

# Cloud Management Platform

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KAIST

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# Subscription Economy



**JOIN**

**CHOOSE ONE OF OUR GREAT BLADES**

Each comes with a FREE compatible handle.



**\$1** /mo  
+\$2.00 S&H



**\$6** /mo  
SHIPS FREE



**\$9** /mo  
SHIPS FREE

**LIVE THE FRESH BLADE SHAVE**



Blades arrive every month, so you can always treat yourself to a fresh blade shave.

By now you're probably convinced of the wisdom of joining the club.



**DO IT**

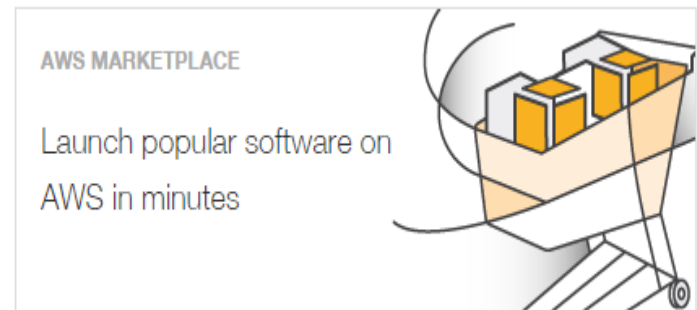
## Dollar Shave Club

- 🌐 In March 2012, the company launched a YouTube video entitled “Our Blades Are F\*\*\*ing Great” featuring CEO Michael Dubin.
- 🌐 The video prompted 12,000 orders in a two-day span after it was released, and has received over 17 million views as of January 2015.

# Subscription Pricing

- Customer/Market segmentation
- Packaging
  - Features and functionality
  - Enterprise vs. personal.
- Regional pricing
  - US pricing vs. Asia pricing
- Loyalty discounts
  - Historical spend
- Volume discounts
  - Quantity purchased
- Payment and credit adjustments
  - Quarterly, monthly.
- Usage type adjustments
  - Subscription vs. pay-per-use
- Promotions
  - Limited time in a region
- Upgrade/Cross-grades discounts
- Channel discounts
  - Partners

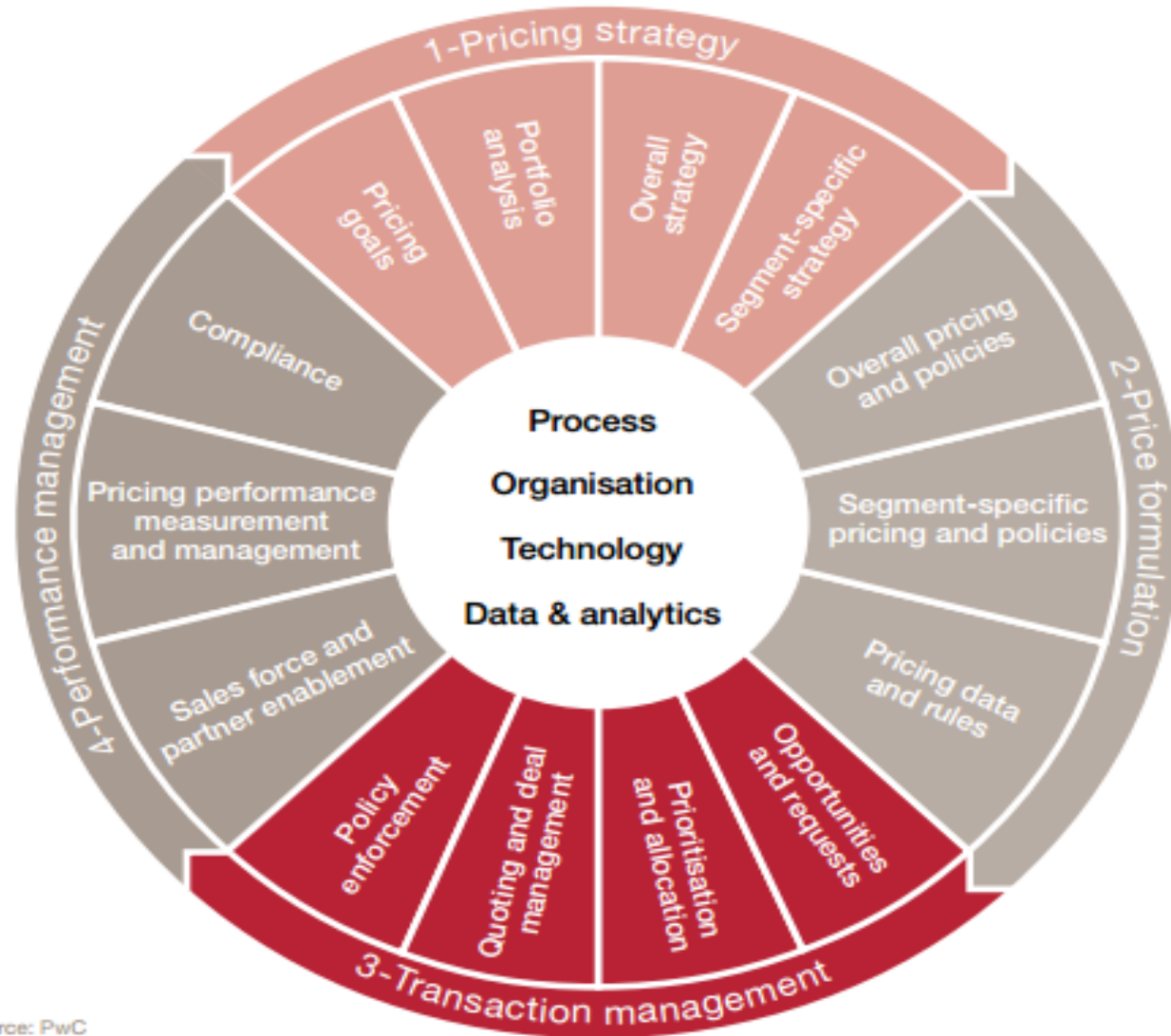
## Amazon EC2 Pricing



### On-Demand Instance Prices

Linux					
RHEL SLES Windows Windows with SQL Standard Windows with SQL Web					
Region: US East (N. Virginia)					
	vCPU	ECU	Memory (GiB)	Instance Storage (GB)	Linux/UNIX Usage
General Purpose - Current Generation					
t2.micro	1	Variable	1	EBS Only	\$0.013 per Hour
t2.small	1	Variable	2	EBS Only	\$0.026 per Hour
t2.medium	2	Variable	4	EBS Only	\$0.052 per Hour
m3.medium	1	3	3.75	1 x 4 SSD	\$0.070 per Hour
m3.large	2	6.5	7.5	1 x 32 SSD	\$0.140 per Hour
m3.xlarge	4	13	15	2 x 40 SSD	\$0.280 per Hour
m3.2xlarge	8	26	30	2 x 80 SSD	\$0.560 per Hour

# SaaS Pricing Management



Source: PwC

# SaaS Billing Services

- 🌐 Zuora
- 🌐 Aria Systems
- 🌐 Hiveage
- 🌐 Chargify ...

aria

Demo One

My Profile Help Log Out

Analytics and Reporting

Accounts

Products

Quick Plans

Plans

Plan Groups

Non-subscription Offerings

Usage Types

Services

Virtual Inventory

Marketing

Storefront

Configuration

Workbook: Doug Hamm's Workbook

Analytic Dashboard x Plans x Usage Types x Quick Plan x

Plan Basics

Plan Template

Plan Name \*

Platinum Plan

Description

Platinum Plan is geared to the power user.

