

Leveraging Cloudability to Gain End-to-End Cloud Cost Transparency and Dynamic Scalability

TUI + Aptio, an IBM company



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Overview

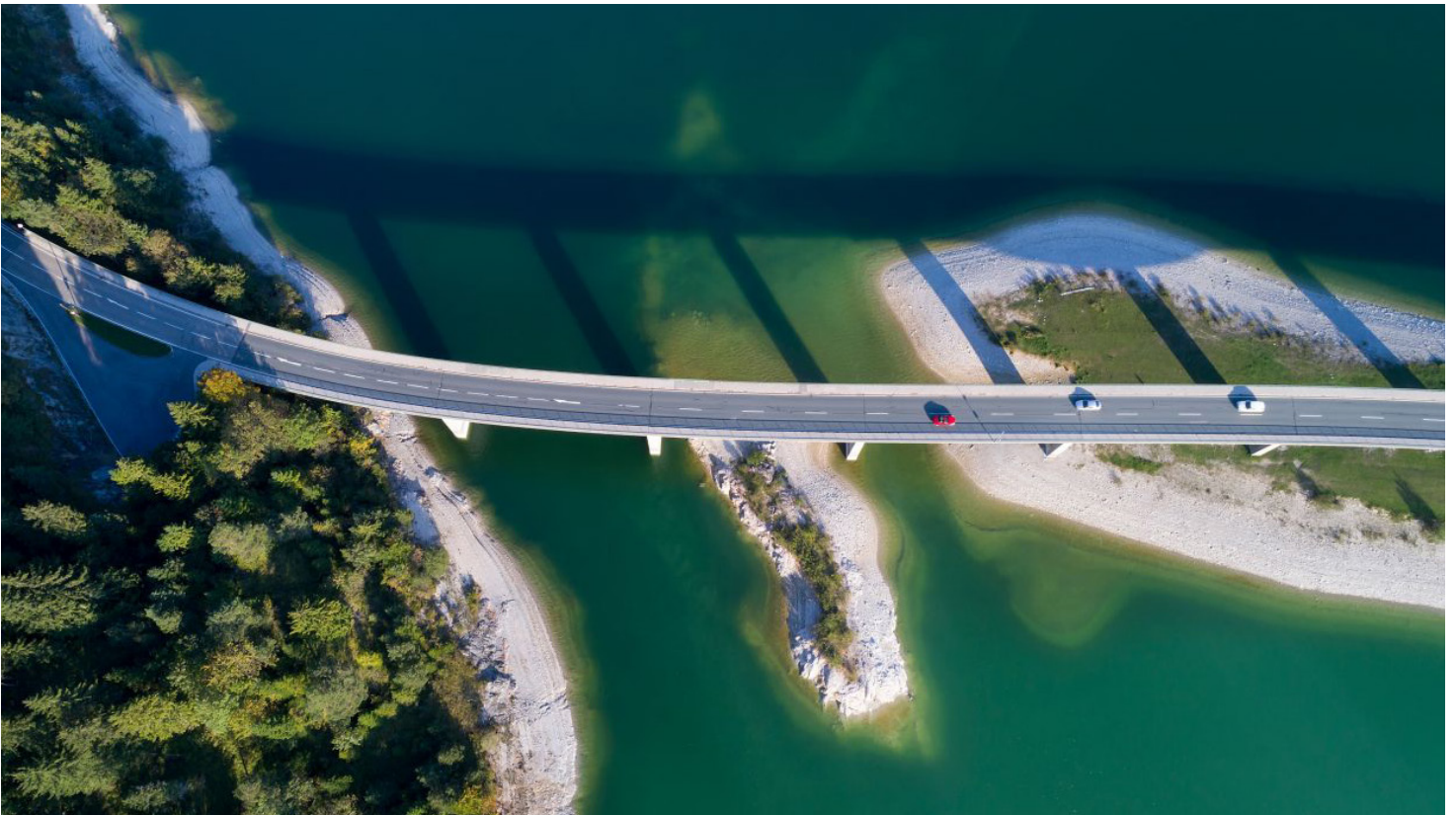
How can you prove that your cloud strategy has really delivered the desired business benefits?

TUI Group is the world's largest integrated tourism organization headquartered in Hanover, Germany. With more than 50 years in the tourism industry, TUI is serving more than 27 million customers every year.

Staying true to its mission of "Excellence in leisure experiences", the company brings its customers to over 180 destinations worldwide, providing flexible, tailor-made travel experiences. With 4,400 hotels in over 30 countries, five airlines with 130 aircrafts, and 16 cruise ships and more than 1,000 travel agencies, TUI also provides its customers with multi-destination trips with over 5,000 combinations to choose from.

