

# 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 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

<b>Objectives</b>	The broader business outcome you're hoping to achieve as a result of your effort and actions.	<b>Example:</b> Improve gross margins
<b>Key Performance Indicators (KPIs)</b>	A measure of output, activity, cost or resources over time to track performance and progress towards objectives.	<b>Example:</b> Cloud spend as a percentage of revenue
<b>Targets</b>	The KPI result that you'd like to achieve.	<b>Example:</b> 15%
<b>Initiatives</b>	The actions you'll take to achieve all the above.	<b>Example:</b> Deploy CloudHealth® by VMware to help reduce wasted cloud resources and cloud costs



## Features of effective cloud management KPIs

**KPIs should be S.M.A.R.T.**  
Specific, Measurable, Achievable, Relevant and Time-Based.

**KPIs should be backed by data.**  
Making assumptions may set you up for failure in reaching your KPIs, or leave you far behind the results you could have achieved.

**KPIs should be based on efficiency, not just cost.**  
You may be spending more money, but you're also planning on accomplishing more with what you spend.

**KPIs shouldn't stand alone.**  
Effective cloud management KPIs support broader business decision-making.

## Examples of effective cloud management KPIs



### Cloud Security and Compliance Posture Management

- Mean time to detect misconfigurations or security and compliance violations
- Mean time to resolve misconfigurations or security and compliance violations
- Detected and resolved misconfiguration trends over time
- Percentage of unresolved high-risk misconfigurations or violations
- Percentage of cloud inventory covered by security or compliance controls
- Percentage of security and compliance controls with automated actions or policies in place
- Percentage of security violations detected/resolved via automation compared to manual processes
- Number of security or compliance exceptions granted by team
- Number of security violations or misconfigurations by cloud provider, accounts, service types, etc.
- Percentage of personnel who have completed training and certification in security best practices and policies

### Cloud Cost Management

- Percentage of bill from untagged resources
- Cost of cloud resources by team against forecasted and by total spend
- Cost of cloud resources by application against forecasted and by total spend
- Cloud spend as a percentage of revenue over time
- Cost of unused cloud resources against total cost
- Total cloud spend against forecasted
- Percentage of infrastructure running on-demand vs. covered by discount programs
- Money saved with discount programs against total cost of cloud resources
- Percentage change in cost of cloud resources over time
- Net profit over time

### Cloud Operations and Performance Management

- Percent of environment with proper tagging in place
- Percentage of reverted or failed deployments over total
- Percentage of time cloud services are available
- Mean time between downtime or failures
- Mean time to bring new services to market
- Percentage of deployments/services delivered on or before schedule
- Percentage of unused cloud resources over total provisioned/deployed
- Percentage of processes with automation in place
- Admin hours saved as a result of automation
- Customer/employee satisfaction (NPS scores)

## Take the next step

As you review this list, think about the KPIs you're currently tracking in your organization. Could 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 you're circling back 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 are having the greatest impact.

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

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