Clear Skies Ahead: Getting control over spiraling cloud costs

Project Cirrus is a strategic initiative to optimize and migrate cloud workloads to Akamai's infrastructure

Did you know the average business spends between $1.2 million and $24 million on public clouds annually, with some spending 10x that? According to the Flexera 2024 State of the Cloud Report, managing cloud spend is IT leaders' primary cloud challenge. As a result, managing cloud costs is a top priority for executives in 2024, as worldwide spending on cloud computing is projected to surpass $1 trillion this year.

Project Cirrus: Key benefits

Lowered cloud costs

- 40% in year one
- 70% projected for year two

Improved performance

- Over 40% faster queries
- 80% lower latency
- 70% faster workloads

Decreased risks

- Facilitated transition from cloud-friendly to cloud-native
- Streamlined operations and processes
- Mitigated cloud concentration risk

Like many businesses, Akamai recently embarked on a journey to optimize our use of cloud resources. As we assessed our use of public cloud services, we found numerous opportunities for optimization, leading to a company-wide initiative to migrate public cloud workloads to our own cloud infrastructure. We called it Project Cirrus, a project that is transforming how we approach our use of the cloud. After just over a year, we are on track to reduce third-party cloud spend by 70% while improving the efficiency and performance of our business-critical applications.

Optimize cloud workloads at planetary scale

Like many enterprises, Akamai has been working with cloud services for nearly two decades. Teams across the company adopted cloud services organically, driven by a need to accelerate time to market and pursue revenue growth. Over time, we found ourselves with many mission-critical applications making heavy use of cloud services, resulting in skyrocketing cloud costs. As a result, we formulated a strategy for implementing, utilizing, and scaling cloud technologies.

Here's how we got started.

Prerequisite: Executive sponsorship

Before undertaking a strategic initiative that impacts an entire organization, establishing executive sponsorship is critical. In Akamai's case, our CEO and co-founder played the pivotal role of executive sponsor, and he and his staff assumed the highest level of oversight and strategic guidance.

> "A survey by McKinsey & Company found that transformation initiatives with strong executive sponsorship are 1.6x more likely to succeed. Deloitte found that organizations with executive sponsors realize an ROI of 2.5x more from their cloud initiatives than do those without such sponsorship."

Step one: Setting clear business objectives

Our team identified three strategic business priorities based on the criticality of the workloads and the materiality of our cloud spend:

1. Optimizing capital allocation and strategic investments
2. Ensuring financial resilience and supporting risk management
3. Powering the next phase of our digital transformation

 Akamai

Step two: Establishing a holistic view

We prioritized two objectives:

1. Optimizing the use of cloud services for business-critical applications
2. Migrating workloads that did not benefit from being deployed to a third-party cloud

The priorities were purposeful. A holistic view of cloud spend provided visibility into how much we were spending on a third-party cloud and whether that spend was justified. This included the operating plans associated with each application, customer adoption and use, and the strategic roadmaps. From there, the migrations would be prioritized on the basis of business strategy, the effectiveness of the implementation, and the level of effort involved in migration.

> "A study by IDC found that companies investing in cloud optimization technologies can improve operational efficiency by up to 35%."

Step three: Aligning with cloud-native principles

The solutions that our teams identified were leveraged by our customers, which means they represented real revenue and were held to strict SLAs. Redesigning them forced us to look closely at optimizing for performance, cost, and scale simultaneously; we needed to balance managing cloud costs with maintaining margin profiles for these applications while providing superior customer experiences.

Step four: Eliminating vendor lock-in and cloud concentration risk

Cloud platforms are designed to be easy to use, making them incredibly sticky, which was what we experienced with our engineering teams. Once they started using compute services on a given platform, they organically expanded to other services to create resilient, scalable applications. As a result, we were challenged with rearchitecting exceptionally complicated, integrated webs of technology. This presented us with a unique opportunity to foster innovation.

Step five: Measuring and optimizing

Project Cirrus resulted in a 40% first-year cost savings. We calculated those savings based on the public costs we eliminated versus our own cloud infrastructure costs as we shifted applications and workloads onto our platform. As we look forward to year two and beyond, we are projecting a 70% savings when Project Cirrus reaches maturity.

Cut your cloud bills in half

Contact us to learn how you can implement cloud governance, create a sustainable model for investing in a public cloud, and take advantage of simple, open cloud services from Akamai.