Cloud KPIs You Need to Measure Success

To align your people and processes toward successful cloud management and optimization, it’s important to set effective key performance indicators (KPIs). While every organization is different, there are common principles and examples of effective KPIs that hold true regardless of the size of your company, your industry, or the makeup of your cloud environment.

### Hierarchy of cloud management metrics

<table>
<thead>
<tr>
<th>Objectives</th>
<th>The broader business outcome you’re hoping to achieve as a result of your effort and actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPIs</td>
<td>A measure of output, activity, cost or resources over time to track performance and progress toward objectives</td>
</tr>
<tr>
<td>Targets</td>
<td>The KPI result you would like to achieve</td>
</tr>
<tr>
<td>Initiatives</td>
<td>The actions you will take to achieve all the above</td>
</tr>
</tbody>
</table>

**Example:**
- Improve gross margins

### Features of effective cloud management KPIs

- **KPIs should be SMART**
  - *Specific*:
    - Determine the KPI you want to track or measure.
  - *Measurable*:
    - Establish a specific, defined target.
  - *Achievable*:
    - Set goals that are realistic and achievable.
  - *Relevant*:
    - Ensure the KPIs support broader business objectives.
  - *Time-based*:
    - Establish a timeline or deadline for achieving the KPI targets.

**Example:**
- Deploy VMware Aria Cost™ powered by CloudHealth® to help reduce wasted cloud resources and reduce cloud costs.

### Examples of effective cloud management KPIs

#### Cloud cost management

- Percentage of bill from untagged resources
- Cost of cloud resources by team against total cost
- Total cloud spend against forecasted total cost
- Cost of unused cloud resources against over time
- Cloud spend as a percentage of revenue

#### Cloud operations and performance management

- Percent of environment with proper tagging in place
- Percentage of inventory deployed on or before schedule
- Percentage of non-manual processes
- Mean time to resolve misconfigurations or security violations

#### Cloud security and compliance posture management

- Mean time to detect misconfigurations or security violations
- Detections and resolved misconfiguration or security violations
- Mean time to bring new services to market
- Percentage of policies in place

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### Take the next step

As you review these lists, think about the KPIs you’re currently tracking in your organization. Can they be more effective? Should you remove or replace certain KPIs entirely? Do you need additional resources or tools to track effective KPIs? These are all questions to consider with your cloud management team or broader cloud center of excellence.

If possible, establish KPIs early, and be sure to review these metrics periodically to track your progress over time. Benchmark against yourself—or better yet, benchmark against your peers—so you can show which actions and cloud services have the greatest impact.

Making assumptions might set you up for failure in reaching your KPIs, or leave you behind the results you might have achieved.

Our customers leverage the VMware Aria Cost platform to easily track cloud costs, security and performance by lines of business, project or team.

[LEARN MORE](https://www.vmware.com/cloud-management/aria-cost.html)