Cloud KPIs You Need to Measure Success

To align your people and processes toward successful cloud management and performance, it’s crucial to set effective KPIs. A proper cloud strategy depends on the right metrics and the right KPIs to track in your organization. While every organization is different, there are common principles and examples of effective cloud KPIs to help ensure your organization’s cloud strategy is tailored to your needs.

### Hierarchy of cloud management metrics

<table>
<thead>
<tr>
<th>Levels of management</th>
<th>Cloud KPIs</th>
<th>Example: KPI(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management</td>
<td>Cloud spend as a percentage of gross margins</td>
<td>Percentage of Cloud spend as a percentage of gross margins.</td>
</tr>
<tr>
<td>Middle management</td>
<td>Percentage of cloud services leveraged</td>
<td>Percentage of cloud services leveraged.</td>
</tr>
<tr>
<td>Bottom management</td>
<td>Individual department cloud spend</td>
<td>Percentage of individual department cloud spend.</td>
</tr>
</tbody>
</table>

### Features of effective cloud management KPIs

- **Clear purpose:** KPIs should be relevant to the business or department. KPIs should be clear and objective so that everyone understands what needs to be accomplished.
- **Aligns with business objectives:** KPIs should be aligned with business objectives and goals. They should support broader business initiatives and objectives.
- **S.M.A.R.T.:** KPIs should be Specific, Measurable, Achievable, Relevant, and Time-Based. KPIs should be S.M.A.R.T. so that everyone understands what needs to be accomplished.
- **Dependent KPIs:** KPIs should depend on and be validated by other KPIs. KPIs should be dependent on and validated by other KPIs so that everyone understands what needs to be accomplished.
- **Continuous improvement:** KPIs should lead to continuous improvement. KPIs should lead to continuous improvement so that everyone understands what needs to be accomplished.
- **Actionable:** KPIs should allow for action. KPIs should allow for action so that everyone understands what needs to be accomplished.

### Examples of effective cloud management KPIs

**Cloud Cost Management**

- **Net profit over time**
- **Cost of cloud resources over time**
- **Percentage of revenue vs. cost**
- **Percentage of spend**
- **Cost of unused cloud resources**

**Cloud Operations and Performance Management**

- **Mean time to detect security violations**
- **Mean time to bring action against security violations**
- **Mean time between security violations**
- **Mean time to resolve mean time to resolve security violations**

**Cloud Security and Compliance Posture Management**

- **Percentage of cloud resources covered by security policies**
- **Number of security and compliance violations**
- **Number of security and compliance misconfigurations**
- **Percentage of security and compliance violations**

**Cloud Health**

- **Percentage of cloud resources covered by discount programs**
- **Percentage of resources covered by discount programs**
- **Percentage of revenue vs. cost**
- **Percentage of spends**
- **Cost of unused cloud resources**

**Examples:**

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### Take the next step

As you review the list, think about how all the KPIs you’re currently tracking in your organization could be better aligned to your business objectives. Consider the following:

- **Strategic:** How do these KPIs align with your organization’s strategic goals and objectives?
- **Operational:** How do these KPIs support business operations and processes?
- **Employee:** How do these KPIs align with employee goals and objectives?

Use the CloudHealth platform to easily track cloud costs, security and performance. If you’d like to learn more, please contact us: sales@vmware.com.