

OneNet

Trusted partner in cloud computing

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**STEPS
TO REDUCE YOUR
CLOUD SPEND**



Nine Steps to Reducing Your Cloud Costs

Organisations have many opportunities to reduce their cloud spend. Some of these opportunities will be easy to realise, and others will be more difficult or impractical.

The fundamental requirement is knowing what cloud services your organisation is consuming, who is using them, what they are used for, and how much or often they are used. This information is vital – if you can identify and measure it, you can make informed decisions.

We outline nine steps below that can help reduce your cloud costs.



01

Apply Cloud Governance Processes

Make sure you have clear responsibility and accountability for each cloud server and service your organisation is consuming and how the business uses it. Cloud consumption should lead back to the underlying business process that the service is supporting. It is critical to identify the relevant business owners, not just IT.

Change management needs reviewing. When users leave the organisation, ensure there is a process to remove them from any cloud services. Often companies leave licenses assigned to users that have exited. A common example of where businesses fall short in this area is 365 licenses. Any licenses no longer in use should be removed and the mailbox converted to a shared mailbox (which has no cost).



02

Monitor Consumption

Cost and consumption reporting can help identify costly components of a cloud provider's invoice. Cloud providers will have their own set of tools, e.g., Azure Cost Management or AWS Cost Explorer, which can be augmented with third-party products to provide consolidated views and additional insights.

03

Curtail “Shadow IT” Cloud Consumption

The use of “Shadow IT” can be especially prevalent when it comes to cloud, given how simple it is for business users to subscribe to cloud services. This is typically the result of the IT department’s failure to service the needs of the business directly. “Shadow IT” often increases total cloud costs due to increasing overall complexity and bypassing existing enterprise procurement agreements.

Firstly, identify any use of “Shadow IT”. Such identification can be made through internal spend audits or reviewing expenses incurred relating to cloud providers. You can also deploy software solutions to monitor and track cloud consumption – these track connections to cloud providers and provide analysis of an organisation’s cloud usage (e.g., number of users using Dropbox, Azure, SalesForce, etc.).

Then, utilise an assessment framework with the business to address each instance. In some cases, you might decide to accept usage and costs but record and monitor within a register. In other cases, you may choose to productionise and consolidate within the IT function, or stop those services altogether.

04

Monitor Services and Rightsize

Rightsize your cloud workloads. That is, ensure they are not over-spec’ed, and you are not paying for additional resources that are sitting in idle.



05

Look into Additional Payment Options

Review additional procurement options that may apply. Many cloud providers offer appealing procurement options.

Spot Instances are instances which make use of spare capacity and are often provided at a significant price discount, with the caveat that if required, you will lose these instances. An example use case may be asynchronous/batch workloads that are not time-critical.

Depending on things like your cost of capital, Reserved Instances can be another appealing option. These allow you to commit up-front for a specified period (e.g., two or three years at a time).

06

Scale Down your Workloads

Scale down, or turn off workloads during quiet periods such as outside of normal business hours. With the increased flexibility of staff working from home and potentially lower business activity, you may be able to optimise workload usage patterns to reduce the amount of time a workload is required to be running. E.g., process accounts only on Mondays, turn off, or scale down the workloads related to this process at other times.

