

Whitepaper

DigitalEx

Unleashing Profitability:

The Power of White-Label FinOps Solutions for MSPs and GSIs

Executive Summary

This whitepaper explores how a white-label FinOps solution can empower Managed Service Providers (MSPs) and Global System Integrators (GSIs) to offer FinOps-as-a-service, improve profitability, and strengthen client relationships.
Key points include:

- The growing importance of FinOps for cloud cost optimization and management
- Challenges faced by MSPs and GSIs in managing cloud costs for diverse clients
- Benefits of white-label FinOps solutions for rapid deployment and scalability
- How FinOps-as-a-service can expand service portfolios and create new revenue streams
- Strategies for improving profitability and strengthening client relationships
- The competitive advantages of adopting white-label FinOps platforms



Introduction

As cloud adoption accelerates across industries, organizations are struggling to manage and optimize their cloud spend. **According to Gartner**, worldwide end-user spending on public cloud services is expected to reach $678.8 billion in 2024, up from $563.6 billion in 2023. This represents a growth rate of 20.4%. However, the cloud landscape is rapidly evolving, with groundbreaking technologies like generative AI accelerating this transformation. Given the substantial infrastructure requirements, organizations implementing GenAI solutions are increasingly turning to the public cloud. This shift creates a lucrative opportunity for hyperscale providers to address emerging challenges in areas such as cost optimization, financial models, data sovereignty, privacy, and environmental impact.

This rapid growth has created an urgent need for cloud financial management practices, known as FinOps.

For Managed Service Providers (MSPs) and Global System Integrators (GSIs), the rise of cloud adoption presents both opportunities and challenges. While the demand for cloud management services is higher than ever, these service providers face the daunting task of effectively managing and optimizing cloud costs for a diverse range of clients.

MSPs and GSIs are uniquely positioned to help their clients implement FinOps, but face significant challenges in developing and scaling FinOps capabilities across diverse customer environments. White-label FinOps solutions offer a compelling answer, enabling MSPs and GSIs to quickly launch comprehensive cloud cost management services.

DigitalEx has observed a significant increase in MSPs adopting FinOps practices. This trend is primarily driven by the resource disparity between large enterprises and smaller organizations. While enterprise-level companies can dedicate substantial resources to building dedicated FinOps teams, SMBs and mid-market businesses often lack the budget to do so. For instance, a $20 million annual infrastructure spend allows for a dedicated FinOps team, but a $2 million spend does not. Consequently, MSPs and GSIs have become essential partners for smaller organizations seeking to implement FinOps, as these companies often lack the internal capacity to manage cloud costs effectively.

This whitepaper examines the FinOps landscape, explores the challenges faced by service providers, and demonstrates how white-label platforms can drive profitability and competitive advantage in the growing cloud management market, enabling MSPs and GSIs to offer FinOps-as-a-service, improve their profitability, and strengthen their relationships with clients.

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The FinOps Landscape

The FinOps landscape represents a dynamic and rapidly evolving field at the intersection of finance, technology, and cloud operations. As organizations increasingly rely on cloud services to drive their business, the need for effective cloud financial management has become paramount. FinOps has emerged as a crucial discipline to address this need, offering a framework for optimizing cloud costs while maximizing business value. This section provides a comprehensive overview of the FinOps landscape, exploring its core principles, key stakeholders, and the lifecycle that defines its practice. By understanding this landscape, MSPs and GSIs can better appreciate the context in which white-label FinOps solutions operate and the value they bring to both service providers and their clients.

Definition and Principles

FinOps is a management practice that involves combining finance, technology, and operations to optimize cloud financial management and improve business value. It enables organizations to balance speed, cost, and quality in cloud-based environments.

