

SXiQ CASE STUDY: 2019

SXiQ partners with Bupa to take control of their cloud costs and accelerated their cloud journey



“Exceeding our objectives in every way. SXiQ has demonstrated rock solid delivery and technical leadership, unshackling our innovation & ability to leverage the benefits of the cloud, for Bupa’s ongoing competitive role in the market.”

Jimmy Krlevski, Director, Production Services

BACKGROUND/SCENARIO:

Bupa has long recognised the value of the cloud and identified Microsoft Azure as their strategic platform for cloud services. They have a proven track record of technical innovation and thought leadership in digital transformation.

However, as Bupa has leveraged more cloud services, their costs have proven difficult to manage and were starting to exceed their original forecasts and budgets which was putting at risk Bupa’s long-term cloud strategy.

Bupa engaged SXiQ to implement an effective financial management of cloud services to get their digital transformation journey back on track.

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Bupa can now leverage Microsoft Azure to drive increased innovation, digital transformation & competitive agility with confidence, now their cloud costs are under control.

THE CHALLENGE:



- Significantly higher than expected ongoing cloud costs
- Innovation in the cloud stalled due to perceived lack of cost control by executive team
- IT Department reputation was being negatively impacted by cost control perceptions

BUPA adopted Cloud (Azure) initially for 3 key areas of their IT (BigData, Online and Integration Services), however after two years Bupa's cloud journey was being stalled due to cloud costs significantly exceeding business forecasts. As a result further cloud adoption and innovation was slowed as concerns developed around whether cloud was the right direction for Bupa or whether Bupa should maintain a more traditional on-premise posture.

THE SOLUTION:



- SXiQ deployed a Cost Optimisation Squad into Bupa to rapidly identify short, medium and long-term savings
- The team developed cost-reduction initiatives & provided BUPA with business cases & detailed implementation plans, allowing BUPA to select short, medium & long-term initiatives that provided the best ROI
- SXiQ implemented a cost visualisation platform which allowed BUPA to visually track the benefits being realised
- Lastly SXiQ implemented a Cloud FinOps capability to ensure ongoing cost benefits

SXiQ performed detailed analysis of all applications & their underlying dev, test, production environments & platforms. The initial stage focused on identifying quick wins, prioritising, implementing & reporting on a list of initiatives to cut costs rapidly (which would help fund subsequent phases). Focus areas included cost savings by right-sizing, right-timing, decommissioning idle resources, improved tooling & governance, new policy & process reviews.

Subsequent sprints delivered short- and medium-term wins, via continued analysis and focussing on medium term actions such as implementing Reserved Instances, consolidation of resources & workloads. Plus contract renegotiations and service design improvements which ensured improved cost efficiency. The most significant cost saving were achieved through Platform Modernisation & Re-architecting the Online & Integration Services platform transitioning them from Azure Web Services to Azure AKS Containers. This dramatically reduced Compute costs, and dramatically improved vertical & horizontal scaling capability.

THE RESULTS:



- 25% reduction in ongoing cloud costs – saving \$1.5m p/a or \$4.5m over 3yrs
- Innovation program and journey to Microsoft Azure is back on track
- \$1.5m p/a freed up to continue to invest in cloud modernisation
- New, Permanent FinOps practices implemented to ensure ongoing cost disciplines are maintained and to enable Bupa to drive innovation at an even greater pace, funded by the savings which were released via the cloud cost optimisation project.

Bupa achieved significant monthly cloud cost reductions, allowing them to reactivate and even accelerate their innovation programs and their adoption of cloud.

Bupa now has their cloud costs under control and have processes in place that have given them a new appreciation for the power of cloud and the confidence to continue leveraging Microsoft Azure.

As a result of the changes implemented, they also have a modern cloud implementation leveraging PAAS services such as Application Service Environments and Azure Kubernetes Services in an optimal manner.

Most importantly, Bupa now has a highly effective Cloud FinOps capability operating as part of the IT Ops model which ensures ongoing cost management and is helping drive sustainable ongoing adoption of cloud.

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