07

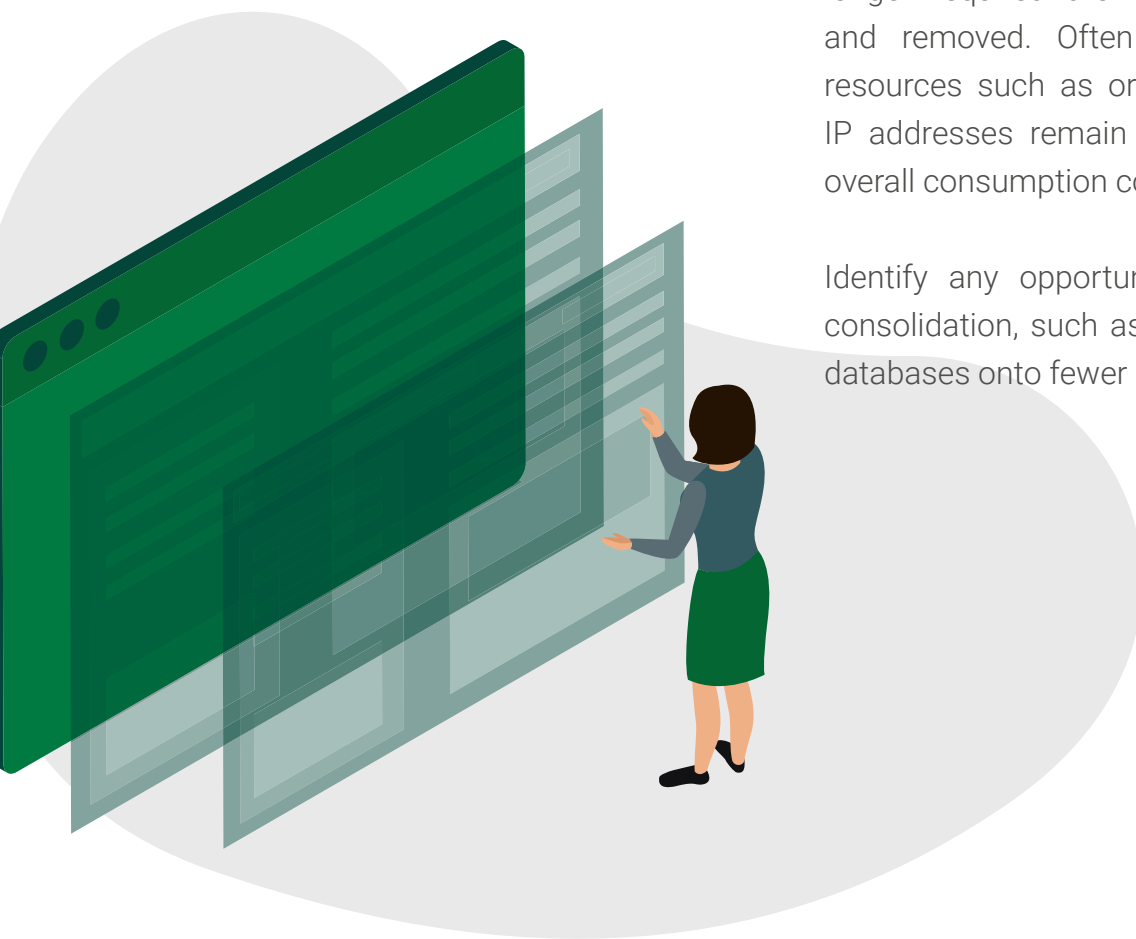
Review Services in Use

Review plans and subscriptions regularly – Microsoft, Google, and Amazon release new services all the time, and they also periodically release new virtual machine instance types and generations. Newer instances types often provide more resources for less cost, and simply changing your VM's to more modern generation instances can immediately save money. Modern instances may also come in different ratios of resources such as CPU and memory that better suit your requirements.

Make use of new storage options, such as cold or archival storage.

Continually monitor and review cloud consumption, ensuring any services no longer required are decommissioned and removed. Often companies let resources such as orphaned disks or IP addresses remain that add to the overall consumption costs.

Identify any opportunities for server consolidation, such as combining SQL databases onto fewer servers.



08

Move to SaaS and PaaS offerings

Establish plans to migrate from traditional VM based workloads to Software or Platform-as-a-Service offerings.

Moving from Infrastructure-as-a-Service to SaaS and PaaS will typically reduce your total costs, improve security, and offer higher resiliency. Email is a good example, e.g., moving from dedicated Exchange instances or legacy email platforms to a Microsoft 365 offering. Once again, you need to consider the total cost of ownership, not just the direct costs.

Often companies will initially adopt a Rehost/Lift-and-Shift approach when migrating to the cloud, moving servers as-is into Infrastructure-as-a-Service. Typically rehosting is done when timeframes or the architecture are constraints. If possible, look for options to re-envisage your requirements within the context of the cloud. This could involve options like refactoring your code or replacing your application altogether with cloud-based alternatives.

09

Leverage Your IT Partner

Engage with a trusted technology partner. Reliable partners will have experience and knowledge from numerous organisations in similar situations to yours. They should be up to date with the latest offerings and opportunities from cloud providers. Most importantly they should be proactive in understanding your business, in particular, what opportunities might assist you.

Contact OneNet to arrange an assessment and optimisation of your cloud services and spend.

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