

The background features a blue sky with white clouds at the bottom. In the center, there are several server racks filled with server units. Above the server racks, there are various digital graphics including glowing clouds, network lines, and a shield icon. The overall theme is cloud computing and data center infrastructure.

5 SAVVY WAYS TO

CUT CLOUD COSTS

Cloud computing is a global phenomenon. The cloud allows business to exchange data improving collaboration, communication, and other capabilities. As reliance on cloud providers grows, the budget for these services can balloon also.

This ebook explores five ways to cut cloud costs.

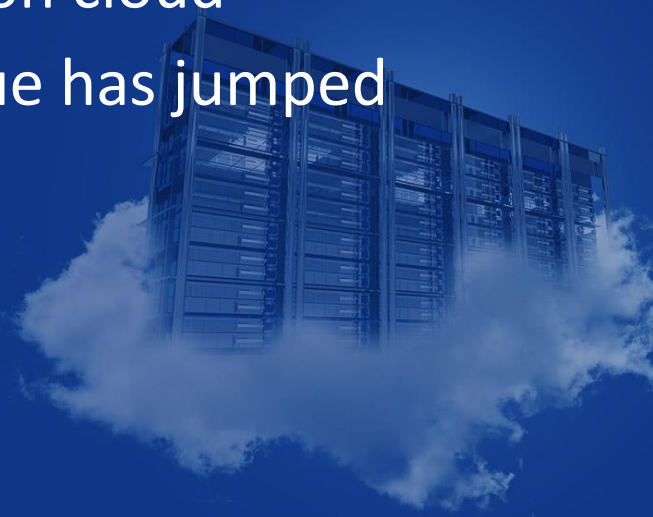


Cloud computing is its own new normal

The majority of businesses are using cloud computing today. According to Accenture, 92% are already working in the cloud to some degree, especially in the wake of the 2020 pandemic with companies supporting remote work.

In the age when “data is king,” “data is currency,” or “data is [whatever word you insert to convey its criticality],” the cloud is essential, too.

With the growing reliance on cloud services, the industry's value has jumped 380% from 2010.



MarketsandMarkets Research valued the market at \$370 billion in 2020. Not all that growth is due to business, yet it is estimated that around 50% of all corporate data is stored in the cloud today.

Businesses no longer run applications or programs on their physical premises using on-site hardware. The cloud allows businesses to compute online. The software is on the internet. Cloud providers have the hardware (and servers), so the business doesn't have to.



After outlining cloud computing benefits, this ebook offers five strategies to help rein in costs.

At the end of 2020, the virtual volume of all the information in the world was 44 zettabytes (trillion gigabytes), a figure featuring 21 zeroes.



Cloud computing advantages

Cloud computing allows us to work like never before. Last year would have looked a lot different without the cloud. We needed to communicate and collaborate online with up-to-date data available. Let's run through some of the other advantages of cloud computing for business.

1. There is no on-site hardware, which helps businesses avoid expensive upgrade cycles.
2. Cloud computing is scalable. As needs increase or shrink, the



business can change capacity without adding hardware.

3. The cloud serves as a disaster-recovery solution. A business can keep data safe off-site with a provider with the expertise and equipment to backup data.
4. Cloud computing providers are responsible for the servers, which means they're the ones doing the updates and maintaining the systems.
5. With cloud-based workflows, employees can work anywhere and

anytime. They can work on documents, presentations, or other files, knowing they are using the most up-to-date version.

6. Storing something in the cloud makes it accessible even if a laptop is lost or a desktop gives up the ghost.

For all these advantages, however, there is still one thing to consider: the cost. Cloud fees can start to grow, and it's not always obvious that they are increasing. The following strategies can help you keep your cloud budget contained.



Are You in the Cloud?

You might think you're not personally using cloud computing, but you probably are.

- Do you check your bank balance on your phone?
- Do you update your status or post pictures to social media?
- Do you save files or photos to Google Drive?
- Do you have music in Apple's iCloud?
- Do you send large documents using Dropbox?
- Do you chat with friends using Messenger or Slack?



- Do you catch up with family virtually using Skype or Zoom?

If you do, you're in the cloud.

#1 Audit for unnecessary licenses

Gartner analysts estimate that as much as 70% of cloud costs are wasted! That's way too much.

Check that you're not wasting cloud spending. First figure out what cloud services your business uses. Then consider how often you use those services, who is using them, and when?



You might pay for a service that served a project or a client relationship that is no longer in the works or be wasting funds paying to store a large amount of log files that you don't need.

You may also be paying for several licenses for cloud software but not have that many users. Maybe some employees prefer a different tool or users that you have licensed have moved on to other roles.

There could also be duplication of cloud services. You might be paying for both Slack and Teams when you don't necessarily need both. It's just a matter of getting your employees on board with using one of the two.



Tip: You don't want to be paying for 100% cloud capacity when you are only using 10% of the service.

Option A: Find a lower-capacity plan.

Option B: Determine if another cloud partner could provide that same service as part of your plan.

Option C: Explore if you can do without that 10% of capacity.