Key principles of FinOps include:

1. Teams need to collaborate
2. Decisions are driven by business value of cloud
3. Everyone takes ownership for their cloud usage
4. FinOps reports should be accessible and timely
5. A centralized team drives FinOps
6. Take advantage of the variable cost model of cloud



The FinOps Lifecycle

According to the FinOps Foundation, the **FinOps lifecycle consists of three iterative phases**:

1. **Inform:** Gain visibility and allocation of cloud costs (benchmarking, budgeting and forecasting)
2. **Optimize:** Identify and implement cost-saving measures (utilization, discount instruments, data management)
3. **Operate:** Continuously improve and automate processes (policy enforcement, anomaly detection, automation)



Key Stakeholders

Successful FinOps implementation requires collaboration, buy-in and participation from multiple stakeholders:

- Finance teams
- IT/Engineering/DevOps teams
- Business/Product owners
- Executives leadership
- FinOps practitioners
- Procurement teams

Industry Trends and Statistics

- Omdia estimates the FinOps' market value at around $1.6bn.
- The FinOps market growth is tied closely to cloud computing, which is **projected by Omdia** to grow at a 14% CAGR from 2022 to 2027.
- Cloud technologies will account for 65% of all enterprise application spending by 2025 (**Gartner**)
- Over half of enterprises are struggling to see cloud ROI (**PwC**)
- **IDC data** shows that 79% of organizations feel a portion of their cloud spend is "wasted"
- 60% of organizations are spending 2-3 times more on cloud than originally budgeted for
- 50% of CEOs are very or extremely concerned about growing cloud expenditures

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Challenges Faced by MSPs and GSIs in Managing Costs

MSPs and GSIs face several key challenges in managing cloud costs for their clients:

Diverse Client Needs

Each client has unique requirements, cloud environments, and cost management goals. For example, a retail client may need to scale rapidly during peak shopping seasons, while a healthcare provider may prioritize security and compliance over cost.

MSPs must support various public and private clouds across their customer base. This diversity makes it challenging to implement a one-size-fits-all approach to cloud cost management.

Multi-Cloud Complexity

Many clients use multiple cloud providers (AWS, Azure, Google Cloud, Oracle Cloud), adding layers of complexity to cost management and optimization efforts. MSPs need tools that can provide a unified view across cloud platforms.

Scalability Issues

As an MSP or GSI's client base grows, manually managing cloud costs becomes increasingly time-consuming and prone to errors. The sheer volume of data generated by multiple cloud environments can overwhelm traditional management methods. Automation becomes critical to drive value efficiently.

Automating cloud cost management using Infrastructure as Code (IaC) tools like Terraform and Ansible can help scale operations efficiently, but these require expertise and maintenance.

Limited Visibility

Without proper tools, MSPs and GSIs can struggle to gain comprehensive visibility into clients' cloud spending and usage patterns. This hinders their ability to provide strategic guidance, and the lack of visibility can lead to:

- Unexpected cost overruns
- Difficulty in identifying optimization opportunities
- Inability to provide accurate forecasts and recommendations

Implementing comprehensive cloud management platforms provides deep insights into cloud usage, cost trends, and optimization opportunities, but integrating these tools into existing workflows can be complex.

Resource Constraints

Developing in-house FinOps solutions requires substantial time, expertise, and financial investment. And they may find this approach unfeasible, especially when considering the rapid pace of cloud technology evolution.

Training staff on FinOps principles and tools is critical, but it diverts resources from other strategic initiatives.

Custom Client Reporting

MSPs and GSIs often struggle to provide tailored, comprehensive reports that meet the specific needs of each client. This challenge stems from:

- Diverse client requirements for report content and format
- The need to aggregate data from multiple cloud platforms and services
- Difficulty in presenting complex cloud cost data in an easily digestible manner
- Time-consuming manual processes to create custom reports

Without efficient tools for custom reporting, MSPs and GSIs may find it challenging to effectively communicate the value of their services and provide the insights clients need for informed decision-making.

Invoicing Complexities

Accurate and timely invoicing for cloud services presents a significant challenge for MSPs and GSIs, particularly when managing multiple clients with varied cloud usage patterns. Key difficulties include:

- Reconciling usage data from different cloud providers and services
- Applying complex pricing models, discounts, and custom agreements
- Ensuring transparency in cost allocation and markup
- Managing different billing cycles and payment terms for various clients

These invoicing challenges can lead to billing errors, delayed payments, and strained client relationships if not addressed effectively. Additionally, the time and resources required for manual invoicing processes can significantly impact an MSP or GSI's operational efficiency.