Plan Type \*

Master Plan

Status \*

Active

Will an account on this plan be billed for any of its plans on a recurring basis?

Yes

Recurring Billing Interval

Monthly

Usage Billing Interval

Monthly

Rate Schedule Name \*

List Price

Default Currency \*

usd

Welcome to the Quick Plan Creation wizard:

To get started creating a plan:

1. Set the basic details of the plan.

2. Drag and drop your services, then select your rates.

3. Drag and drop your parent and child plans.

4. Drag and drop your supplemental fields, then select your values.

5. Click Save.

Service and Rates

Services

Search Services

All Services

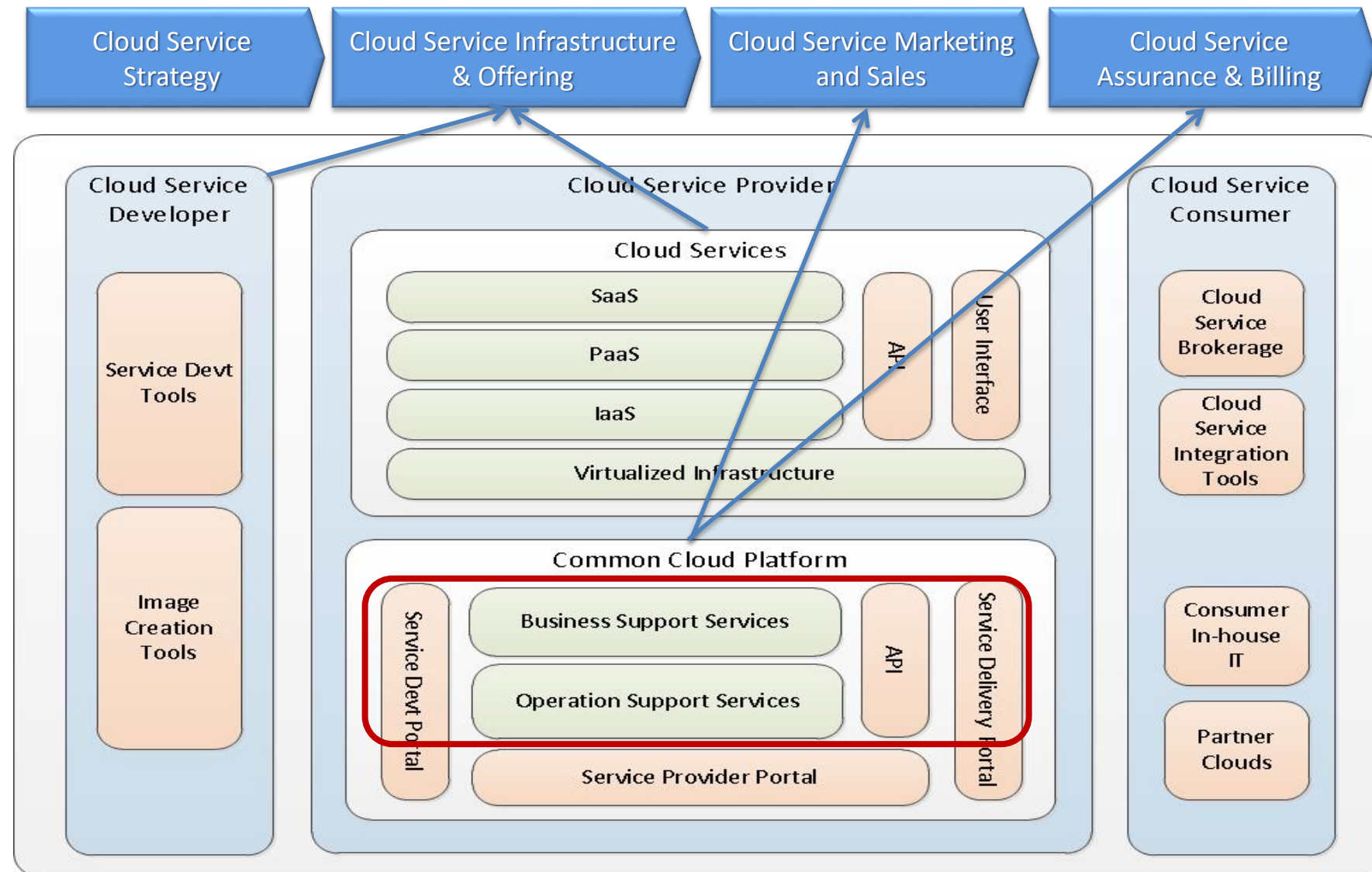
Annual Seat Licenses

Annual Training Subscription

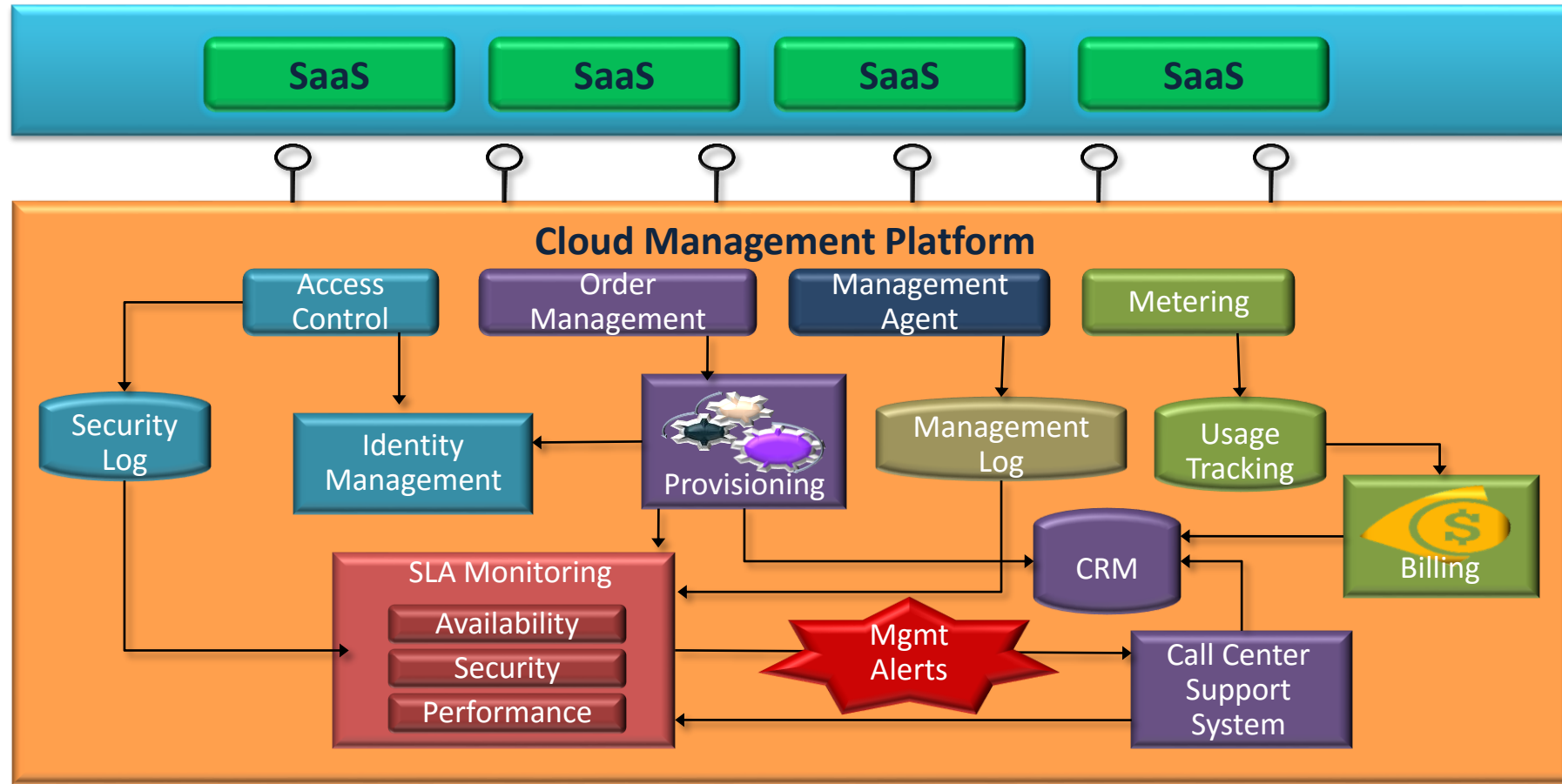
