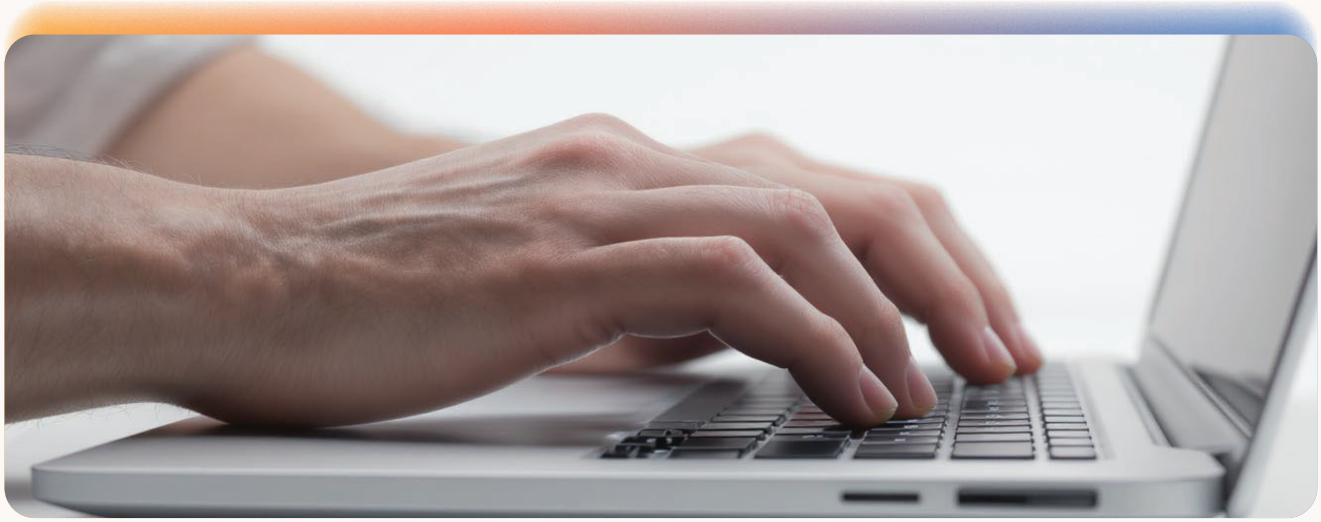
THE FINOPS IMPERATIVE

CLOSING THE DISTANCE BETWEEN SPEND AND STRATEGIC VALUE

FROM HIDDEN COSTS TO CLEAR ADVANTAGE

THE VALUABLE OPPORTUNITY THAT STRATEGIC FINOPS PRESENTS



CIOs and technology leaders today face an increasingly complex challenge: managing spiraling cloud costs while navigating fragmented IT estates that span multiple cloud providers, on-premises infrastructure, SaaS applications and heritage systems. Yet the real challenge extends beyond managing costs; it's about extracting maximum strategic value from every technology investment.

For most organizations, significant value remains untapped. Industry research reveals that an alarming portion of infrastructure costs remain hidden, buried in the complexity of multi-cloud environments, IT sprawl and disconnected financial management tools. This represents billions of dollars that could fuel innovation, drive competitive advantage, or accelerate digital transformation — if organizations had the visibility, understanding and frameworks to act on it.

This research report explores how DXC Total FinOps, a strategic evolution beyond traditional IT cost management, offers CIOs a powerful competitive edge. Through in-depth analysis and expert insights from DXC's leadership, we examine why limiting FinOps to cloud optimization misses the transformative opportunity before us.

You'll discover how comprehensive visibility across your entire technology landscape — from mainframe to edge computing, data centers to public cloud — enables not just cost efficiency, but strategic decision-making that aligns technology spending with business outcomes. We explore the critical role of human expertise in an era of AI-powered automation, the forecasting capabilities that separate mature FinOps practices from reactive cost-cutting exercises, and the cultural transformation required to break down silos among finance, engineering and business units.

Most importantly, this report demonstrates why DXC Total FinOps is not simply about saving money. It's about unlocking hidden value, creating a virtuous cycle where optimization funds innovation.

