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Cloud Cost Optimization

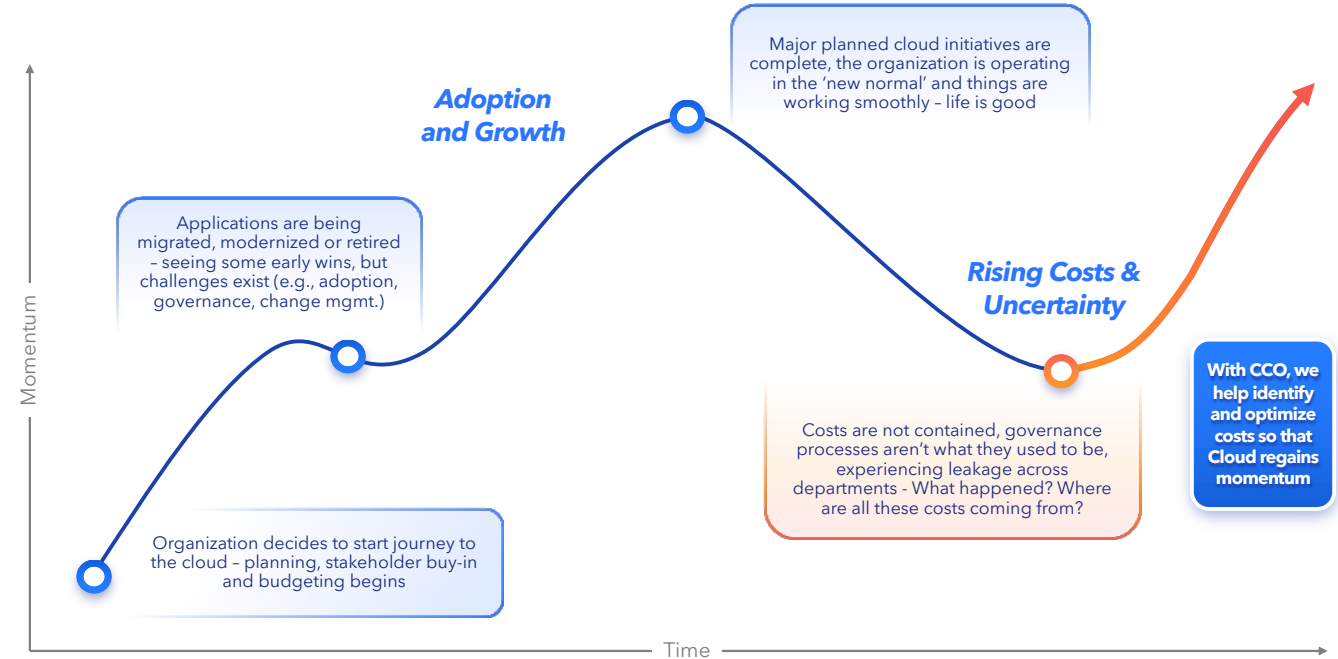
Providing value-focused insight into the cost, governance, and process efficiency of cloud environments



The Truth About the Cloud Journey...

Is that it's not easy and becomes increasingly difficult to maintain positive momentum

After initial adoption, research indicates that organizations face rising costs and uncertainty in their cloud ecosystems – disrupting momentum and growth



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Cloud Cost is now THE Top Concern for Executives

Most organizations said the desire "to better optimize current cloud resources" was their highest priority cloud initiative

Results of a survey of 300 Finance and IT leaders

80%

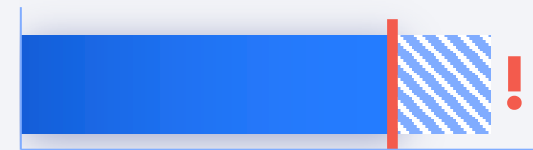
of 300 financial and IT leaders say that poor cloud financial management has had a negative impact on their business



57% worry daily about cloud cost management

69%

regularly overspend their cloud budget by **25%**



Common Hidden Costs in the Cloud

These areas can drive up the total cost of ownership drastically if not properly managed and maintained

1 **Improperly Sized Infrastructure**

Developers vertically scaling to aim to reduce risk of hardware constraints on workload performance instead of utilizing auto scaling capabilities of the cloud



2 **Misplaced Regions**

Compute power and storage costs vary per region and developers lack visibility into where to place workloads



3 **Idle Workloads**

Developers leave instances running for high availability and fail to remove unused workloads resulting in 'zombie' instances



Lack of Visibility

Without proper controls, it is difficult to fully understand the sources of rising costs and how to control them

4 **Multi-Cloud Egress Costs**

Syncing data across clouds without assessing backup requirements and duplicity creates increased data traffic and costs



5 **Not Using Reserved Instances**

RIs are a long-term commitment but can offer discounts up to 72% off on-demand pricing



Cloud Cost Calculator

Download and open this PDF in Adobe Acrobat to enable calculations, then enter your information into the first column to calculate the potential impact of optimizing your cloud environment.

Your Company's Info

Annual Cloud Spend

Most recent estimate of 12-month cost of all cloud environments

\$ 7,000,000.00

Compute Spend ¹

What percentage of the annual spend is on compute-based services

50.00%

Percent Reserved ²

What percentage of current compute spend is covered by some form of reserved capacity

50.00%

Buy vs. Build Percent

What percentage of workloads are purchased 3rd party instead of custom built software

50.00%

Existing Optimization

The amount of savings already realized through internal cost savings initiatives

\$ 2,500,000.00

Estimated Calculation

Estimated Savings Amount

\$ 1,796,052.63

Estimated Savings Percent ³

27.50%

How much could you optimize?

1. Assuming average savings potential of 50% from RI/savings plans, we calculate additional potential savings by comparing this percentage with percent reserved relative to the starting number.
<https://www.prosperops.com/blog/aws-savings-plans/>
2. Baseline optimal range should be 80-95% (assuming 80% in calculator to be conservative) depending on variability of usage (particularly for generally flat usage models. Though note for variable capacity workloads, this ideal number may change.
<https://www.prosperops.com/blog/how-to-maximize-savings-on-cyclical-workloads-using-commitment-based-discounts/>
3. We estimate 25% into this calculation as a baseline then adjust based on your inputs. <https://www.cloudzero.com/blog/cloud-waste>



Curious about the full potential of cloud savings?

We are ready to help you start realizing your cost savings, creating efficiencies, and driving your organization towards modernization.

We have 2-4 week assessments that can help you quickly realize the value and strategies to give you a roadmap forward.

