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Optimize Cost and Carbon From AI Investments With NTT DATA's FinOps Carbon

Scott Sinclair, Practice Director; and Monya Keane, Senior Research Analyst

Abstract: We are witnessing a rise in sustainability initiatives corresponding to increased investments in AI. Organizations need better tracking and cost analysis processes to support these initiatives. NTT DATA's FinOps Carbon team invented the FinOps Carbon Methodology and has chosen IBM Cloudability to power the FinOps Carbon solution, creating added value for its enterprise clients. NTT DATA's FinOps Carbon team developed the overall strategy, methodology, and framework, with IBM as a tactical [premier partner of FinOps Foundation](#) supporting the industry's newest enterprise framework and operating model.

Overview

Today, IT sustainability initiatives are becoming even more important given the increasing prioritization of artificial intelligence (AI) and generative AI (GenAI) projects that are consuming large amounts of power. According to research from Informa TechTarget's Enterprise Strategy Group, 74% of organizations have a published goal or commitment to becoming carbon-neutral.¹ Additionally, 86% of organizations agreed that sustainability is increasing in importance as an operational decision factor.

Sustainability is already important. The rise of GenAI is making it increasingly important when it comes to minimizing both power usage and the costs related to that usage. Research showed that 54% of organizations expect to have GenAI in production this year.² Additionally, 84% of respondents reported that the growth of AI (including GenAI) has them reevaluating their application deployment strategy.³

This is part of the reason why so many organizations are actively investing in tools and technologies to better understand the cost and power impact of their IT infrastructure. It is a top-of-mind issue right now: 83% of surveyed IT decision-makers said their organizations have an initiative in place to reduce their storage infrastructure's energy consumption by classifying and moving data to lower carbon and energy footprint locations. These organizations would be wise to take a look at [NTT DATA FinOps Carbon](#) as a possible way to propel this important initiative.

Sustainability and Cost Analysis Have Become Critical to Operations

Enterprise Strategy Group research provides a deeper understanding of the state of sustainability initiatives and FinOps Carbon tracking. As the data in Figure 1 shows, organizations reported that a variety of objectives are driving their sustainability initiatives. While the most commonly identified major rationale relates to achieving

¹ Source: Enterprise Strategy Group Research Report, [The State of IT-driven Sustainability](#), October 2024. All Enterprise Strategy Group research references and charts in this Showcase are from this report unless otherwise noted.

² Source: Enterprise Strategy Group Research Report, [Beyond the GenAI Hype: Real-world Investments, Use Cases, and Concerns](#), August 2023.

³ Source: Enterprise Strategy Group Research Report, [Cloud Application Deployment and Migration Decision-making](#), August 2024.

compliance with a government mandate (cited by 16% as their top reason for moving forward with the sustainability initiative), the most common overall decision factor is tied to a desire to reduce operational costs.

Figure 1. Top Objectives Fueling Sustainability



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Sustainability is important for the world overall. But for a business, an IT-focused sustainability initiative can also directly help control costs, especially as the cost of power and cooling rises.

That is why so many IT organizations have been making tactical decisions designed to optimize power usage, reduce power-related costs, and/or align with larger-scale sustainability initiatives. In fact, 75% of surveyed organizations reported that they have moved data or relocated a workload to reduce emissions.

However, effective cost control also requires having the right tools, insights, and operational know-how to make the right decisions. While the widespread adoption of tools providing such insights is still relatively early, Enterprise Strategy Group found that 27% of the organizations it surveyed are already leveraging some type of carbon data or carbon reporting in their production environments, while an additional 50% reported having carbon data or carbon reporting in either a pilot/proof-of-concept stage or have a plan to deploy this type of solution within the next 12 months.

NTT DATA FinOps Carbon

NTT DATA's FinOps Carbon redefines IT investment strategies with a shift-left framework, embedding precision financial optimization, value-driven strategies, and design-thinking methodologies directly into public, private, and hybrid cloud architectures. This approach empowers organizations to transform every IT decision into a competitive advantage.

The company has extensive implementation experience in all of those areas, but it is especially conversant in methods to achieve better sustainability by reducing carbon usage. Notably, the NTT DATA FinOps Carbon solution offers [Scope 3](#) carbon emissions reporting and FinOps model integration, spans on-premises and public cloud environments, and provides location-based analyses.

NTT DATA's FinOps Carbon approach centers on understanding who an organization's key stakeholders are and how to get them the information they need from detailed financial impact reports that are designed for executive consumption.

NTT DATA is leveraging IBM Cloudability to deliver a comprehensive suite of solutions that empower organizations to optimize costs, enhance sustainability, and drive strategic cloud investments. Here's a closer look at three key benefits linked to this innovative collaboration:

- **FinOps Carbon Analysis.** This analysis examines costs borne by specific firms and their individual business units, analyzing areas for emission-reduction potential in the data center and in the public cloud. It then presents recommendations for near-term savings and suggestions for possible longer-term optimization down the road.
- **FinOps Carbon Implementation.** The solution integrates those recommendations into the FinOps Carbon Analysis strategy while implementing IT emissions telemetry to maximize cost savings.
- **FinOps Carbon Maturity Workshops.** This component integrates an organization's business model into the FinOps Carbon Framework to optimize spending while quantifying the carbon emissions that would result from future hybrid cloud investments. The result helps improve cost-forecast accuracy while correlating with sustainability impacts.

And, for AI environments in particular, NTT DATA FinOps Carbon:

- Supports AI model selection and rationalization projects.
- Provides a forward-looking total-cost-of-ownership analysis when starting a project, then measures the costs related to hosting and supporting AI solutions.
- Offers value estimations for GenAI use cases.
- Delivers reports measuring AI-related key performance indicators, including providing recommendations.
- Offers cost and carbon analyses for optimization, while providing tailored measurements designed to track primary outcomes and indicators reflecting success.

Conclusion

GenAI initiatives are on the rise, but with that emergence, we are also seeing firsthand how much power these initiatives consume. Organizations today are grappling with how to leverage the enormous potential of AI without losing the ability to balance operations costs with their carbon footprint. FinOps is a management practice that promotes shared responsibility for an organization's computing infrastructure costs. Smart organizations are prioritizing finding and implementing those methods of saving.

As a Platinum Service Partner and Global Systems integrator of IBM, NTT DATA is uniquely positioned to address this challenge. FinOps Carbon from NTT DATA enables organizations to better manage operations costs in conjunction with carbon emissions identifying areas of high carbon usage and minimizing the environmental impact for resource-intense mission-critical workloads such as AI. This has all been possible thanks to the strategic partnership between IBM and NTT DATA, where IBM Cloudability serves as an embedded strategic component to the FinOps Carbon solution.

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
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 contact@esg-global.com

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