As you read through this report, we invite you to consider what your organization could achieve if the majority of your infrastructure costs were no longer hidden. The answer may define your competitive advantage in the years ahead.

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For years, FinOps has been sold short. Seen as the cost police of cloud computing rather than a driver of real business value, it's been stuck in a reactive role, used only when bills get out of hand and to cut costs rather than create opportunities.

This narrow view came from a simple oversight: when cloud computing promised to transform how businesses work, companies jumped in headfirst. When the reality proved messier than expected, FinOps pros were simply seen as the team that "fixes the cloud bill." But this limited perspective misses what financial operations can actually do for modern businesses.

Reducing FinOps to a cost-cutting exercise is a reactive, defensive posture focused solely on reining in runaway spending. This perspective completely misses the transformative potential of what FinOps can and should represent in today's business.

Cloud represents just one component of the sprawling technology estate that powers today's organizations. A truly strategic FinOps practice must cast a wider net, optimizing all IT expenditure across cloud environments, on-premises infrastructure, SaaS applications, data centers and the entire spectrum of technology investments in between.

The DXC Total FinOps solution changes this story. Instead of treating financial operations as just cloud cost management, it positions FinOps as a strategic practice that covers your entire technology landscape — transforming how you create, measure, and maximize value from every technology investment you make.

THE CRUSH OF HIDDEN COSTS

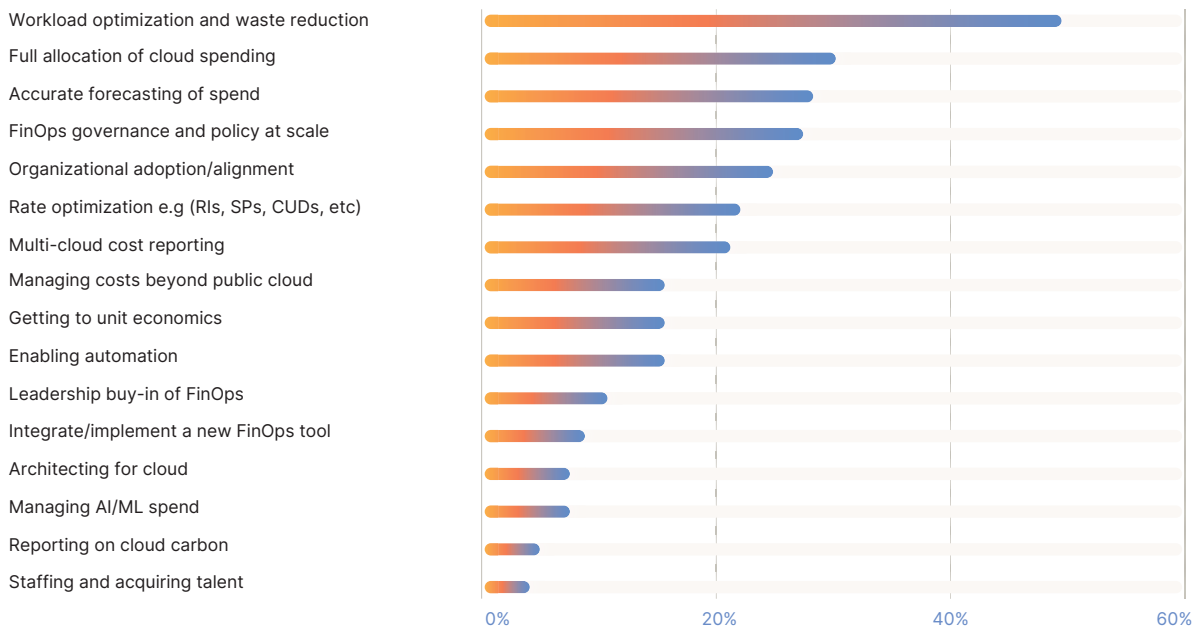
Step into any large enterprise today, and you'll encounter a bewildering mess of financial management tools and systems.