Service Name	Pricing Rule	From Unit	To Unit	Price
		1	10	49
Seat Licenses	Volume Discount	11	25	45
		26		40

Copyright 2012 Aria Systems, Inc.

# Cloud Management Platform

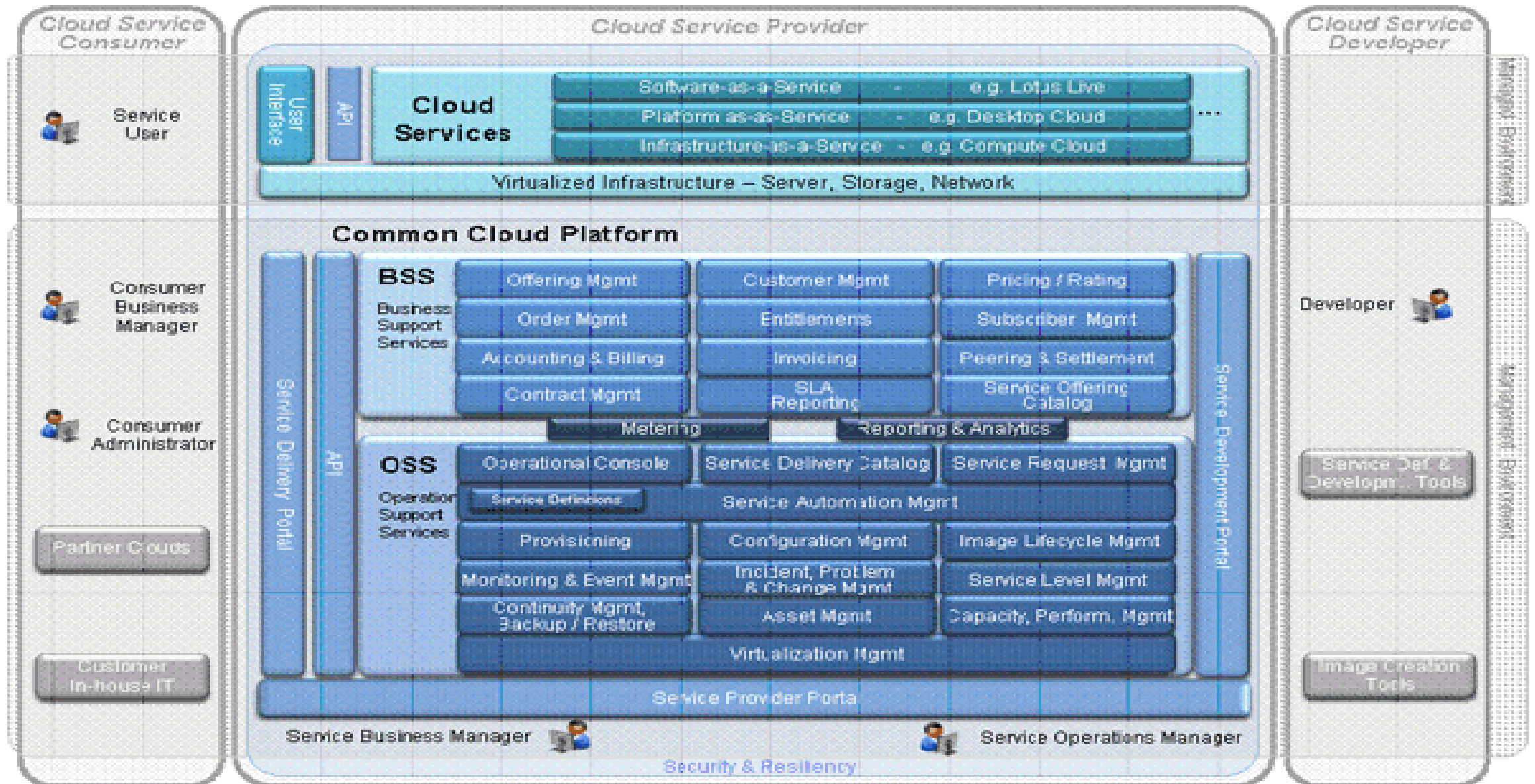


# Cloud Management Platform





# Cloud Management Platform - IBM





# Business Support Services



# Service Definition Services

- Defining various types of services and products and associated price tags
- Define a service based on geography, customer type, etc
- Adding a package / plan to selected group of customers based on the business model
- Assigning rate plans to a package / plan or individual service / products within a package

evapt Super User ( 21-10-2009 04:17:38 AM ) | [Home](#) | [Help](#) | [FAQ](#) | [Log Out](#)