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The Power of White-Label FinOps Solutions: A Comprehensive Overview

White-label FinOps solutions offer numerous benefits to MSPs and GSIs

Features and Capabilities



Rapid Time-to-Market

White-label FinOps solutions enable MSPs and GSIs to quickly launch FinOps services without extensive development or testing. This speed-to-market advantage allows service providers to capitalize on the growing demand for cloud cost management services.



Cost-Effective Implementation

By leveraging pre-built solutions, MSPs and GSIs can avoid the significant upfront investment required to develop proprietary FinOps tools. This cost-effective approach allows for more efficient resource allocation.



Scalability and Flexibility

White-label solutions are designed to accommodate growth, enabling service providers to easily onboard new clients and manage multiple cloud environments without compromising performance. This scalability is crucial for MSPs and GSIs looking to expand their client base and service offerings.



Consistent Branding

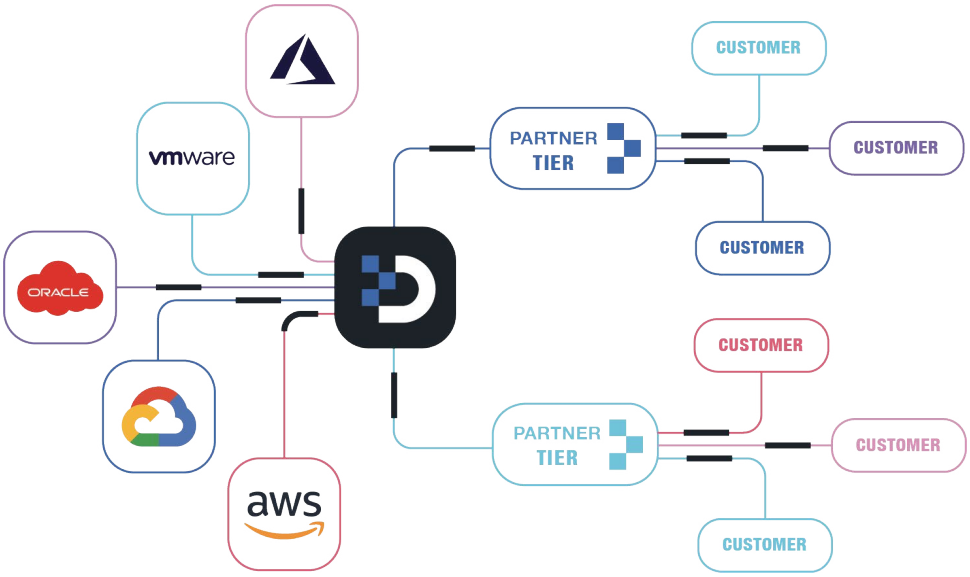
White-label solutions allow MSPs and GSIs to customize the platform with their own branding, creating a seamless experience for clients and reinforcing their market presence. This customization extends beyond logos and color schemes to include tailored dashboards and reports that align with the provider's service offerings.

Comprehensive Feature Set

A white-label FinOps platform ensures that diverse client needs are met, and provides a robust toolset that caters to a wide range of use cases. It offers a host of features, including:

- Tagging and labeling management
- Optimization recommendations
- Customizable dashboards and reports
- Multi-cloud cost visibility and allocation
- Anomaly detection
- Real-Time notifications
- Budget tracking, forecasting and management
- Workflow automation
- Automated policy enforcement
- Reserved instance management
- Chargeback / Showback / Cost Allocation
- Real-time monitoring
- Custom billing models
- User access control and role based permissions
- KPI tracking and benchmarking

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Empowering MSPs and GSIs to Offer FinOps as a Service

The adoption of white-label FinOps solutions presents a transformative opportunity for MSPs and GSIs to expand their service offerings and create additional value for their clients. By incorporating FinOps as a service into their portfolio, these providers can position themselves as strategic partners in their clients' cloud journey, addressing the critical need for effective cloud financial management. This section explores how white-label FinOps solutions enable MSPs and GSIs to enhance their service offerings, create new revenue streams, and strengthen client relationships. We'll explore specific ways these solutions empower service providers to meet the growing demand for FinOps expertise in an increasingly cloud-centric business landscape.