Native cloud provider dashboards offer visibility into AWS, Azure or Google Cloud spending. Third-party cost optimization platforms promise insights and recommendations. Homegrown spreadsheets attempt to track allocations and budgets. Each tool operates in its own silo, creating a fragmented view of technology spending.

Andy Haigh, head of Cloud and Infrastructure at DXC, is clear about the alarming reality organizations face today — almost 70% of their infrastructure costs are hidden. That's billions in potential reinvestment.

WORKLOAD OPTIMIZATION AND WASTE REDUCTION

The clear current top priority for FinOps practitioners



Source: The State of FinOps

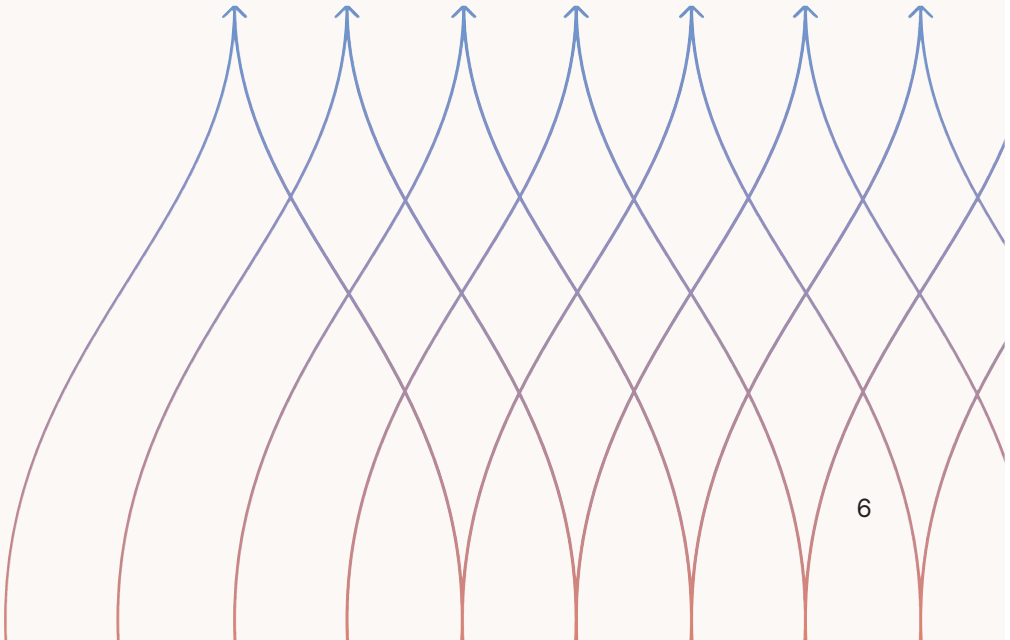
THREE DASHBOARDS, FIVE REPORTS, ZERO CLARITY

Fragmentation creates real problems. Engineering teams work from one set of data and metrics, finance teams rely on different reports and dashboards, and business unit leaders operate from yet another perspective.

Without a unified view, organizations struggle to establish consistent governance or make informed decisions about technology investments. Tool sprawl only makes things worse. IT teams burn valuable time reconciling data across platforms, managing multiple vendor relationships and maintaining integration points between systems that were never meant to talk to each other.

Glen Ralph, global head of Cloud Advisory at DXC, points to the cultural dimension of this challenge:

> "We've all worked in organizations where app teams only care about the cool stuff they're building, and the ops people only care about the cost. The two miss each other."



ENTERPRISE COMPLEXITY DEMANDS ENTERPRISE-GRADE SOLUTIONS

	2024 SPENDING	2024 GROWTH (%)	2025 SPENDING	2025 GROWTH (%)
Data Center Systems	329,132	39.4	405,505	23.2
Devices	734,162	6.0	810,234	10.4
Software	1,091,569	12.0	1,246,842	14.2
IT Services	1,588,121	5.6	1,731,467	9.0
Communications Services	1,371,787	2.3	1,423,746	3.8
Overall IT	5,114,771	7.7	5,617,795	9.8

Source: Gartner

The financial stakes are substantial.