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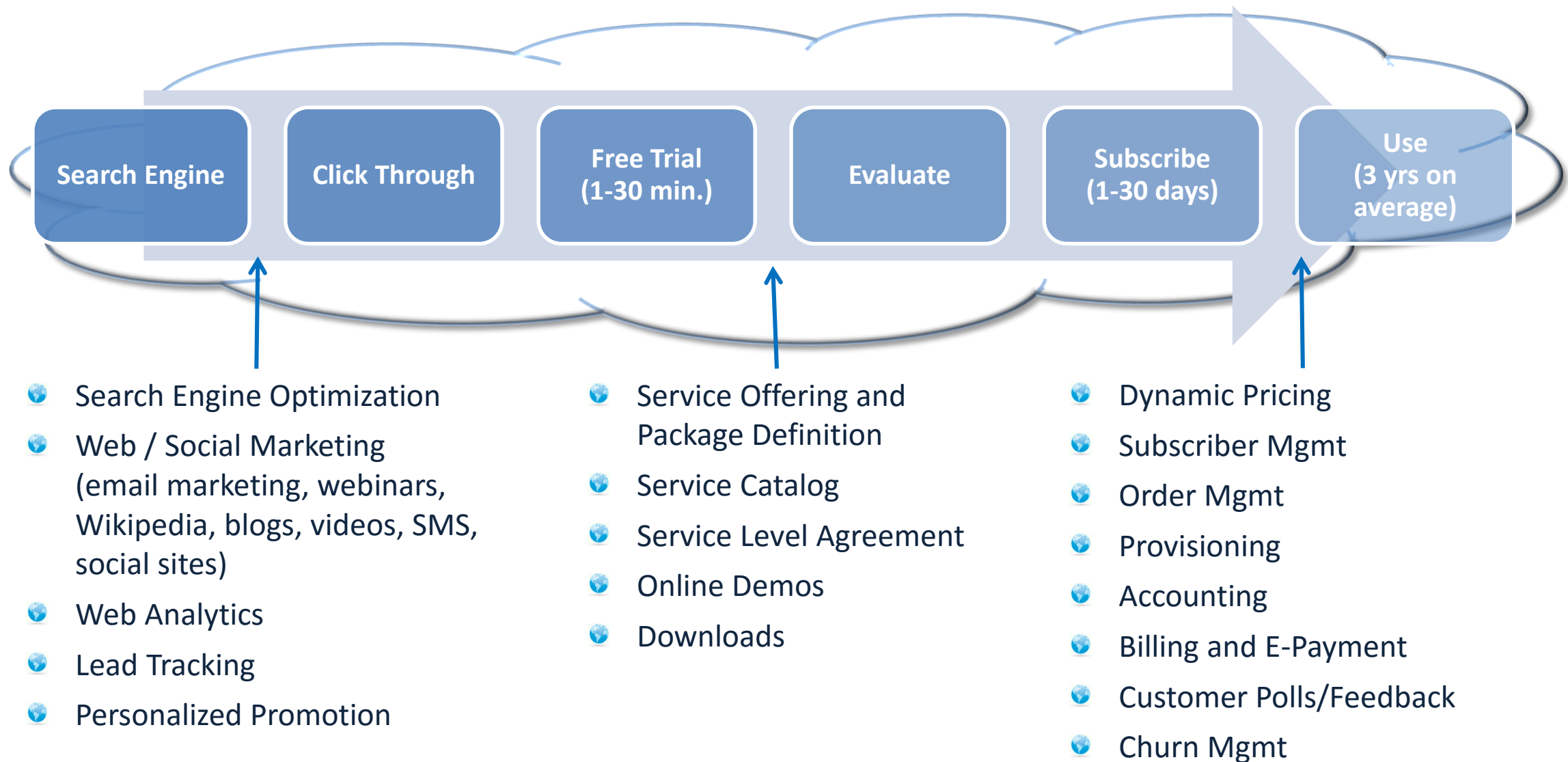
**Define Pricing Details**

Plan Code \* BCLLOUD  Plan Name \* Advanced Cloud  Status \* Active

Effective Period 01-07-2009 - 31-12-9999  Effective From \* 01-07-2009  New Version ☐

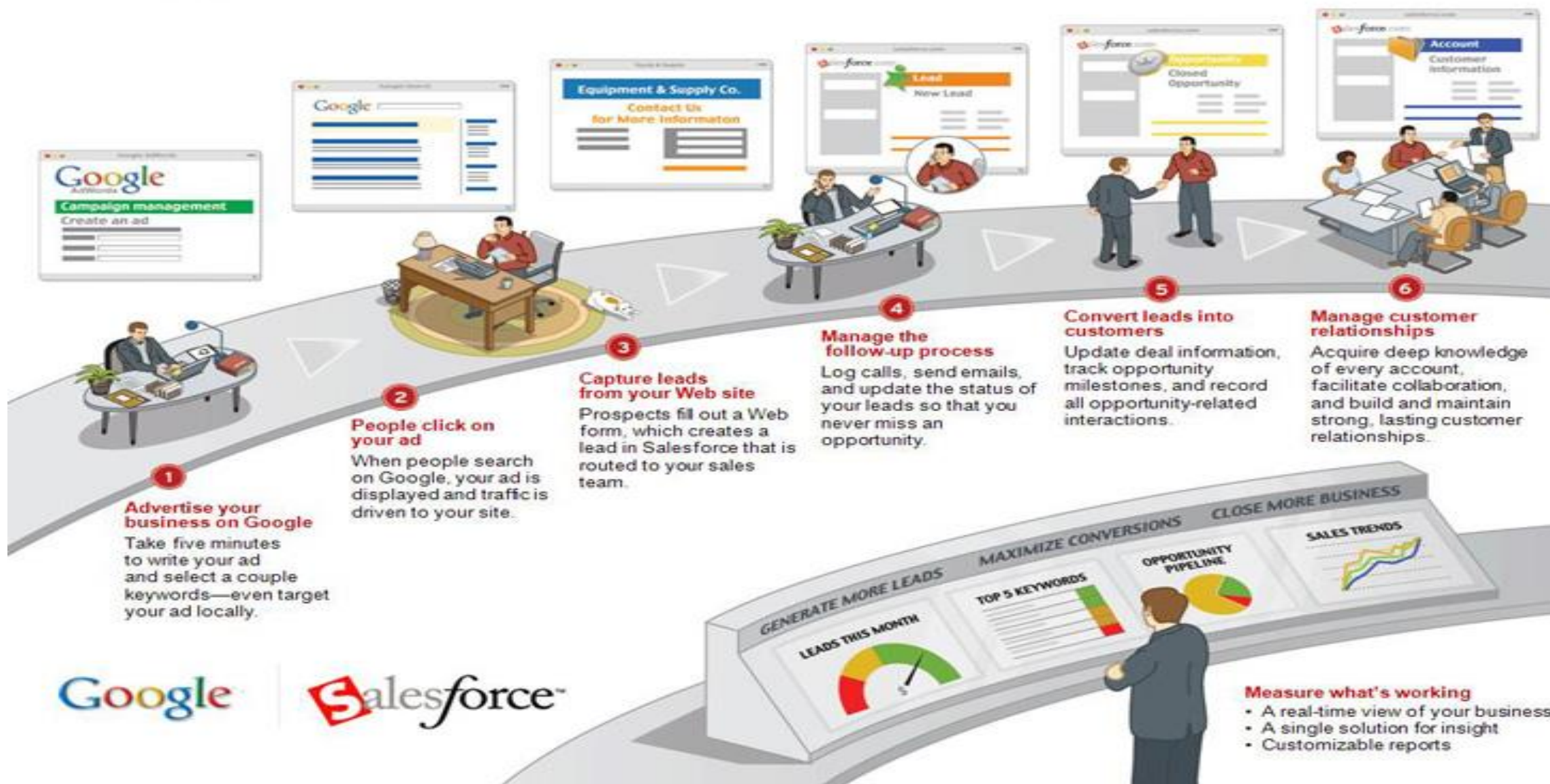
Charges	Pricing	Discounts	Rateplan							
Services & Products	No. of Picks	Charge Component	Charge Description	Charge Unit	Price Region	Currency	Customer Type	Billing Frequency	Price	Sch
Bundle : Advanced Cloud										
	+	Recurring Charge	Business Cloud Recurring Charge	Month	All	Euro	All	All	499.99	
	+		Business Cloud Recurring Charge	Month	All	US Dollar	All	All	750	
	+		Business Cloud Recurring Charge	Month	All	Mexican P	All	All	1675	
	+		Business Cloud Recurring Charge	Month	All	Indian Ru	All	All	4200	
10 Gb Cloud Storage	+	Non Recurring Charge	Non Recurring Charge	None	All	All	All	All	0	
	+	Recurring Charge	Recurring Charge	Yearly	All	All	All	All		
	+		Recurring Charge	Quarterly	All	All	All	All		
	+		Recurring Charge	Halfyearly	All	All	All	All		
	+		Recurring Charge	Bi-Monthly	All	All	All	All		
	+		Recurring Charge	Month	All	All	All	All	0	