Expanded Service Portfolio

By adopting white-label FinOps solutions, MSPs and GSIs can add FinOps-as-a-Service to their service portfolio, differentiating themselves in a competitive market, and attracting new clients seeking comprehensive cloud management solutions.

Enhanced Client Value

FinOps services help clients optimize cloud spending, improve cost visibility, and drive better business outcomes. This added value can lead to increased client satisfaction and loyalty.

Recurring Revenue Streams

FinOps-as-a-Service creates opportunities for ongoing, subscription-based revenue, improving the financial stability of service providers. This model ensures a steady cash flow and increases the lifetime value of clients.

Strengthened Client Relationships

Providing valuable FinOps insights and cost-saving recommendations helps build trust and solidify long-term partnerships with clients.

Implementing these solutions can also lead to significant operational efficiencies. For instance, automated policy enforcement can shut down non-essential resources outside business hours, reducing costs without manual intervention. Real-time alerts for anomalous spending patterns enable proactive management, preventing unexpected cost spikes.

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Improving Profitability Through White-Label FinOps:

White-label FinOps solutions contribute significantly to improved profitability for MSPs and GSIs.

Higher Margins

By offering FinOps as a premium service, providers can increase their profit margins while delivering tangible value to clients. Significant profit margins can be attained by simply charging 2.5% of the client's cloud spend.

Clients are willing to pay a premium for expert management of their cloud costs, especially when it leads to substantial savings to their business. A report by Gartner indicates that organizations can save up to 40% on cloud costs by adopting FinOps best practices.

Client Retention

Demonstrating the ability to optimize cloud costs and drive efficiency helps retain clients and reduce churn.

Operational Efficiency

Automation and standardization of FinOps processes reduce the time and effort required to manage cloud costs across multiple clients, leading to improved operational efficiency. Automated reporting and cost optimization features free up resources, allowing teams to focus on higher-value activities.