"According to Gartner, rising vendor costs are consuming an increasing portion of CIO budgets year-on-year. This makes the need to examine operations deeply, to surface hidden costs and generate efficiencies, more critical than ever."

Andy Haigh

WHY CONSUMER-GRADE SOLUTIONS FALL SHORT

Cloud-cost management tools have flooded the market, with many vendors promising to solve the FinOps challenge. Some work well for their target audience: startups and mid-market companies with straightforward cloud footprints, simple organizational structures and limited compliance needs. But these consumer-grade solutions buckle under true enterprise complexity.

The DXC Total FinOps solution is built for this reality; designed to handle complexity and unify visibility and governance across all environments, not just the cloud.

MULTI-CLOUD COMPLEXITY

Large organizations operate across multiple cloud providers, each with different pricing models, discount structures, and billing mechanisms. They maintain hybrid architectures where workloads span public cloud, private cloud and on-premises or data centers. They navigate sophisticated financial structures with complex cost allocation across business units, products and customer accounts.

COMPLIANCE BURDEN

Enterprises in regulated industries face stringent requirements around data sovereignty, audit trails, and financial controls. A FinOps platform must integrate with existing governance frameworks and support the documentation and approval workflows that enterprise compliance demands.

DXC brings decades of experience navigating regulatory requirements, embedding compliance capabilities directly into the FinOps framework rather than treating them as an afterthought.

DXC TOTAL FINOPS

UNIFIED VISIBILITY AND INTELLIGENT OPTIMIZATION

ENTERPRISE SCALE

The sheer scale of enterprise environments creates challenges that simpler tools weren't designed to handle. While approximately 60% of organizations have begun implementing FinOps practices, most remain at an early maturity stage. This involves managing unit costs and understanding basic metrics, but not yet aligning technology spending with business outcomes or creating the collaboration that enables strategic value.

Source: The State of FinOps

DXC's approach accelerates maturity, helping enterprises move from 'crawl' to 'run' by establishing the processes, platforms, and cultural alignment needed for DXC Total FinOps at scale.

THE WINNERS OF 2026 AREN'T THOSE WHO SPEND LEAST, BUT THOSE WHO SPEND SMARTEST

Rex Palmer, Global Cloud General Manager at DXC believes that value needs to be more than the financial investment you make.

> "The essential questions are, does this outcome serve our strategic vision? Does it support our future business direction? Does it enable the capabilities our businesses truly require? For most organizations, years of acquisitions and shadow IT have created sprawling technology estates that lack clear oversight or understanding."
>
> Rex Palmer

True FinOps transcends the pursuit of the cheapest solution. It's now about identifying the route that delivers the greatest strategic value, providing CFOs and leaders with real-time visibility into the business value generated by tech investments.

Most importantly, good FinOps is about transforming IT spend from an opaque operational expense into a strategic lever for competitive advantage and growth.

UNIFIED VISIBILITY ACROSS THE ENTIRE IT ESTATE

A unified view that consolidates data across multi-cloud and hybrid environments is the answer to clarifying these grey areas.