TUI has fundamentally transformed its IT landscape with a consistent cloud strategy. In the course of their cloud journey, TUI moved the data center-based workloads distributed throughout Europe to the cloud, replaced software systems with cloud-enabled solutions, and reorganized their IT teams. With the concept of TUI's so-called "Domain Model", global cloud-native applications have replaced existing local, isolated solutions across all markets. Since starting the transformation at the beginning of 2018, the core foundational technology implementation is complete alongside with the organization transformation and the migration of services from legacy systems continues as planned with a target to close our physical data centers by 2025.

This comprehensive technology transformation with a focus on efficiency and dynamic scaling also required a rethinking of IT financial management.



27M

Customers served by TUI every year

50%

Reduction in cloud cost in 2020, without compromising business continuity

“With the centralized Apptio platform for cloud financial management, we now have a unified database for technology costs and planning from IT to finance to business departments and management. For a better understanding of cost/value analyses, each role has an individual view of the areas relevant to them.”

Yasin Quareshy
Head of Technology, Cloud
TUI Group

Creating a FinOps culture based on cost accountability

TUI aimed to achieve cost efficiencies by bringing full visibility to cloud spend across all accounts and service providers, including container, support, and shared services charges. This was achieved through the implementation of Apptio Cloudability. The platform enables continuous correlation of cloud spend against business objectives, with reporting at the application and business-unit levels.

TUI's Cloudability implementation has enabled informed cloud investment decision-making and better budget tracking at the team level. With machine learning-backed planning and forecasting, Cloudability has also provided timely visibility into trends and cost anomalies, allowing IT teams to work with business units to evaluate appropriate actions and possible optimization opportunities.

“With the centralized Apptio platform for cloud financial management, we now have a unified database for technology costs and planning from IT to finance to business departments and management,” said Yasin Quareshy, Head of Technology, Cloud, at TUI Group. “For a better understanding of cost/value analyses, each role has an individual view of the areas relevant to them.”

The end-to-end view of the business value realized via their cloud infrastructure supports TUI's technology change management toward a FinOps culture: cross-departmental collaboration for Agile innovation, decentralized decision-making, and rapid adaptation to change using control mechanisms or metrics.

To do this, Apptio Cloudability streamlined chargeback and showback processes. This means that IT Finance can assign business units the cloud resources they were responsible for and invoice them accurately. “This increases cost awareness for IT and encourages teams to optimize cloud workloads for maximum profitability,” said João Vieira Santos, Head of Technology, TUI.

To establish the FinOps culture among geographically dispersed IT teams, the first step was implementing Apptio Cloudability and then training a central user group. FinOps best practices were established during this process and shared with the teams that were subsequently trained to ensure consistency across the company in cloud-focused frameworks and processes.

“Via Apptio Cloudability, we were able to analyze the cost savings globally, and correlate individual adaptation measures against the groups that were affected. In addition, the platform provides recommendations, such as rightsizing and Reserved Instances purchasing, that helped us identify cost optimization opportunities.”

Yasin Quareshy

Head of Technology, Cloud

TUI Group



Optimizing cloud investments in volatile markets

Where and to what extent the cloud strategy has led to greater agility, scalability, and value creation at TUI was clearly demonstrated during the past three turbulent years. In 2019, for example, IT capacity was immediately expanded to meet increased demand following the insolvency of the global travel group Thomas Cook. A year later, countervailing measures were required, said Yasin Quareshy.

“With the slump in tourism in 2020, we were able to cut cloud costs in half without affecting business continuity, for example, by reducing resource consumption in testing and development,” said Yasin Quareshy. “Via Apptio Cloudability, we were able to analyze the cost savings globally, and correlate individual adaptation measures against the groups that were affected. In addition, the platform provides recommendations, such as rightsizing and reserved instance purchasing, that helped us identify cost optimization opportunities”.

In the current economic recovery phase, TUI is resuming some of the cloud and IT development projects that were halted. To be prepared for future market fluctuations, the concept of unit economics is being considered. Here, key metrics surfaced within Cloudability are intended to ensure that the relationship between cloud consumption and the performance of the individual business units can be optimally managed. The aim is to use this to capture the current state so that the CloudOps groups can align the provisioning and use of cloud resources with business conditions.

TUI’s Cloudability implementation ultimately allowed them to demonstrate the value of their cloud spend and strategy while keeping their cloud costs low and maintaining agility in operations.



About TUI Group

[TUI Group](#) (link resides outside of ibm.com) is a travel and tourism company headquartered in Hanover, Germany. With more than 50 years in the tourism industry, TUI is serving more than 27 million customers every year.

Solution component

[Apptio, an IBM Company](#) →

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