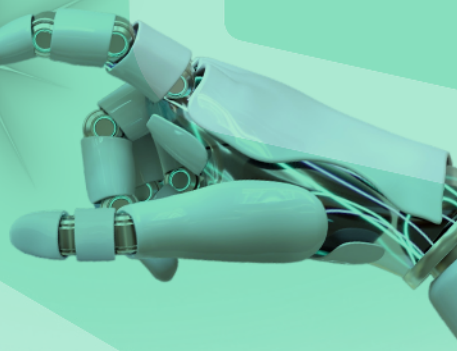
Kion



The Intersection of AI Governance and FinOps: A CloudOps Approach

Introduction

At Kion, we have a strong belief the future of FinOps will continue to rely on cloud operations to maximize the value of the cloud. We explored this topic a few months back as a broader introduction into our core vision for how FinOps ties into an overall CloudOps strategy, and how Kion's platform uniquely bridges these domains. To continue exploring Kion's product vision and the future of FinOps, we are diving deep into an area we think will be critical for organizations to manage effectively over the next several years: AI Governance.

Artificial Intelligence (AI) is generating both excitement and concern. On one hand, AI-based cloud services have the potential to revolutionize businesses; on the other, there are challenges in choosing the right services, processes, and expectations to fully leverage this potential. Just as cloud transformation required adaptation over the past decade, AI in the cloud will demand new approaches to effectively operate and innovate in an AI-driven world.

The rise of AI brings challenges like managing costs, access, and compliance. At FinOps X, James Greenfield, VP of AWS Commerce Platform, highlighted that AI will fundamentally reshape FinOps. The FinOps community will need to develop new best practices as understanding of AI workloads grows, potentially leading to significant changes in the current framework. Kion recognizes the intertwined nature of FinOps and CloudOps and focuses on addressing the full spectrum of operational challenges that AI brings. These challenges include compliance policies, identity management, and ensuring efficient use of AI resources. Kion provides a comprehensive platform to help organizations navigate these complexities.

FinOps for AI

Cloud economics already allows for cost overruns without proper guardrails, and AI-based workloads increase that risk due to potentially volatile, compute-intensive models mixed with our knowledge gaps of these services. This is why a tool like Kion is vital. The future of the cloud will involve AI, which is why the future of FinOps needs to include AI governance.

Kion offers core FinOps capabilities like spend visibility, cost allocation, and budgeting tools built into the platform. With Kion, you can take your AI workloads and/or accounts, and group them into projects via an Organizational (Org) Chart feature. This allows users to not only allocate and track spend for these efforts, but it enables cost governance through budgets, enforcements, and policies. With the Org Chart structure, policies can be applied systematically across your cloud estate in a manner that fits your use case.

With budgets, organizations can easily track any overspending across projects and business units, but the visibility alone isn't enough to govern these workloads. Financial guardrails are needed to ensure your engineers have space to innovate but still stay within boundaries. With Kion, you can implement these guardrails via enforcements, which are spend driven guardrails that integrate with our Cloud Rules engine. Organizations can use these enforcements to restrict certain types of expensive AI workloads or by shutting off development-based projects when certain budget thresholds are met. This type of process prevents surprising cost spikes and keeps you in control of these workloads. Kion helps organizations be in complete control of the financial aspects of their AI deployments, which allows our users the freedom to innovate confidently.

The above overview exists today in the platform, but Kion aims to push the definition of AI governance even further. For example, forecasting is a challenge across all cloud workloads, and the unpredictability of AI makes it even more of a challenge. We see an opportunity to bolster an organization's AI governance posture by making it easier to tie enforcements and alerts to those AI driven forecasts, while also giving users more control over the services and time periods the tool focuses on when forecasting. This creates both short-term and long-term governance over these workloads and allows for users to plan more effectively.

Compliance and Identity for AI

When beginning exploration of AI, there are additional core problems to solve to avoid surprises and ensure proper management. As previously *discussed,* Kion believes the broader responsibilities of CloudOps teams directly tie into FinOps. When it comes to the future of AI governance, this remains true, and it's why we continue to discuss other core issues related to security and operations when discussing FinOps use cases.

Who should have access to this technology? How do we ensure these workloads aren't violating any of our organizational policies and standards? These are questions that require consideration and governance alongside the financial implications. By managing these properly, you are indirectly improving your FinOps practice by avoiding surprises and avoiding one-off remediation efforts that allow your teams to spend more time on value-add efforts. We touched on the high-level features we provide that support AI workloads here, and they are summarized below.

