

## Case Study

# Coinbase

ProsperOps supports Coinbase FinOps with automated rate optimization and streamlined cloud financial management

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## A Solution to Save Costs and Empower Employees

Cryptocurrency company Coinbase needed a solution to maximize its cloud spend discount rate while freeing up time for employees to focus on strategic FinOps work. Working with ProsperOps, an Amazon Web Services (AWS) Partner, Coinbase onboarded an optimization solution to meet its goals.

“ProsperOps creates time and space for our team to focus on higher priority FinOps capabilities.”

**Stephen Arthur**  
Software Engineer, Coinbase

## Expiring discounts

With expiring one-year standard Reserved Instances (RIs) with AWS, Coinbase wanted to optimize its discount rate while managing risk and maintaining flexibility and optionality. It needed an alternate approach that could adjust with elastic cloud usage—especially for a cyclical industry that evolves with market demand, like cryptocurrency.

The Coinbase FinOps team could build a “do-it-yourself” solution, but that would require significant time and resources. A DIY solution would require time and attention from engineers that could be applied to business-critical efforts elsewhere.

A blockchain infrastructure platform Coinbase acquired in 2021 was already working with ProsperOps and seeing success. Using this success as an internal case study, the infrastructure team at Coinbase saw a compelling opportunity to grow the partnership to solve their challenge.

## An opportunity already within the company

ProsperOps brings best-in-class automation to discount rate optimization for AWS spend. It uses algorithms to solve optimization challenges, ensuring spend flexibly follows cloud usage. When deciding whether to use ProsperOps or implement a DIY solution, Coinbase compared benchmarks and modeled scenarios. They determined that automation would provide a higher coverage rate than the best human performance. The solution also delivers business continuity, so the FinOps team can work on other initiatives. The incremental value provided through automation, the business continuity, and the positive return on investment (ROI) led Coinbase to choose ProsperOps.

Schedule a demo or request a free Savings Analysis to quantify your outcomes with ProsperOps.

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## The time to focus on strategic work

Coinbase is now using ProsperOps to manage Amazon Elastic Compute Cloud (EC2) commitments. They started realizing the benefits immediately. A key metric for ProsperOps is Effective Savings Rate (ESR), which is an objective FinOps metric that measures the ROI for cost optimization activities. In the first 90 days partnering with ProsperOps, Coinbase has seen their ESR increase. Depending on the organization's size and total AWS spend, even a modest improvement in ESR (a 1-3% increase) can unlock millions of additional savings that return to the customer's bottom line.

The FinOps team no longer has to manually complete conversions or think about RIs, Savings Plans (SPs), and complex math problems for rate optimization. Now the team curates FinOps for Coinbase and spends time on long-term strategies and higher priority initiatives. They work on everything that can't be automated—like budgeting and forecasting, building a culture of cost sustainability, and deploying unit economics. Coinbase invests the money saved into other business areas.

“Doing EC2 commitment management is table stakes—a business has to do that,” says Stephen Arthur, staff software engineer at Coinbase. “Then the question is how do you do it? For us, the staffing and headcount are more appropriately deployed to things that require direct knowledge of crypto or Coinbase's business. ProsperOps creates time and space for our team to focus on higher priority FinOps capabilities that enable the business to utilize our financial resources more effectively.”

Managing EC2 RIs and SPs correctly can be complicated, and training can be time intensive. ProsperOps autonomously manages commitments, boosting competitive advantage and ensuring savings are maximized even when employee headcount or compute usage changes. Another benefit of ProsperOps automation is that it quickly adjusts to usage changes. Coinbase is prepared for long-term and short-term cycles in the cryptocurrency industry. ProsperOps automation helps them maintain flexibility and optionality.

“There are big swings up and big swings down,” says Arthur. “ProsperOps is able to succeed in that highly volatile and dynamic environment in a way that a DIY approach would still struggle with or require extra effort.”

For Coinbase, it's business as usual. With the ProsperOps solution, they are optimizing discounts and saving time so their teams can focus on the work that matters most to their business.

## About Coinbase

Coinbase is building the cryptoeconomy – a more fair, accessible, efficient, and transparent financial system enabled by crypto. Coinbase started in 2012 with the radical idea that anyone, anywhere, should be able to easily and securely send and receive Bitcoin. Today, Coinbase offers a trusted and easy-to-use platform for accessing the broader crypto economy.

**coinbase**

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## 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.

Achieve AWS savings you never thought possible. Algorithms, advanced techniques, and continuous execution automatically blend Savings Plans and Reserved Instances to deliver superior financial outcomes. On average, our customers increase monthly savings by 68%.

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