

# Xero Drives Profitability and Optimisation with CloudHealth

## **XERO IS CHANGING THE GAME FOR SMALL BUSINESSES.**

They proudly provide cloud-based accounting software to more than 1.4 million subscribers worldwide.

Founded in 2006 in New Zealand, the company now employs over 2,000 people and has a presence in more than 180 countries.

---

***“CloudHealth is a best of breed solution. I have been using it for 6 months and it has really helped me. I wouldn’t be able to do my job without it.”***

**– JAMIE WATT**

Platform Cost Specialist, Xero

---

## **THE CHALLENGE**

Xero began their cloud journey by evaluating several cloud providers and determining a strategy that would complement their rapidly scaling business. AWS was chosen as their primary cloud service provider, and to reduce risk, they adopted a multi-cloud strategy with a portion of their infrastructure running on Microsoft Azure.

As their infrastructure continued to grow, Xero encountered obstacles when it came to visibility and cost optimisation. The company recognised the need for a cloud management solution that could show all of their spend and usage, and help them find opportunities to rightsize their environment and take advantage of Reserved Instances (RIs).

---

## **THE SOLUTION**

After extensively evaluating the leading cloud management solutions in the market, Xero selected CloudHealth for its comprehensive cost optimisation and governance capabilities.

Within the company, the Site Reliability Engineering (SRE) department is responsible for making sure the Xero platform is up and running at

“

***I think a third-party tool like CloudHealth to look at your cloud spend, whether it's AWS, Azure, Google, whoever, is basically a requirement. I've used native tools before and to be fair they just can't do what a tool like CloudHealth can do.***

”

– **JAMIE WATT**  
Platform Cost Specialist, Xero

all times, while being mindful of costs. Jamie Watt is the Platform Cost Specialist for the department, tasked with optimising the company's AWS and Azure spend, along with any software they are using. “CloudHealth is a best of breed solution. I have been using it for 6 months and it has really helped me. I wouldn't be able to do my job without it,” remarked Jamie.

## **THE RESULTS**

Xero now has the visibility they need into consumption across all resources. With a large AWS bill, every month Jamie splits out Xero's spend by cost centers. He describes himself as fully immersed in the platform, “it's scary how many tabs I have open for CloudHealth, probably 15 tabs with separate reports.” Among those reports, is the Cost History Report based on tags. At Xero, there is a tagging compliance project underway, which involves being able to break down the cost by products using tags. The SRE team is building scripts to disable resources that are deployed without tags, and Jamie is using CloudHealth to monitor progress. “Once a week, I'm easily able to generate a report that shows everyone how they are tracking with their tag compliance.”

In addition to governance and cost reporting, Jamie is taking advantage of CloudHealth's Reserved Instance management capabilities. When asked which reports he uses most often he said, “without a doubt, RI utilisation reports. I have a policy setup that sends an email every morning showing me which RIs aren't being utilised properly. We only use Convertible Reservations, and this email triggers me to log in to AWS and make an exchange for a different instance type.”

With the help of CloudHealth, Jamie and his team are able to identify which Xero products are the most profitable, and conversely, if any are running with slim margins. Xero is excited to see massive savings come out of CloudHealth as they continue to optimise their spend.

---

## **NEXT STEPS**

The support Jamie has received from the CloudHealth Technologies Customer Success team has been an integral part of his experience. Driving awareness of CloudHealth throughout the company has become one of Jamie's goals. In the past three months, the adoption of CloudHealth has doubled with users increasing from 60 to 120. "I would like to see us at about 400 users," he claims. "I want everyone to have a CloudHealth tab open to see what their assets are doing, without me having to tap them on the shoulder to do so."

Jamie's advice for his peers is simple: "I think a third-party tool like CloudHealth to look at your cloud spend, whether it's AWS, Azure, Google, whoever, is basically a requirement. I've used native tools before and to be fair they just can't do what a tool like CloudHealth can do."

---

*"I have a policy setup that sends an email every morning showing me which RIs aren't being utilised properly. We only use Convertible Reservations, and this email triggers me to log in to AWS and make an exchange for a different instance type."*

**– JAMIE WATT**

Platform Cost Specialist, Xero