We can help you right size your cloud computing options.

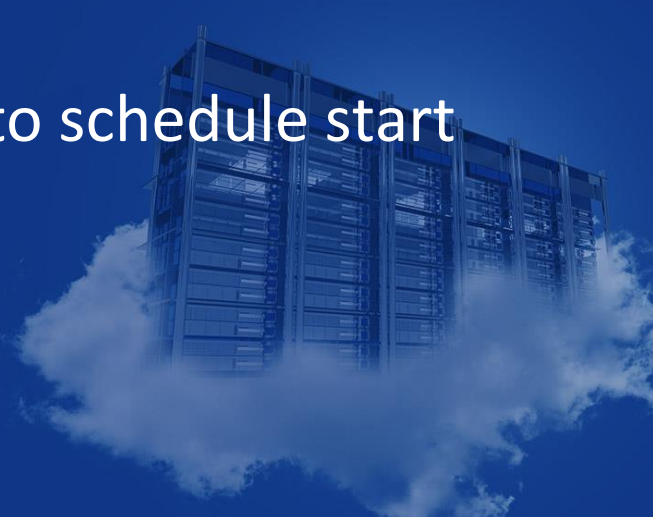


#2 Avoid overage charges

Take a good, hard look at your computing demand. See if there are peak periods which you are pushing past capacity limits and having to pay extra. You might find times when you can schedule non-essential activity to avoid overages, or that you can turn off servers in the early hours or on weekends without disruption.

To get the most from your cloud computing:

- use heat maps as a visual tool to show peaks;
- leverage automation to schedule start and stop;



- review sizes for memory, database, computing, graphics, storage capacity, and throughput for efficiency;
- take advantage of spot-instance auctions for batch jobs or jobs that end quickly;
- archive mailboxes to free up storage space.

#3 Revisit your resource needs often

Cloud management is an ongoing effort if you want to keep your budget under control. Your business may have bought more cloud computing capacity than it first needed. You were expecting to need more, or the introductory rate made the add-ons

appealing. Yet if you never use those resources and now are paying full price for them, you could be overpaying.

Considering it is so easy to scale with cloud services, there's no reason to pay for more than you need right now.

It's a good idea to track your cloud costs and usage on a monthly, or at least quarterly, basis. This will help you take a systematic approach to resource allocation. You can find licenses you can do without or identify higher-value applications. This could inspire training to



increase employee adoption of services that offer the best return on investment.

Ever cleared the cache to regain storage space and get a computer running faster? You can do something similar with cloud services. You may be storing a lot of files you'll never need again. But since it's in the cloud, you don't even know that unnecessary data is sitting there eating up your capacity.

Look for data, volumes or containers, and machine images or unassociated IPs you can trim. But be careful to delete only



items you won't need at a future date, as the data won't be recoverable later.

Want to know more about cloud computing? Check out Accenture's 25 cloud trends for 2021 and beyond. It's a fascinating read about making the most of this technology:

<https://www.accenture.com/nl-en/blogs/insights/cloud-trends>



#4 Compare competitors

You, of course, did your research and a cost comparison before selecting cloud computing partners. Yet how recently? You may have started out at a great introductory rate that is no longer available. Now, you're paying much more than you need to for your cloud computing.

There are thousands of cloud computing services competing for your business. You can find hundreds of vendors within each niche, such as software as a service (SaaS), infrastructure as a service (IaaS), platform as a service (PaaS), or disaster recovery as

a service (DRaaS). Plus, cloud brokers can help you mix and match services to get the most cost-effective solution. So, don't be afraid of shopping around to get the best deal for your business cloud computing.

Tip: If you're happy with the services provided but find a better rate, ask your current provider to match that price. After all, it is more costly for a company to find a new customer than to keep an existing one. They're motivated to continue your working relationship.



#5 Consult a managed service provider

A managed service provider (MSP) can help you corral cloud computing costs, too.

These IT experts look at existing cloud usage, examine charges, and determine what you do and don't need. They have the technical know-how to suggest more strategic use of the resources. Plus, they can find a better plan or cheaper provider without sacrificing tools your employees need.



Could You Benefit from an MSP?

Ask yourself if your business would gain from having an expert on call to:

- install software;
- upgrade hardware;
- patch systems;
- track security;
- provide all-around support for the business's technology;
- tackle IT behind the scenes for your business;
- find productivity improvements and cost savings;
- help ensure security and compliance.



If you answered yes to any of these, contact us to learn how our IT experts can help your business succeed. People at a small business often take on many different responsibilities.

But the latest technology can help employees to focus their time more effectively.



Conclusion

According to IDG, in 2018, the average cloud computing budget for a large enterprise was \$3.5 million. A small business was likely to average about \$889,000. That's a lot of money invested in cloud migration. Of course, with the many advantages cloud computing offers, it makes sense.

Still, don't waste your business budget on unnecessary cloud costs. This ebook has provided strategies to help you better manage cloud computing expense. Work with an MSP to put a plan in place to weigh needs against costs to get the most value from cloud investment.





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