# Marketing and Sales Services





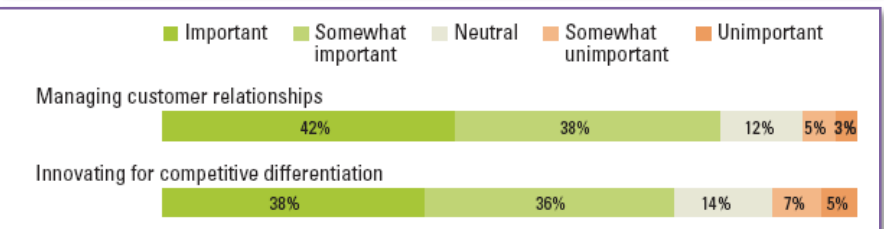
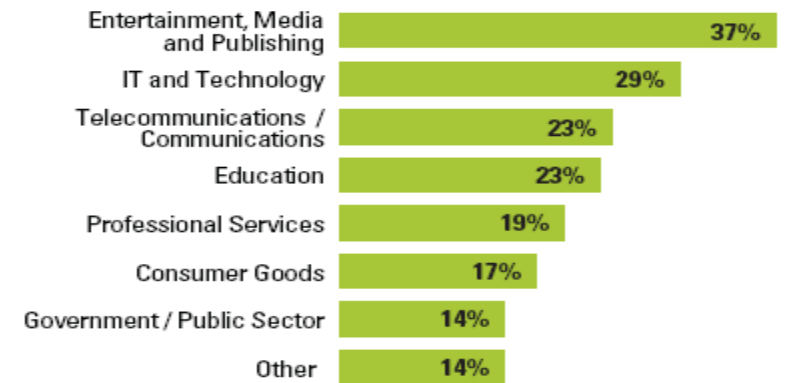
# Marketing and Sales Services



# Marketing and Sales Services

- The importance of social business (defined as business activities that use social software) to enterprises is growing, and the line between real business and social business is diminishing.
- Media and IT industries tend to see the most value from social business today.
- Marketing and innovation are top uses of social business so far.
- Companies have increasingly turned to social media platforms, such as Facebook, Twitter, YouTube, to generate and increase revenue via social commerce, which facilitates:
  - Real-time interaction, conversation and engagement with customers, and
  - Social sharing and recommendations among customers

% of survey respondents who believe social business is important to their organization:

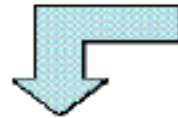
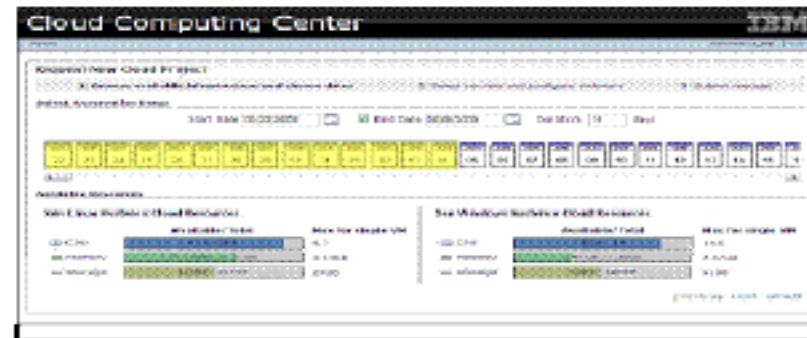


# Billing and Payment Services

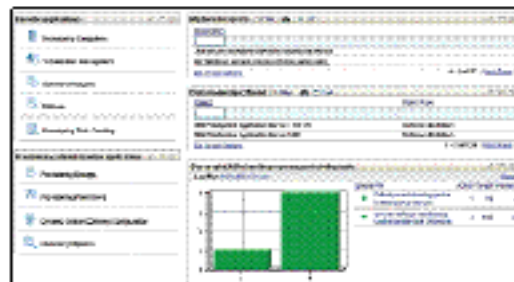
- 🌐 For cloud service vendors a robust billing and payment system is critical, because pricing for services is more complicated than pricing for products, especially when a time dimension is introduced.
  - 🔍 Companies need to experiment different pricing models before arriving at the optimal plans.
  - 🔍 Companies need to provide a wide variety of plans to target different market segments, customer locations, payment methods, etc.
  - 🔍 Pricing is a tool for subscription-based companies to compete with effectively through stratagems like temporary promotions, customer specific discounts or penalties for missing or late payments, etc.
  - 🔍 The pricing and billing system has to be flexible, customizable and scalable.
- 🌐 Of the SaaS deployments in 2009, 90% are not pay for use, but pay per subscribed user per month.
- 🌐 Worldwide cloud billing investments will grow from \$15M in 2008 to \$350M in 2013. (IDC)
- 🌐 Cloud service billing and payment solutions built by cloud service providers include:
  - 🔍 Amazon Web Services DevPay (online billing and account management service), Amazon Web Services FPS (flexible payment service), Force.com Checkout (online billing solution for Force.com-based services), Microsoft Azure, Google App Engine

