



Case Study

Drift

How SaaS company Drift manages and optimizes AWS costs with CloudZero and ProsperOps



Challenge

Cloud cost optimization is complex, even for the most sophisticated Amazon Web Services (AWS) customers. That was the case for Drift, a B2B SaaS company whose conversational marketing platform helps businesses connect and build trust with customers. For Drift, and most modern SaaS companies, optimizing cloud costs relies on flawless collaboration between two key stakeholders: finance and engineering.

Drift's finance and engineering teams had implemented their own methods for understanding the AWS bill and cost optimization performance, but they were still unable to achieve optimal savings.

Drift needed a way to identify cost drivers and notifications when usage and cost trends changed. However, it was difficult for Drift to collect this information due to the following challenges.

Manual Management and Reporting

Drift was regularly running analyses to predict cloud spend and monitor usage and discount instruments. Because they were managing this manually, it was impossible to quickly react to changes in the environment.

Lack of Visibility into Cost Drivers

Drift wanted to better direct optimization efforts, but they needed to understand what resource types, products and projects were driving up cloud costs.

Insufficient Tools

Cloud cost optimization tools under consideration weren't a slam dunk. Many provided optimization recommendations, but Drift's engineering team would still be faced with manual work to execute tasks. Pricing, too, was not favorable. In many cases, Drift would have been charged a percentage of the overall AWS bill, in lieu of the value of the service.

As a result, Drift was consistently unable to extract maximum value from their cloud computing investment, receiving only a 27% discount on just 57% of their discountable resources.

Customer

- Industry: B2B Cloud Software
- AWS Accounts: 10+
- AWS EC2 Instances: 50+
- Monthly AWS Optimizations: 4,600
- Benchmark ESR: 24.1% (before ProsperOps)
- ESR with ProsperOps: 41.2% (February 2023)
- Lifetime Savings: \$3.2M

The logo for DRIFT, featuring the word "DRIFT" in a bold, black, sans-serif font. The letter "I" is replaced by a stylized lightning bolt symbol. A registered trademark symbol (®) is located to the upper right of the "T".

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Solution

CloudZero: Understand the Real Cost of Engineering Decisions

Drift turned to CloudZero to understand how the engineering team could make better cost optimization decisions. Specifically, Drift wanted to attribute AWS costs to distinct product features and ultimately strengthen its unit economics. Doing so would help them understand how cloud spend connects to different business initiatives. It would also clarify communication between finance and engineering.

The team also wanted a more efficient way to manage month-to-month costs and identify optimization opportunities. CloudZero's cost intelligence gave Drift more clarity into their Cost of Goods Sold (COGS), helping them slice and view costs in new ways, including by product or customer.

This helped the engineering team make better tradeoffs and understand the real cost of architectural decisions. Cloud cost anomaly detection also enabled the team to discover and adjust for unexpected cost spikes as they happened, rather than after the AWS bill arrived.

“We were constantly working against some sort of anomaly with our in-house data model and updating it monthly,” said Matthew Jackson, Head of DevOps at Drift. “Now we can use CloudZero and segment our AWS costs by the biggest ticket items like EC2 compute or ElasticSearch data clusters, then drill down. We can see where the actual money is going, where it makes most sense to direct our engineering efforts and how to plot these metrics against customer usage over time.”

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Matthew Jackson
DevOps @ Drift

Automating RIs and Savings Plans with ProsperOps

Knowing that Drift would also benefit from automating the portfolio of discount instruments, CloudZero referred the team to ProsperOps. ProsperOps complements CloudZero's approach by autonomously building, managing and optimizing a portfolio of AWS Reserved Instances and Savings Plans—without the need for meetings, updates or manual intervention from engineers.

“Before, we spent hours each month reviewing RI usage and coverage rates across instance types, trying to use back-of-the-napkin math to get 90-95% utilization,” said Jackson. “We were constantly changing instance types based on upcoming projects. This process was expensive in terms of time spent and could easily be derailed when incident management, or other types of questions, came up. If the wrong thing happened at the wrong time, reservation renewals got delayed.”

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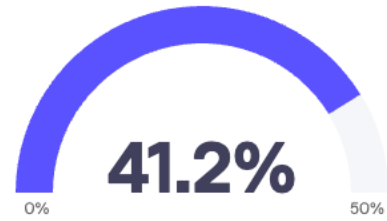
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With ProsperOps, algorithms automatically maximize AWS discounts—24/7—and align discount instruments to compute usage as it increases and decreases, without any manual intervention. Now, the Drift team doesn't have to make these manual changes, and they can trust that the algorithm is working its magic. Within ProsperOps' model, discounts increase over time, bringing additional savings that were not historically possible without extensive commitments.

“The peace of mind of having our AWS discounts well automated is big,” said Jackson. “Now we have a better RI strategy and a significantly improved discount rate without all of the engineering effort.”

Effective Savings Rate



ProsperOps algorithms optimize for Effective Savings Rate. This metric best represents overall savings performance and always correlates with maximum savings. [Learn More](#)

Results

CloudZero Real Cost Drives Engineering Efficiencies

CloudZero has helped Drift's engineering team make better, more cost-informed architecture decisions—and understand how resources show up in the AWS bill. In addition, the engineering team set up a Slack channel for CloudZero alerts to understand cost resource allocation and respond to anomalies.