Governance and Compliance

Compliance with internal and external regulations is critical for AI projects, especially when dealing with sensitive data. Kion enhances governance through automated compliance checks and policy enforcement.



Automated Compliance Audits: Regularly check the compliance status of AI resources, identifying and rectifying issues proactively.



Policy Enforcement: Implement and enforce policies for data encryption, resource usage, and access controls to ensure compliance with industry standards and regulations.



Centralized Management: Manage all compliance activities from a single platform, ensuring consistent application of policies across the organization.

Streamlined Access Control

Managing access to AI resources is crucial for maintaining security and operational efficiency. Kion simplifies access control through its Cloud Access Roles (CARs) feature.



Dynamic Access Control: Automate the assignment of IAM roles based on predefined policies, reducing manual errors and administrative overhead.



Role-Based Access Control (RBAC): Ensure only authorized users can access specific AI resources, aligning with organizational roles and responsibilities.



Audit Trails: Maintain comprehensive logs of access activities for compliance and audit purposes.

In addition to the above, we see organizations adopting AI as a means to innovating, being more competitive, and driving more revenue. However, there is a common challenge with teams needing access to these AI resources and simply waiting weeks for access to an account. Kion is uniquely suited to provide a solution for automated account provisioning via those access control features and can reduce those weeks into a few hours (up to 10X reduction in provisioning time). This is a critical call out, as it means AI-based accounts can be sped up with these controls and processes in place. That leads to quicker ad hoc accounts that lend themselves for quick testing and innovation. You can spin up an account for testing and utilize Kion's AI Jumpstarts to provide the necessary guardrails, and begin to develop securely and more efficiently than a home-grown approach.

How does this tie into FinOps? Because Kion is a CloudOps product built with a Governed by Default approach in mind, the platform is built to help your organization accelerate AI exploration while also governing it appropriately. By properly governing AI workloads from an identity and compliance perspective, you are not only reducing your security exposure, but you are indirectly improving your FinOps posture. If you limit the deployment of AI-based services to certain users/user groups in an efficient way, you ensure unauthorized users can't explore technology that's not necessary to their job role, which means avoiding unnecessary or surprising spend.

If you have continuous monitoring making sure non-compliant services can't be deployed in your accounts, you're not only avoiding short-term waste for services that ultimately need to be terminated, you are creating automation that both protects your organization and allows for organizations to move quickly because they know they're secure. There isn't a need to constantly reassess whether your deployments are compliant if it's automated for you, which means moving faster and gaining value from the cloud.

All of these use cases tie into governing your organization from the inherent risks of AI, but it's also enabling your organization to explore AI more efficiently and effectively. It's increasing the value of an organization's use of the cloud, which is the core value proposition of FinOps.

AI Governance in Action

The following summarizes a real use case that can be enabled with Kion:

1. Your organization determines a possible use case for business transformation via AI-based workloads, but there is currently a limited budget until the use case is tested.
2. A request is made for a new AI sandbox account to begin testing, and the account is automatically provisioned with least privileged access and restricted to only a handful of developers.
3. Automation is in place at the time of creation to ensure resources spun up are in line with tagging and compliance policies, and a budget is placed at the project level for $3K/month.
4. A financial policy is put in place to prevent more than $100/day in spend and only certain AI-based services are permitted to be deployed, with specific restrictions in place for expensive workloads. If testing exceeds $100/day, all resources are terminated for the remainder of the day.
5. Now within a few hours, you have a newly provisioned AI account to begin innovating, while having direct visibility into ownership, appropriate controls, and the ability to govern your AI exploration while potentially transforming your business.

At Kion, we believe this simple use case represents a massive impact to organizations and believe holistically governing these efforts in this way is the future of FinOps for AI.

Conclusion

For some companies, AI exploration is already integral to their business. For others, it may not be a focus yet, but it soon will be. While the potential for AI is well understood, the expertise to implement it effectively without the right tools is often lacking.

FinOps is about maximizing the value of the cloud, and AI-based services will inevitably become part of your cloud strategy. To best create that value, it's essential to protect your organization with governance across financials, compliance, and identity before fully leveraging AI use cases. With Kion's governed-by-default approach, you can safely and effectively achieve your AI goals. Kion empowers organizations to govern AI and enhance cloud value. The future of FinOps is here, and Kion is excited to help customers master it.

To see how Kion helps organizations achieve governance by default, watch this short demo.