# Operation Support Services

## For Locating and Requesting Services



## Deploying Cloud Services



## Automated Provisioning and Image Management



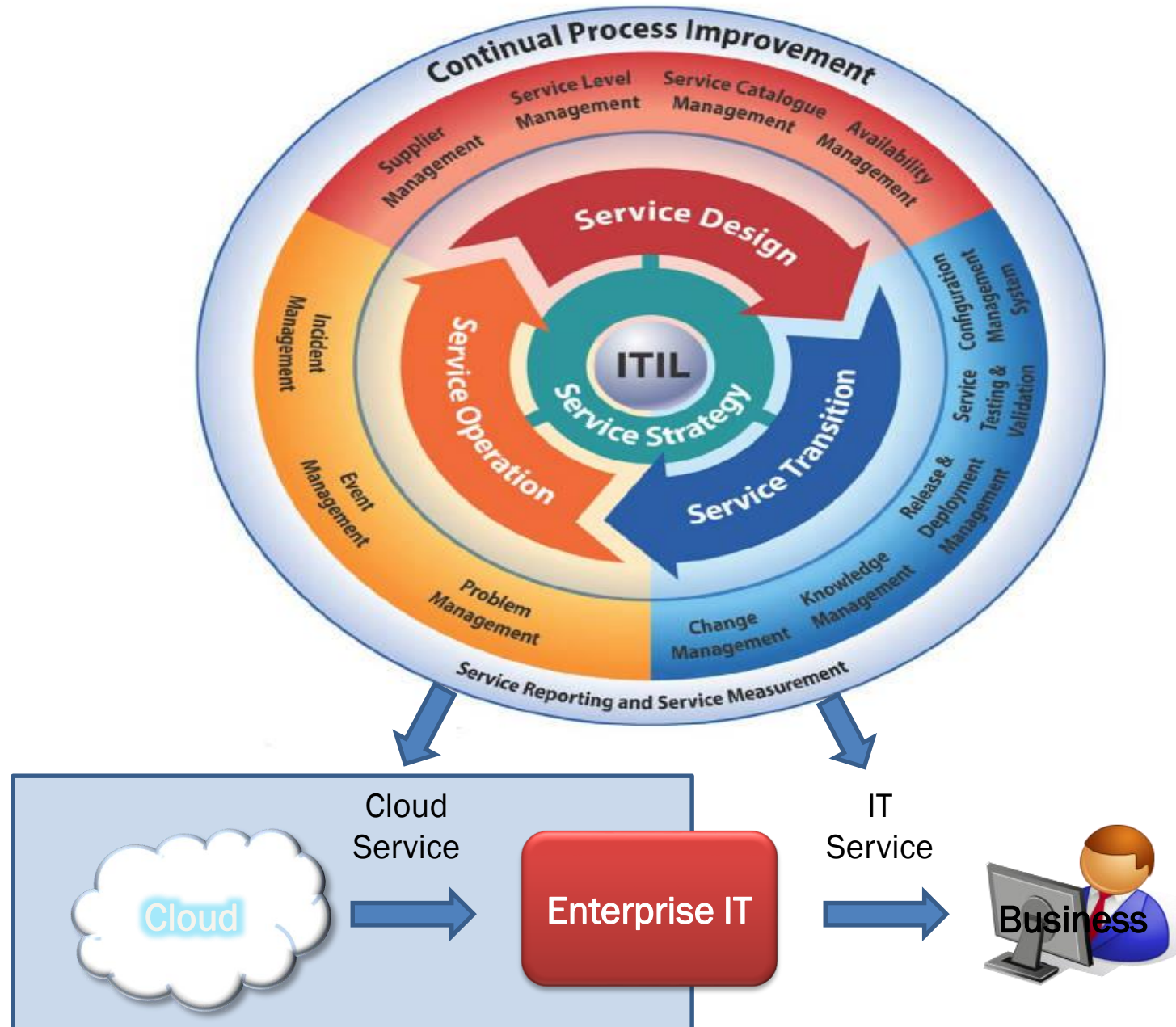
## Managing Cloud Services



## Monitoring, Security and Metering

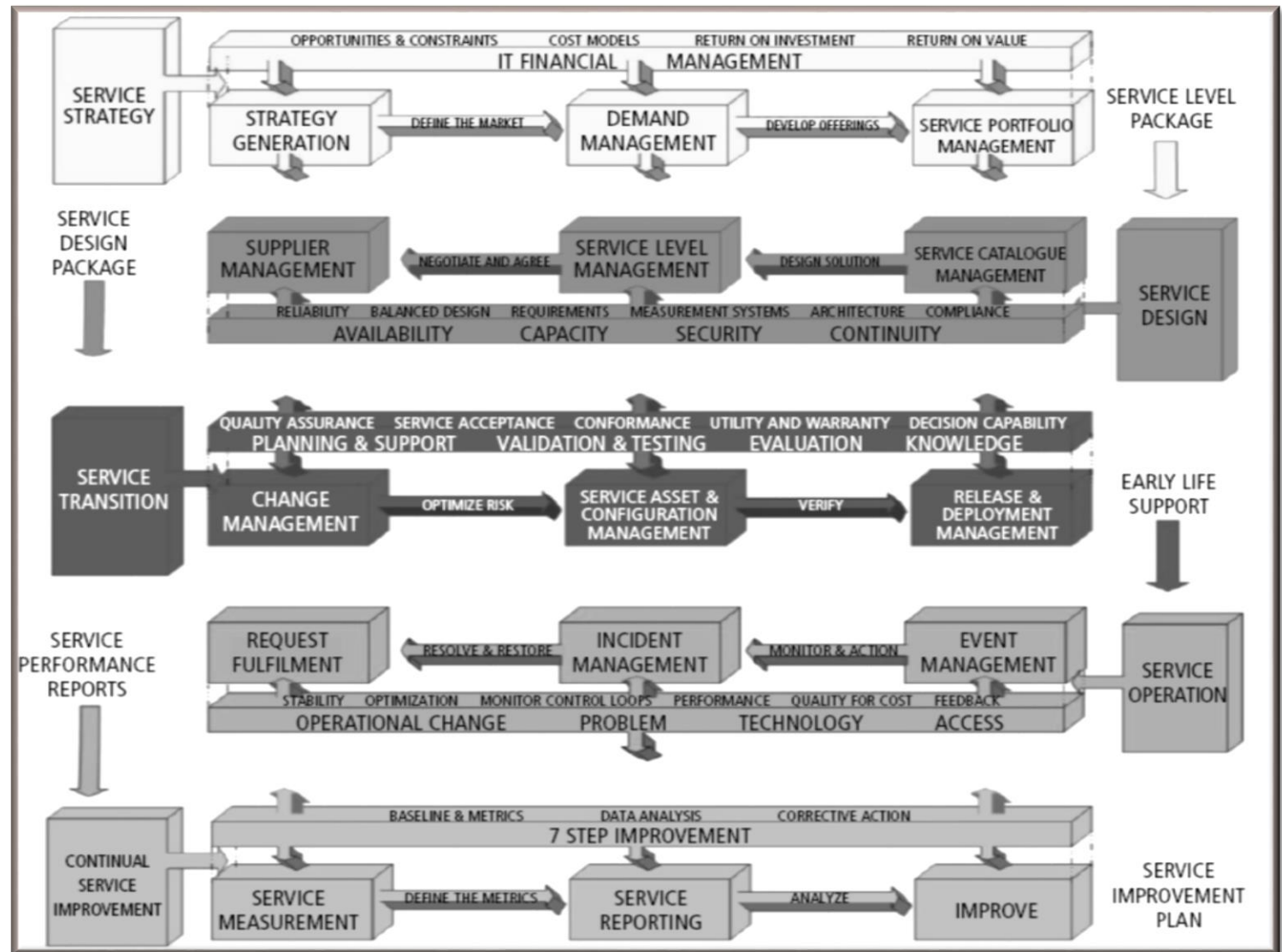


# ITIL V3



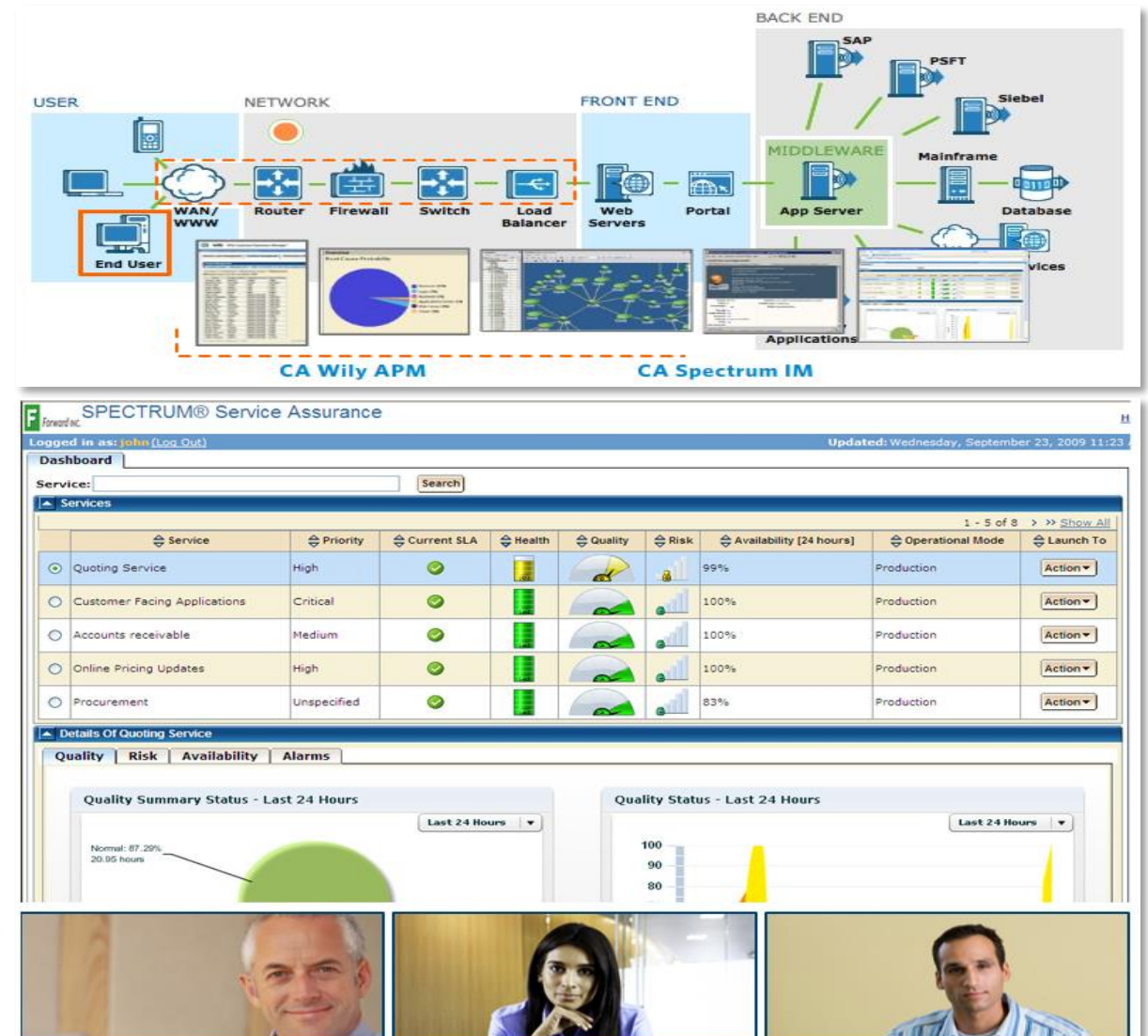
# Operation Support Services

- SLA Management
- Identity and Access Management
- Self Service Interface
- Automated Provisioning
- Incident Management
- Change Management
- Configuration Management
- Performance Monitoring and Management
- Business Continuity and Availability Management
- Service Process Automation



