

**TOP
5
CONSIDERATIONS**
for CIOs

Main cost factors for CIOs moving IT workloads to the cloud

Infrastructure Costs

Crunch the costs:

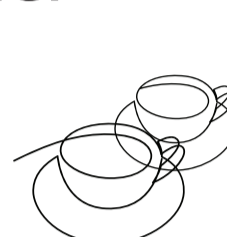
Evaluate every byte, compute, and network to keep your budget light!

Price it right

From instance types to bandwidth bytes, master your cloud cost insights!

Evaluate the infrastructure costs related to cloud computing, including compute, storage, networking and data transfer expenses. Consider factors such as instance types, storage tiers and network bandwidth requirements to estimate ongoing infrastructure costs accurately.

Bottom line: Where IT companies get their infrastructure cloud-costs wrong is in misjudging data transfer and egress fees, which can greatly increase overall costs beyond initial estimates. Flexera found 30% of cloud spending is wasted in poor management and underestimating hidden costs such as data transfer and egress fees.



Licensing and Software Costs

License to cloud:

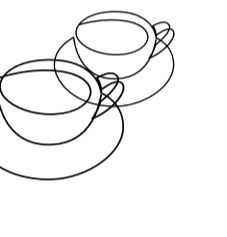
repurpose up to 50% of your on-prem licenses and dodge extra fees!

Look before leaping

Ensure this aspect is on your checklist before making the move

Consider licensing and software costs for applications, databases, and other software used in the cloud. Determine if existing licenses can be transferred or repurposed for cloud deployments, or if additional licensing fees or subscription costs will apply for cloud-native or third-party software services.

Bottom line: Typically, around 40-50% of existing on-premise software licensing can be repurposed for cloud usage, depending on the software vendor and their licensing agreements.



Data Transfer and Egress Costs

Avoid cloud cost surprises

by knowing your application data movements

Plan to evade sky-high transfer and egress fees

transfer and egress fees

Take into account data transfer and egress costs for moving data into and out of the cloud. Assess the volume of data transfers, network bandwidth requirements, and potential egress charges for accessing data stored in the cloud, especially for data-intensive workloads or frequent data transfers.

Bottom line: A 2020 study by IDC found that 70% of companies suffered unexpected cloud costs due to data transfer and egress fees, underscoring the importance of fully understanding and planning for data requirements before migrating to the cloud.



After 30+ years of experience...

“ Cloud computing is a double-edged sword: it offers unparalleled scale and innovation, yet unmanaged costs can quickly turn its promise into a financial burden, exceeding traditional IT expenses. As Winston Churchill said, “However beautiful the strategy, you should occasionally look at the results.” ”

Management and Support Costs

Cloud clarify:

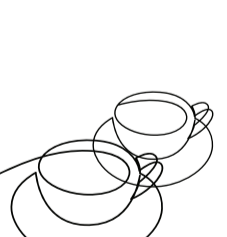
Don't let hidden costs fog your view—factor in re-platforming monitoring tools!

Total cost check:

60% of firms find monitoring tools need a cloud makeover—budget wisely

Consider expenses for monitoring, security, compliance, backup, disaster recovery, technical support, or third-party tools required to manage cloud environments effectively.

Bottom line: Hidden costs doesn't just come from your cloud workloads, but the total cost of your monitoring and management environment as well. Around 60% of IT companies report having to re-platform their monitoring and management tools to cater for cloud environments, according to a 2021 survey by Flexera.



Reserved Instances and Cost Optimisation

Spend less, cloud more

harness reserved instances and auto-scaling for smarter savings

Cut costs, not corners:

optimise your cloud to save big and boost efficiency

Include purchasing reserved instances, leveraging spot instances, or implementing auto-scaling and rightsizing practices to optimise cloud costs. Evaluate the trade-offs between cost savings and flexibility and consider using cloud cost management tools to monitor, analyse and optimise cloud spending over time.

Bottom line: Get it right or pay the price. According to RightScale's 2021 survey, organisations employing cloud cost optimisation best-practices saved an average of 26% on cloud spending. That frees up capital for additional cloud adoption practices.



Like to delve into, dissect or draw on my experience over a coffee —let's set up a time...