“We know what to expect when it comes to our AWS costs, and engineering can now have a quick conversation with finance to discuss results,” said Jackson. “With CloudZero, it's easy to talk to an engineering team lead, go into the platform and see what you're spending. If you optimize it, you can see the cost change.”

In the first year as a CloudZero customer, Drift saved \$2.4 million on their AWS cloud costs using the platform to identify optimizations.

ProsperOps Improves Effective Savings Rate (ESR)

Before working with any customer, ProsperOps benchmarks a return on investment metric called Effective Savings Rate. ESR is a value-oriented, objective FinOps metric that represents the aggregate discount the company is receiving off of AWS on-demand rates for all of the cloud compute services. Prior to implementing ProsperOps, Drift had a 24.1% ESR, placing them above the 75th percentile of AWS optimizers. Now, Drift's ESR has increased to 41.2%, placing them in the 96th percentile of optimizers.

“ESR is the headline number we circulate with our finance team,” said Jackson. “It's a raw indicator of whether we are pursuing a good strategy, and it's working well for finance.”

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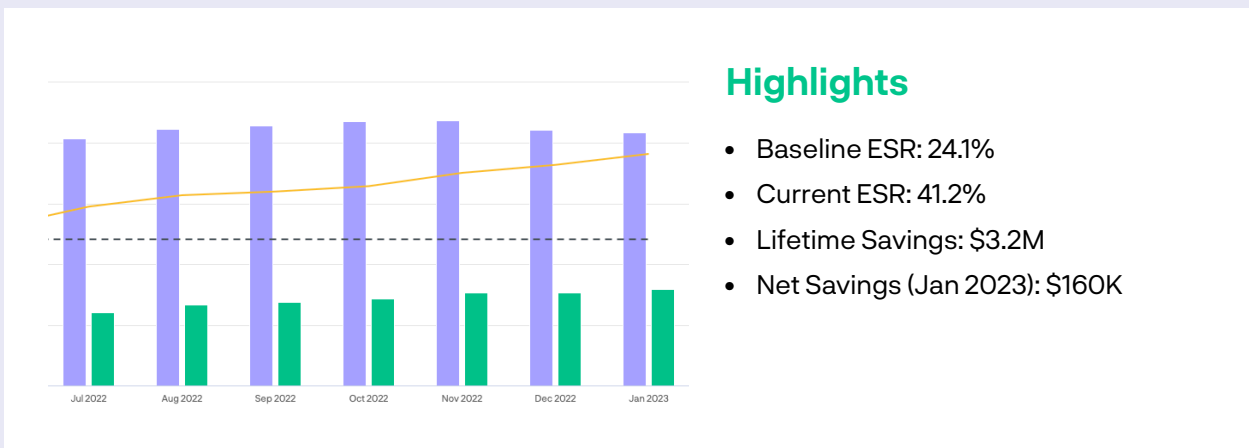
“We’re confident that we are not going to be surprised by \$100,000 disappearing before we know what happened,” said Jackson. “There’s a huge reduction in the random busy work that would come in at inconvenient times and torpedo our engineering objectives. We trust that these platforms work well together and understand the value they deliver.”

Since subscribing to ProsperOps in mid 2020, Drift has received more than \$2.9 million in lifetime savings returned to their cloud budget.

Outcome

Working with CloudZero and ProsperOps, Drift has achieved:

- Reduction in resource usage**
 Instead of spending hours each month to extract anomalies, review costs, usage, coverage, discounts and overall cloud savings performance, Drift now only spends a few minutes reviewing reports and notifications.
- Increased Effective Savings Rate**
 Drift has boosted their ESR from 24.1% to over 40%. With ProsperOps and CloudZero, they continue to improve their ESR and overall savings performance.
- Real-time visibility into costs**
 CloudZero is also surfacing cost anomaly notifications immediately through Slack, proactively alerting engineering teams to issues they can address and resolve quickly.
- Peace of mind**
 Drift has confidence in cloud cost visibility, reporting and optimization activities.



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About **CLOUDZERO**

CloudZero is the cloud cost intelligence platform that puts spend into the context of your business. By aligning engineering, infrastructure, and finance teams around metrics like cost per product feature, customer, and development team, CloudZero enables better strategic decisions, improved unit economics, and efficient spending. Trusted by top cloud-driven companies like Rapid7, Ping Identity, and Malwarebytes, CloudZero works with organizations of all sizes to take the next steps toward cloud cost maturity.

About ProsperOps

ProsperOps is a leader in AIOps for cloud financial management. Founded in 2018, ProsperOps provides an intuitive and autonomous cost optimization experience for Amazon Web Services (AWS) that automatically manages AWS discount instruments to maximize compute savings and minimize commitment risk. By removing the effort, latency, and risk associated with manually managing rigid, long-term discount instruments, ProsperOps simplifies cloud financial management. ProsperOps is a founding member of the FinOps Foundation and a FinOps Certified Platform, AWS Advanced Technology & ISV-Accelerate Partner, and 2021 Gartner Cool Vendor in Cloud Computing.

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