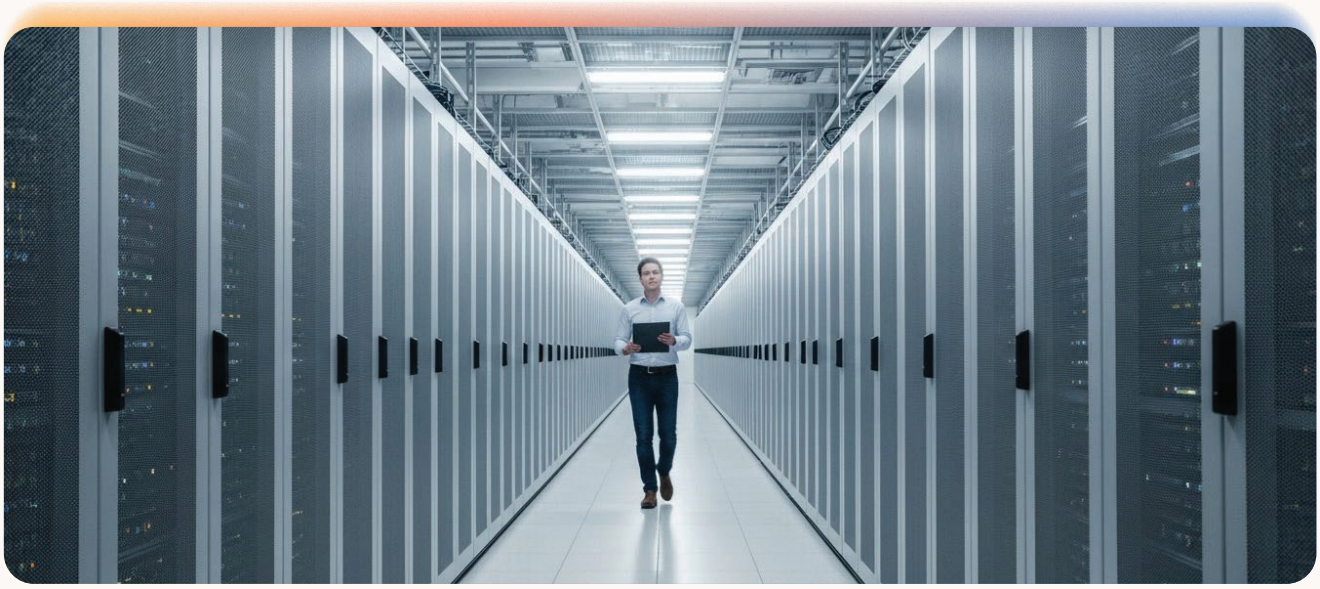
An integrated platform approach correlates cloud spending with on-premises infrastructure costs, SaaS expenditures and broader business metrics, creating a single source of truth. This typically includes governance frameworks that span different environments and analytics capabilities that normalize data across disparate systems. It also increasingly includes AI-powered layers that identify optimization opportunities and anomalies automatically.

The goal is to enable genuine cross-functional collaboration through one shared playbook, where stakeholders view the same data and work toward aligned objectives.

Ralph notes, “Many organizations practice cost allocation, but FinOps elevates this to true cost optimization, a capability enhanced significantly by unified data visibility.”

This level of integration isn’t just about convenience or efficiency, it’s about creating the foundation for strategic decision-making. Haigh recognizes this:

> “Connecting value to cost is fundamental to FinOps. Understanding the return on investment that technology delivers to the business elevates the focus toward value creation.”



THE FORECASTING GAP

Forecasting capabilities remain immature across the industry. The State of FinOps survey reveals that the most commonly implemented forecasting feature is manual adjustments to generated forecasts, which are also the easiest to implement.

Meanwhile, the most desired capabilities include leveraging KPIs on cost, better handling of delays in cost data and automatic adjustments based on behavioral changes. For lower-spending organizations (those under $10 million monthly), accurate forecasting ranks as the second-highest priority, reflecting the critical need to understand (the) spending trajectory before costs escalate beyond control.

When organizations can see their entire technology estate holistically, from mainframe to edge computing, and on-premises data centers to public cloud, they can make informed choices about where to invest, where to optimize and how to align technology spending with business priorities.

"DXC's expertise addresses this breadth," says Haigh. "We're one of the rare systems integrators that handles every workload category at scale: traditional on-premises data center infrastructure, emerging innovations like edge-deployed private AI for manufacturing and automotive sectors, and everything spanning mainframe through private and public cloud platforms."

Ralph adds,

> **"We've built a foundation that transcends cloud FinOps, enabling comprehensive cost discovery and visibility across the data center. This allows you to spend less time accounting for IT costs and more time optimizing them."**

TURNING IT SPEND INTO COMPETITIVE ADVANTAGE

THE HUMAN-AI PARTNERSHIP

WHERE EXPERTISE MEETS AUTOMATION

The promise of artificial intelligence in cloud optimization is seductive: AI-powered tools that automatically optimize spending while you sleep, continuously adjusting resources and eliminating waste without human intervention. It's an appealing vision, but one that introduces significant risks when pursued without appropriate guardrails.