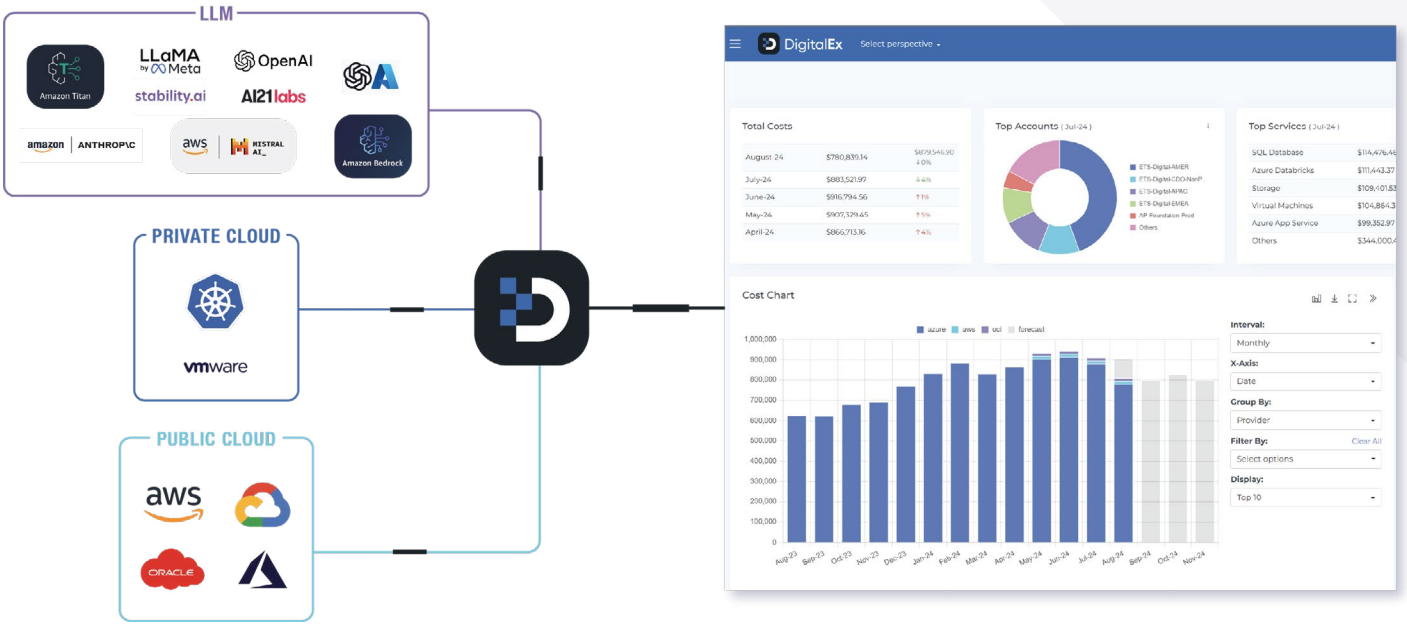
Upsell Opportunities

FinOps insights often reveal areas where clients can benefit from additional services or cloud resources, creating upsell opportunities for providers. For instance, detailed cost analyses may uncover opportunities for clients to adopt more advanced cloud services, such as machine learning or data analytics, driving additional revenue streams for the MSP.

ROI Percent of Spend Calculation Example:

		MSP		
		Each Client	All clients	
MSP - # of Clients			20	
MSP - Client Cloud Spend (monthly)		$ 10,000	$ 200,000	
MSP - Client Cloud Spend (annual)		$ 120,000	$ 2,400,000	
Initial Savings (< 60 Days)	10%	$ 12,000	$ 240,000	**avg 10-15%
Additional Savings (60+ Days)	15%	$ 18,000	$ 360,000	**avg 10-15%
Total Annual Savings	**25%**	**$ 30,000**	**$ 600,000**	
MSP New Revenue	**2.0%**	**$ 2,400**	**$ 48,000**	
DigitalEx	0.5%	$ 600	$ 12,000	
Client Cost of Savings	**2.5%**	**$ 3,000**	**$ 60,000**	
MSP Client New Spend (monthly)		$ 7,750	$ 155,000	
MSP Client New Spend (annual)		$ 93,000	$ 1,860,000	
Client Net Savings (annual)		**$ 27,000**	**$ 540,000**	
Client ROI		**900%**	**900%**	

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Strengthening Client Relationships

White-label FinOps solutions enable MSPs and GSIs to forge stronger bonds with their clients through proactive cost management, transparent reporting, strategic partnership, and continuous improvement.

Proactive Cost Management helps identify cost-saving opportunities and potential issues before they impact the client's bottom line. Using predictive analytics, MSPs can forecast future spending trends and advise clients on optimal budget allocations.

Transparent Reporting provides clear visibility into cloud spending with customizable dashboards and reports. Clients can access detailed insights into their cloud usage, costs, and optimization opportunities, fostering transparency and trust.

Strategic Partnership engages clients in more strategic conversations, aligning cloud initiatives with business objectives. MSPs can offer consultative services, guiding clients on cloud strategy, governance, and optimization.

Continuous Improvement demonstrates ongoing value and commitment to the client's success. Regular reviews and updates ensure that FinOps practices evolve with the client's needs, maintaining alignment with business goals.

The Competitive Advantage of a White-Label Approach

Adopting a white-label FinOps solution gives MSPs and GSIs a significant competitive edge. Faster Innovation is possible, offering cutting-edge FinOps capabilities without the burden of in-house development. Providers can quickly deploy new features and updates, keeping pace with industry advancements.

Providers can Focus on Core Competencies and client relationships while increasing market share by quickly deploying comprehensive FinOps services. This allows them to differentiate from competitors offering basic cloud management services.

