



LetsChangeTogether

FRAMEWORK FED

FinOps Governance & Architecture in Decentralized Industrial Enterprises

A phased implementation approach for complex group structures

Executive Summary

Daniel Siebert

Original work · Generalized · Version 1.0 · no institution-specific references

1. Starting position

Many large industrial enterprises are historically organized in a strongly decentralized way. Individual business units or divisions operate as largely autonomous entities with high operational and entrepreneurial responsibility. This structure enables market proximity, flexibility, and fast decisions — but faces growing structural challenges with increasing cloud adoption.

Typical consequences of decentralized IT and cloud strategies include parallel multi-cloud estates (AWS, Azure, partly GCP), inconsistent governance and operating models, fragmented license and contract structures, and missing group-wide transparency on costs, commitments, and efficiency potential. Economies of scale with cloud providers remain unused while complexity and usage-based costs rise simultaneously.

As cloud volume grows, these effects intensify. Without central coordination, isolated commitments, suboptimal discount structures, undetected over-provisioning, and missing comparable cost truth between units emerge. At the same time, requirements for transparency, forecasting, and strategic steering grow exponentially with total volume. Purely division-specific steering reaches its limits here.

2. Solution approach: phased FinOps introduction

The presented approach follows a risk-minimized, phased introduction (crawl – walk – run) that reflects the reality of decentralized groups.

2.1 Phase I – Crawl (0–6 months): piloting & transparency

In the first phase, building a consolidated data foundation is the priority. The goal is to establish initial showback mechanisms and create agency in selected pilot units. The focus is not on perfection, but on fast, visible value and political anchoring. Initial baseline transparency architectures are created and the organizational and technical foundation for further scaling is laid.

2.2 Phase II – Walk (6–18 months): controlled scaling

In the second phase, the model transitions to a federated rollout model (hub & spoke). Central policy guardrails and standards are combined with decentralized execution. There is a gradual shift from showback to chargeback and the introduction of unit economics and structured commitment strategies. Scaling occurs in a controlled manner with clear governance mechanisms to maintain political acceptance in decentralized units.

2.3 Phase III – Run: optimization & maturity

In the third phase, architecture optimization, shift-left approaches, and a re-investment incentive model come to the fore. The goal is to embed FinOps sustainably in the organization and in architecture decisions.

3. Concrete example: service-level TCO modeling

A practical example of implementation is pilot-based TCO modeling at service level. For an "IoT Data Service – Machine Connect EU," a complete service-level TCO model is developed that consolidates all relevant cost components (compute, storage, network, support, licensing, and operations).

This enables a direct, comparable overview of the actual costs of a service for the first time and creates the basis for sound make-or-buy decisions and evaluation of different architecture and operating models. Such models are especially valuable when transparency over complex, distributed services is needed and economic decisions must rest on a reliable data foundation.

4. Key strengths of the approach

The approach is characterized by the following features:

- Phased, risk-minimized introduction instead of big-bang transformation

- Federated governance model (hub & spoke) that respects decentralization while enabling central steering
- Data architecture before tool deployment ("process before tool") as a sound foundation
- Clear separation of structure and data responsibility in governance
- Practical, implementation-oriented roadmap with concrete milestones and policy guardrails

5. Practical value

The approach enables large, decentralized industrial enterprises to pursue a structured, politically feasible, and economically effective FinOps transformation. It connects the need for central steering with preservation of decentralized agency and thus creates the foundation for sustainable cost transparency, better investment decisions, and future-ready cloud governance.

PRINCIPAL

Behind the brand



Daniel Siebert

Senior Finance & Cloud FinOps Consultant

Daniel Siebert is a Cloud FinOps & Financial Operations consultant with 12+ years of experience in finance, SAP, and IT management. Under the LetsChangeTogether brand, he develops finance-steerable operating models for regulated hybrid IT — from architecture and data models through governance-ready implementation. Focus areas: inform layer, cost allocation, tagging governance, and connecting cloud consumption data with controlling and management reporting.

LetsChangeTogether

Framework FED · FinOps Governance & Architecture

daniel@siebert.cv · <https://siebert.cv>