud economics for expected returns.

Custom Dashboards On-Demand

When the company's business units want their dashboards presented in a different manner using different tiles or a different set of analysis, 2nd Watch typically delivers within 30 days or less. Most cloud providers are unable to offer this kind of on-demand customization, especially within such a short timeframe. We take these requests seriously understanding the value it provides to their business entities. With a mutual understanding that data insight produces maximum cost optimization opportunities, 2nd Watch prioritizes these personal requests.

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The Business Benefits

Since partnering with 2nd Watch, the Global Diversified Media Company is saving over a million dollars per month and an estimated $15 million per year. Beyond just cost savings, they have the operation-wide benefit of having a trusted and experienced cloud partner. While the solutions implemented by 2nd Watch were designed for cost optimization, the company has gained more than just millions of dollars a year.

- Knowledgeable advocates representing the company's best interests with third-party providers.
- Accurate data insights to improve data-based decision making, forecasting, and planning.
- Financial insights to support business use cases from the top down for faster innovation.
- Tailor-made dashboards that empower business units to meet goals more efficiently.

Going forward, 2nd Watch is helping the company improve and build upon their cloud infrastructure through scalable application modernization. Specific to each business unit, we're identifying AppMod opportunities based on each business's current state in the cloud and their ability to innovate. 2nd Watch will continue to vet and suggest new cloud opportunities that help the company meet their business goals and continue to improve costs.

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