

Microsoft Azure Cost Optimization offering options for your cloud adoption journey

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AGENDA

Introduction Azure Advisor Azure Hybrid Benefit Azure Reservations Azure Saving Plan Q&A

Have cost concerns?

59% of the customers have cost optimization as their top cloud initiative.

Top Cloud initiatives of 2022

Optimize existing use of cloud (cost savings) Migrating more workloads to cloud Move from on-premises software to SaaS Progressing on a cloud-first strategy Better financial reporting on cloud costs Automated policies for governance Expand use of containers Manage software licenses in the cloud Expanding public clouds we use Expand use of public cloud IaaS/PaaS services Continuous Integration and Deployment (CI/CD) Enabling IT to broker cloud services Expand use of cloud MSPs Expand use of cloud marketplaces

% of all respondents **59%** 57% 42% 40% 38% 36% 35% 33% 33% 31% 29% 15% 12% 7%

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Azure Advisor





Simple, step-by-step guidance and quick actions for fast remediation

One place to review and act on recommendations across Azure

Alerts and digests to notify you about new recommendations

Cost	Security	Performance	Reliability	Operational excellence
Maximize the return on your Azure investment	Protect your Azure resources from security threats	Boost speed and responsiveness of your resources	Increase uptime of your business- critical apps	Process and workflow efficiency and manageability



250+ best practice recommendations and counting

	\$				
	Cost	Security	Performance	Reliability	Operational excellence
Examples	Resize or shutdown underutilized virtual machines	Enable MFA on accounts with subscription owner permissions	Update table statistics on your SQL Data Warehouse table to increase query performance	Use Managed Disks to improve data reliability Enable VM Backup to protect your virtual machine data from accidental deletion	Create Service Health alerts to be notified when Azure issues affect you
	Reduce costs by eliminating unprovisioned ExpressRoute circuits	Install monitoring agent on virtual machine scale sets	Add regions with traffic to your Azure Cosmos DB account		Repair invalid log alert rules



Azure Hybrid Benefit



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Azure Hybrid Benefit example – Full Time Example scenario: running two Azure D2v2 VMs full time at 744 hours/month for 1 year

\$708 \$4,393 **Azure Hybrid Benefit** offers **Azure Hybrid** ~25% or \$200 in **Benefit offers** \$508 annual savings ~50% or \$2,216 in annual savings \$2,216 Annual cost for Annual standard **Base Compute** pay-as-you-go rate cost for two Annual standard Annual cost for \$328 **Base Compute** pay-as-you-go Azure Windows ráte fór two \$2,036 Server D4v4VMs Azure Windows Server D2v2VMs WS SA \$180 WS SA \$180 **Azure Hybrid Azure Hybrid** Azure Azure Benefit Benefit

Azure Hybrid Benefit example – Part Time

Example scenario: running two Azure D2v2 VMs

part time at 4 hours/day for 1 year

Review savings examples: Why Azure Hybrid Benefit



Azure Reservations

Microsoft Introduction to Azure Reservations

- Discount on your Azure services by purchasing reservations
- Reduce costs up to 72% compared to Pay-as-You-Go pricing for select Azure services
- Save up to 80% when you combine reservation savings with Azure Hybrid Benefit
- Prioritized compute capacity
- Purchase 1-year or 3-year reservations directly in the <u>Azure portal</u>
- Use existing Monetary Commitment to purchase Reserved Instance (RI)



How are discounts applied?

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Scenario 1:

You run one DS4v2 VM for 24 hours. Discount is applied to compute usage of this one VM.

Scenario 2:

You run two DS4v2 VMs. One runs between 03.00 to 07.00, the second one runs between 07.00 to 17.00. Discount is applied to both compute usage of reserved one VM.

Scenario 3:

You run two DS4v2 VMs. Both run simultaneously between 07.00 to 17.00. Discount is applied to one VM, the second VM is charged at PAYG rate.

Scenario 4:

You run two DS4v2 VMs. One VM runs between 02.00 to 12.00 for 10 hours, the second VM runs between 07.00 to 17.00 for 10 hours. Discount is applied to the 15 hours, the overlaps of 5 hours is charged PAYG rate.

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Sample: 1-year Reserved VM Instance saving

Customer running a D3v2 Windows VM in US West 2 (running 24/7/365)



* Windows Server 4-core meter running 24x7x365 (only charged when VM is active)

Types of Azure Reservations

Azure Reservations are a 1 or 3-year commitment to specific Azure services. In exchange for committing to use the service in a predesignated way, Microsoft provides significant cost savings to the customer.

- Reserved Virtual Machine Instance
- Azure Storage reserved capacity
- Azure Cosmos DB reserved capacity
- Azure Data Factory data flows
- SQL Database reserved vCore
- Azure Synapse Analytics
- Azure Databricks
- App Service stamp fee
- Azure Database for MySQL
- Azure Database for PostgreSQL

- Azure Database for MariaDB
- Azure Data Explorer
- Azure Cache for Redis
- Azure Dedicated Host
- Azure Disk Storage reservations
- SAP HANA Large Instances

Software Plans

- SUSE Linux
- Red Hat Plans
- Azure VMware Solution by CloudSimple
- Azure Red Hat OpenShift

Expanding our cost saving options for Azure compute

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Accelerate cloud adoption with new growth opportunities

Compute cost



Without savings options

(pay-as-you-go pricing)

Savings options

Software

Windows Server and SQL Server workloads → Bring your existing on-premises licenses to Azure with Azure Hybrid Benefit

Infrastructure

Stable, predictable workloads → Get lower prices on a specific virtual machine in a particular Azure region with **Reserved Instances**

Interruptible workloads → Access low-cost unused Azure compute capacity at scale with **Spot Virtual Machines**

NEW!

Consistent compute spend→ Unlock lower prices on compute services by committing to spend a fixed hourly amount with **Azure savings plan for compute**



Introducing Azure savings plan for compute What it is and associated customer benefits

Introducing Azure savings plan for compute

Easy and flexible way to save on compute costs

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*Customers may see savings estimated to be between 11 percent and 65 percent. The 65 percent savings is based on one M64dsv2 Azure VM for CentOS or Ubuntu Linux in the East US region running for 36 months at a pay-as-you-go rate of ~\$4,868.37/month vs. a reduced rate for a 3-year savings plan of ~\$1,703.44/month. Based on Azure pricing as of October

Unlock significant cost savings



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Get better pricing across a broad set of compute services worldwide

- → Save up to 65% compared to pay-as-you-go prices on select compute services
- → Achieve greater savings with longer-term plans
- → Save even more by combining with other saving options such as Azure Hybrid Benefit









Compute usage across the world is covered by the plan at reduced prices, helping you get more value from your cloud investment

- → Save on compute usage regardless of region, instance series, or operating system
- → Biggest savings are automatically applied first, allowing you get the best value from your hourly commitment
- → Modernize workloads and continue saving as needs change over time

For illustrative purposes only. Refer to the Azure geographies page for global availability.

Optimize savings automatically

Azure savings plan for compute



Compute products and services covered by the plan:

- Azure Virtual Machines*
- Azure Functions Premium Plan
- Azure App Service**
- Azure Container Instances O Azure Dedicated Host