While automation has risen in importance, particularly for organizations with small to medium cloud spend, most use automation primarily to gather data and detect the need for action, with humans still taking actions manually. Full automation, where actions occur without human approval, remains rare. Lack of trust in fully automated systems still exists, especially among large organizations in regulated industries, and challenges integrating automation into existing workflows and diverse tool ecosystems also hinder progress.

The fundamental limitation lies in what algorithms cannot do. Machine learning models excel at pattern recognition and mathematical optimization; however, they lack critical business context. They don't understand that a spike in compute usage might be supporting a critical product launch rather than representing waste. They can't navigate the complex change management requirements that exist in regulated industries. They apply one-size-fits-all logic that may work well for simple use cases but breaks down in the face of complexity.

> "AI will have a significant impact on operations. It will not replace all of the human elements, but it will definitely enable businesses to be able to understand the trends and how to best optimize their estate."
>
> Rex Palmer

The AI/ML revolution presents both opportunity and challenge for FinOps practitioners.

According to the State of FinOps 2024 study, only

of survey respondents report that AI/ML costs are impacting their FinOps practice today.

Source: The State of FinOps

To see more stats and learn about the FinOps maturity model, click to view our infographic here.

DXC Total FinOps embraces a more sophisticated model: human-AI collaboration. In this approach, machine learning continuously analyzes usage patterns across the entire IT estate, processing vast amounts of data at speeds and scales impossible for human analysts. AI exposes optimization opportunities, identifies anomalies, forecasts future spending based on trends, and generates recommendations for resource allocation.

However, these algorithmic insights don't translate directly into automated actions. Instead, certified cloud architects and experienced FinOps practitioners evaluate every recommendation through multiple lenses. They consider specific business context, assess compliance constraints and weigh-up strategic priorities.

This collaborative model delivers the best of both worlds: efficiency without recklessness, speed without blind spots, and optimization that genuinely serves business objectives.

Haigh explains further:

> "It serves three complementary functions: modeling future scenarios, forecasting outcomes, and synthesizing these insights into actionable recommendations."

The future isn't about choosing between human expertise and artificial intelligence. It's about orchestrating them together in ways that amplify the strengths of both while mitigating their respective limitations.

THE OPPORTUNITY

From chaos to clarity

Traditional approaches to IT financial management no longer suffice in an environment where technology can represent the primary enabler of business strategy.

The opportunity is significant. By moving beyond cloud-only optimization to expertise-driven FinOps that spans the full IT landscape, organizations can extract maximum strategic value from their technology investments. They can make informed decisions about workload placement, determining which applications belong in the public cloud, which should remain on-premises, and which are best served by SaaS solutions. They can create a virtuous cycle where savings fund further optimization and innovation. “These savings create momentum,” explains Haigh. “They can generate compounding efficiencies, bolster organizational resilience, or finance AI initiatives. The imperative is preserving the dual focus: operational excellence alongside innovation.”

DXC Total FinOps represents this next generation of financial management, where cutting-edge technology, deep industry expertise, and comprehensive managed services converge to optimize not just cloud, but all IT spend. This approach enables not just cost efficiency, but business acceleration and measurable strategic outcomes.

FINOPS AS A COMPETITIVE ADVANTAGE

For CIOs and technology leaders, the implications are profound, says Palmer: “For a CIO to be able to deliver digital innovation today, they need to have a complete view of their IT estate and how they’re using it. So that they’re spending less of their time looking at the cost of IT, and more at the optimization of it.”

The organizations that will thrive in the coming years are those that recognize FinOps not as a necessary evil or a reactive cost control mechanism, but as a strategic capability that enables better decisions, faster innovation, and greater business value. They understand that in a world where technology drives competitive advantage, the ability to optimize technology spending strategically represents a core competency.

As enterprises navigate increasing complexity, accelerating change, and intensifying competition, DXC Total FinOps has never been more critical or more valuable.

The evolution from cost management to business acceleration isn’t just possible. For forward-thinking organizations partnering with the right expertise and platforms, it’s already happening.

Learn more at dxc.com/solutions/cloud-and-infrastructure/total-finops