Differentiation is achieved as advanced FinOps capabilities set providers apart. Offering sophisticated cost management, predictive analytics, and automated optimization attracts clients seeking expert cloud financial management.

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Implementation Strategy for White-Label FinOps Solutions

Successfully integrating a white-label FinOps solution into an MSP or GSI's service portfolio requires a well-planned and executed implementation strategy. This approach ensures that the new offering aligns with existing services, meets client needs, and delivers maximum value. A thoughtful implementation not only smooths the transition for both the service provider and its clients but also sets the foundation for long-term success in FinOps service delivery. The following section outlines key steps and considerations for MSPs and GSIs as they embark on their journey to offer white-label FinOps solutions. From initial assessment to continuous improvement, these strategies will help service providers navigate the complexities of launching and maintaining effective FinOps services.

1. **Assess current capabilities and client needs**
   Before implementing a white-label FinOps solution, MSPs and GSIs should:
   - Evaluate their current cloud management offerings
   - Identify gaps in their FinOps capabilities
   - Assess their team's skills and knowledge in FinOps practices

2. **Selecting the Right White-Label Solution**
   Factors to consider when choosing a white-label FinOps platform:
   - Feature set and scalability
   - Integration capabilities with existing systems
   - Customization options
   - Vendor support and training
   - Pricing model

3. **Train staff on platform and FinOps best practices**
   To successfully offer FinOps services, MSPs and GSIs should invest in:
   - FinOps certification for key team members
   - Ongoing training on cloud cost optimization techniques
   - Developing internal FinOps best practices and playbooks

4. **Client Onboarding Process**
   Develop a structured onboarding process for FinOps services, including:
   - Initial assessment of client's cloud environment
   - Setting up cost allocation and tagging strategies
   - Establishing baselines and KPIs
   - Creating customized dashboards and reports

5. **Continuous Improvement and Optimization**
   Implement a process for continuous improvement of FinOps services:
   - Regular review of client cost optimization opportunities
   - Staying updated on cloud provider pricing changes and new services
   - Gathering and acting on client feedback

6. **Pilot with select clients**
   Before rolling out FinOps services to all clients, conduct a pilot program with a few select customers:
   - Choose a diverse group of 3-5 clients with varying cloud usage patterns and complexity
   - Set clear objectives and success metrics for the pilot (e.g., cost savings, improved visibility)
   - Implement the white-label FinOps solution for these clients over a 3-6 month period
   - Gather feedback regularly and make adjustments to the service offering as needed
   - Document best practices and lessons learned throughout the pilot
   - Use the successful results and testimonials from the pilot to market the new FinOps service to other clients

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Future Trends in FinOps

As the cloud computing landscape continues to evolve at a rapid pace, so too does the practice of FinOps. Looking ahead, we can anticipate several key trends that will shape the future of cloud financial management and the white-label FinOps solutions that support it. These emerging trends reflect not only technological advancements but also shifting business priorities and environmental concerns. By staying ahead of these developments, MSPs and GSIs can ensure they're well-positioned to meet the changing needs of their clients and maintain a competitive edge in the market. The following section outlines some of the most significant trends we expect to see in the coming years, from increased automation to sustainability-focused features.

Increased Automation

As AI and machine learning technologies advance, expect to see more automated cost optimization recommendations and actions in FinOps platforms.

Multi-Cloud and Hybrid Cloud Management

White-label FinOps solutions will continue to evolve to better support complex multi-cloud and hybrid cloud environments.

Integration with Other IT Service Management Tools

Expect deeper integrations between FinOps platforms and other IT service management tools, creating a more holistic approach to cloud management.

Enhanced Predictive Analytics

Future FinOps solutions will likely offer more advanced predictive analytics capabilities, helping MSPs and GSIs provide more accurate long-term cost forecasts for their clients.

Deeper integration with DevOps and GitOps workflows

FinOps platforms will increasingly integrate with DevOps and GitOps workflows, allowing for better cost control and optimization directly within the development and deployment processes. This integration will enable teams to make cost-aware decisions earlier in the software development lifecycle.

