

**CASE STUDY**

# Salling Group reduces cloud spend and achieves cost transparency with Datadog

**ABOUT SALLING GROUP**

Herman Salling founded Salling Group in 1960. Today, the organization owns and operates retail and grocery stores in Denmark, Poland, and Germany. In addition, the company runs Starbucks and Carl's Jr. in the Danish market.

**Retail****60,000  
Employees****Denmark**

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**Frederik Christoffersen**


Senior Manager & Product Owner, Hybrid Infrastructure  
Salling Group

**WHY DATADOG?**

- Provides transparency into the entire tech stack
- Combines cost and observability in one integrated platform
- Enables engineers to understand total cost of ownership and cost fluctuations
- Actionable recommendations help teams eliminate orphaned resources, scale down over-provisioned environments, and optimize VM families

**CHALLENGE**

Accurately managing cloud costs and cost fluctuations in a hybrid cloud environment proved challenging. Salling Group wanted to improve visibility into its cloud costs so it could better predict and control expenses.

**USE CASE** **Application Performance Monitoring** **Log Management** **Cloud Cost Management** **Real User Monitoring** **Cloud Metrics** **Synthetic Monitoring****KEY RESULTS****\$250k+ annual savings**

Across all cloud providers

**Issues identified within 24 hours, resolved within 3 days**

Through cost anomaly detection

## Lack of visibility into cloud costs creates challenges

Salling Group is the largest retail group in Denmark, with a vast portfolio of brick and mortar and online stores and restaurants. Serving 12 million customers and guests every week, the organization's goal is to be at the forefront of customers' needs. As a retailer, cost control is critical. "Retail is fast-moving, big volumes, and low margins," says Frederik Christoffersen, senior manager and product owner of the hybrid infrastructure department. "We work to optimize costs every day."

Salling Group relies on a combination of on-prem systems and hybrid cloud platforms (Microsoft Azure, AWS, and Google Cloud). Before moving to Datadog, its use of multiple hyperscalers made it difficult to track costs accurately because each cloud provider has different billing models and ways of displaying costs. "There were a few alerts set up within the hyperscalers themselves, and those were the only mechanisms we had in place to understand if our cloud budget was going above expectations," says George Lefegiu, cloud engineer. "But those alerts were often ignored because a lack of context made them difficult to manage."

Cost data was also siloed, which limited the number of people who could access it. As a result, identifying cost increases often came down to luck. The company wanted to improve transparency into cost so it could better track and react to increases, as well as accurately attribute costs to different teams and services. At the time, Salling Group was also working to expand its customer loyalty program—improved transparency would help ensure it did so cost effectively.



## Cloud Cost Management enables insights and democratizes access

Salling Group has been a Datadog customer for several years. Its IT and digital teams use Datadog Log Management, Infrastructure Monitoring, and Application Performance Monitoring (APM) to monitor the performance of its applications, infrastructure, and supporting tools, all in one platform.

To gain better insight into its cloud costs, Salling Group recently added Datadog Cloud Cost Management. “We looked at other solutions, but we loved that Datadog Cloud Cost Management allows us to see everything in one place,” says Christoffersen. “We can follow the cost from its origin all the way through without switching tools.”

### **Simplifying cost management across different clouds**

Lefegiu says Datadog Cloud Cost Management has made cost management across different cloud platforms much easier. “To accomplish this without Datadog, we’d have to learn the billing management system for each cloud we are using and then somehow get them into one place,” he says. “We’d then have to build an automated system. Some organizations do build their own products, but as I understand, it’s not easily maintained. With Datadog, the exports from the hyperscalers are done automatically.”

According to Christoffersen, it was easy to get started using Cloud Cost Management, both for the company overall and for individual team members. “We have an intern that’s been with us for three months, and he’s now doing integrations for Datadog and other tasks at the same level as the senior members of our team. The ease of using Datadog is a big factor.”

### **Improved transparency leads to cost savings**

Christoffersen’s team now enjoys a level of transparency that was previously unavailable to them. They can thoroughly understand the total costs associated with running their services, allowing them to report these costs with greater accuracy. Additionally, they receive timely alerts about any unexpected changes in costs. This increased visibility empowers them to react quickly to cost increases, tracing these changes back to the teams responsible. “We can either halt the increase or gain a better understanding of why it’s happening,” says Lefegiu. “It’s no longer a mystery to us, as we now have the visibility to take effective action.”

Because Datadog offers an integrated platform, Salling Group engineers can combine cost and observability data in one place, which means they no longer need to look into different systems to figure out where an issue is should they experience one. That also enables them to make data-informed decisions. “We can now see what’s being used, which gives us the ability to rightsize based on facts rather than just a gut feeling,” says Alexander Vognstrup, cloud architect in hybrid infrastructure.

Having all its data and numbers in one place and accessible via one interface has allowed Salling Group to develop a strong reporting system so they can share cost data with stakeholders and team leaders. “We now have dashboards that show relevant information over a larger period of time with different views,” adds Christoffersen. “Those reports help us both triage and plan for the coming months.”

### **Building a culture of collaboration and cost consciousness**

Salling Group is currently in the process of building a FinOps practice that will help promote collaboration and a culture of cost consciousness across the organization. As they do so, Datadog will provide the data and cost visibility they need in the same system team members use daily.

Ultimately, Cloud Cost Management provides the visibility Salling Group needs to enable it to continue to excel in a competitive industry known for tight margins. “It used to take us weeks to get cost data. It now takes days, maybe hours,” adds Lefegiu. “If things are detouring cost-wise, we can now make changes fast.”

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