Enhanced support for containerized and serverless environments

As containerization and serverless architectures become more prevalent, FinOps solutions will evolve to provide more granular cost management and optimization capabilities for these dynamic and ephemeral compute environments. This will include improved tagging strategies and more accurate allocation of costs for short-lived resources.

Carbon footprint tracking and sustainability optimization

With growing emphasis on environmental sustainability, FinOps platforms will incorporate features to track and optimize the carbon footprint of cloud operations. This will allow organizations to balance cost optimization with environmental impact, supporting corporate sustainability goals.

FinOps for edge and IoT environments

As edge computing and Internet of Things (IoT) deployments expand, FinOps solutions will adapt to manage and optimize costs in these distributed environments. This will include handling the unique challenges of diverse hardware, intermittent connectivity, and large-scale sensor networks.

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What Our MSP Partners Tell Us

At DigitalEx, we take pride in the success stories our MSP partners share with us. These real-world examples illustrate the tangible benefits of adopting our white-label FinOps solution:

Driving Significant Cost Savings for Clients

One of our long-standing MSP partners recently reported a remarkable success story. By leveraging DigitalEx's comprehensive cloud cost management capabilities, they were able to help a key client reduce their annual cloud spend by approximately 23%. This level of savings not only strengthened the MSP's relationship with their client but also demonstrated the concrete value of FinOps services.

Boosting Operational Efficiency

Another MSP partner shared how DigitalEx has transformed their monthly reporting processes. Prior to adopting our platform, they spent countless hours manually compiling end-of-month reports for their clients. With DigitalEx's automated reporting features, they now save approximately 15 hours each month on these tasks. This time savings translates to about $8,200 annually in recovered productivity, allowing their team to focus on higher-value activities and strategic client engagement.

Unlocking New Revenue Streams

Perhaps one of the most exciting testimonials comes from a potential MSP partner who is in the process of evaluating DigitalEx. During their initial assessment, they discovered over $2 million in costs on their VMware infrastructure that had never been properly allocated or charged back to their customers. With DigitalEx's advanced cost allocation and chargeback capabilities, they now have the potential to accurately bill for these services, creating a significant new revenue stream while improving transparency for their clients.

These stories underscore the transformative impact that a robust, white-label FinOps solution can have for MSPs and their clients. From driving cost savings and operational efficiencies to uncovering new revenue opportunities, DigitalEx empowers our partners to deliver exceptional value in the rapidly evolving cloud management landscape.

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Conclusion

As cloud adoption continues to accelerate, the need for effective FinOps practices will only grow. MSPs and GSIs that embrace white-label FinOps solutions position themselves at the forefront of this trend, ready to meet the evolving needs of their clients. By offering FinOps as a service, these providers can unlock new revenue streams, improve profitability, and strengthen client relationships while gaining a competitive edge in the market.

The power of white-label solutions lies in their ability to democratize advanced FinOps capabilities, allowing service providers of all sizes to offer enterprise-grade cloud cost management services. As organizations increasingly seek partners who can help them navigate the complexities of cloud financial management, MSPs and GSIs equipped with white-label FinOps solutions will be well-positioned to capitalize on this growing opportunity and drive long-term success for both themselves and their clients.

About DigitalEx

DigitalEx is a leader in AI-driven cloud cost management solutions, providing a SaaS platform designed to ingest all cost and usage information for a given customer across all of their clouds – both public and private. Our solutions are utilized by both Cloud-first enterprise customers as well as the Systems Integrator community who support those enterprise customers. By providing real-time visibility and control over cloud spend through state-of-the-art technology and services, DigitalEx helps businesses improve operational efficiency, accelerate growth, and achieve their digital transformation objectives. For more information, visit **digitalex.io**.

Don’t miss out on the growing FinOps opportunity.

Contact DigitalEx today to learn how our white-label FinOps platform can empower your organization to deliver best-in-class cloud financial management services.

SCHEDULE A DEMO

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