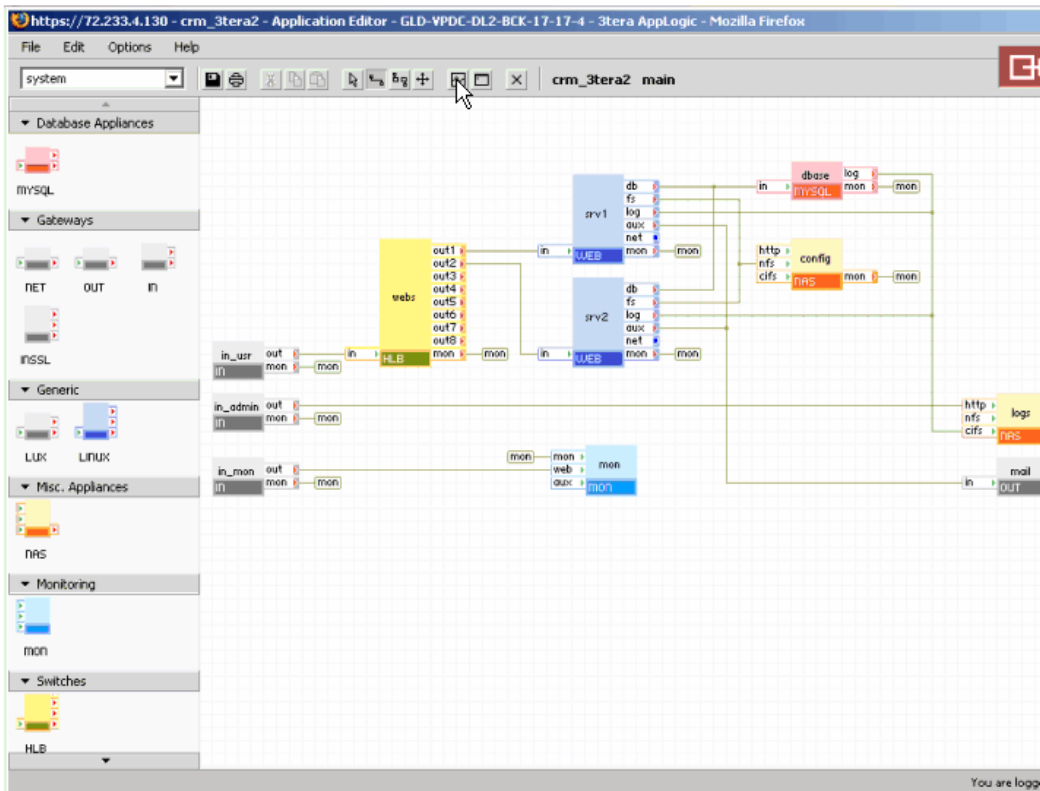
# Application Performance Management

- Monitor, analyze and report on transactions, response times and end- user experience to ensure optimal application delivery.
  - Gain end-to end transaction visibility
  - Monitor true end user experience
  - Proactively manage performance
- Proactively manage the performance and availability of the infrastructure including physical, virtual and cloud systems, networks, databases and applications.
  - Discover infrastructure and relationships
  - Preempt performance and availability issues
  - Analyze network behavior



# Real-Time Service Assurance

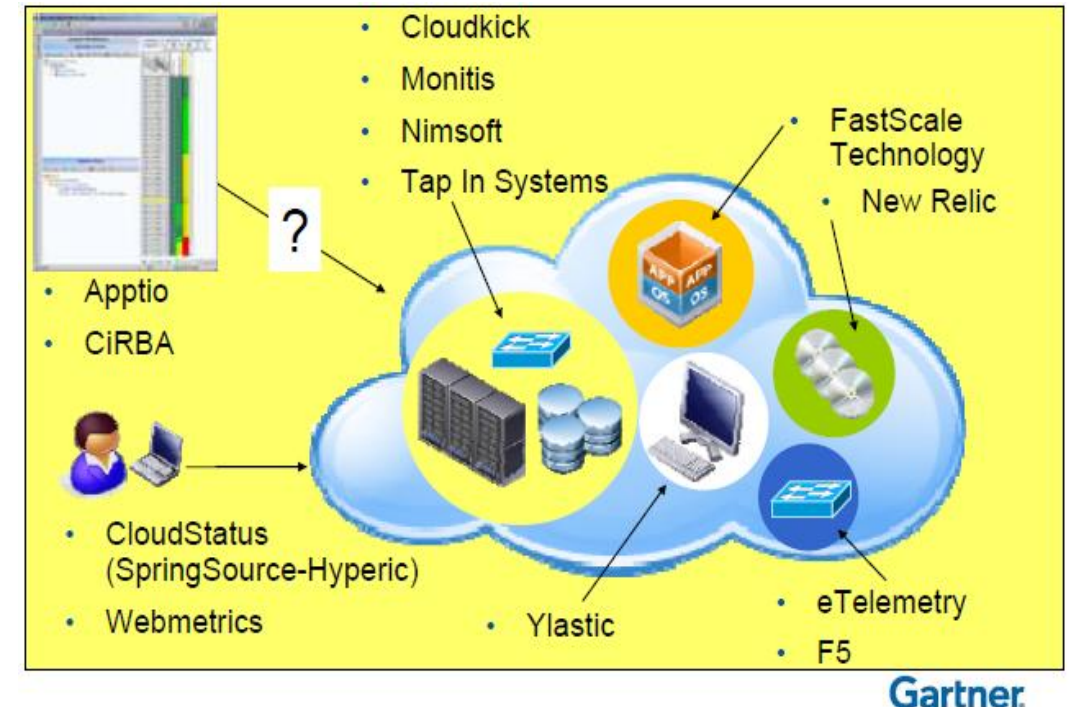
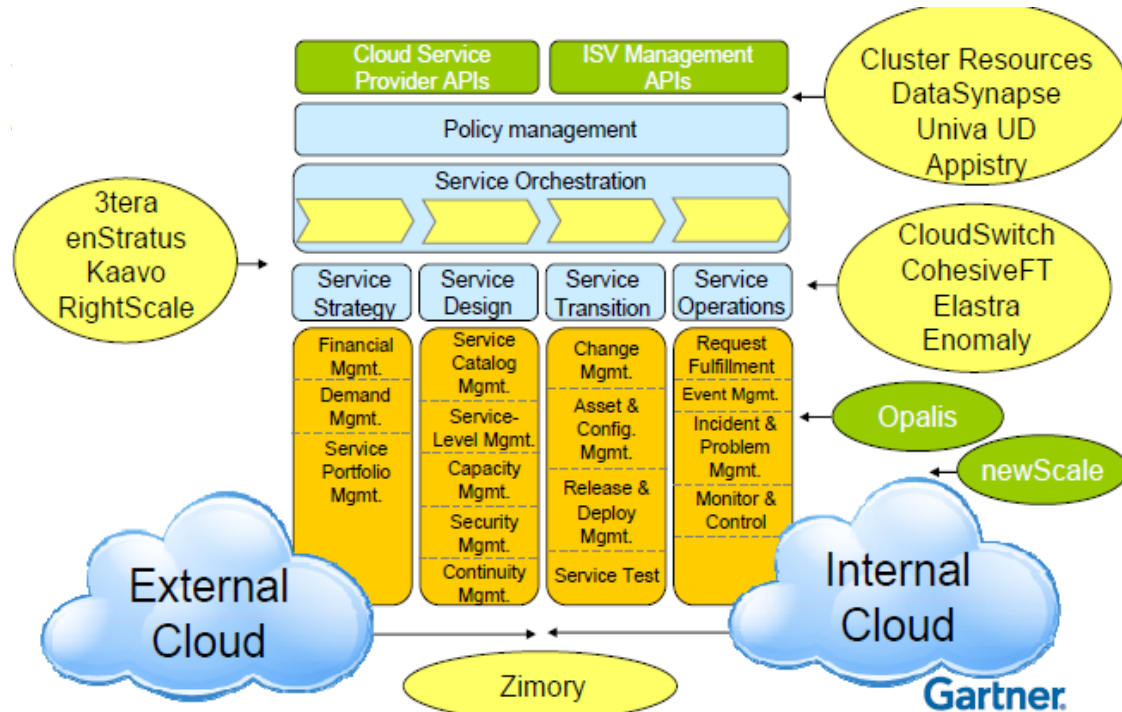
- Service assurance links end-user experience, transactions and applications with the underlying systems and network infrastructure supporting them
- So one can understand the real-time performance, risk and quality of business services across physical, virtual and cloud environments.





# OSS Vendors

- Big Four offer SaaS-based cloud service management solutions; e.g., BMC Remedy as a SaaS, HP Cloud Assure SaaS, IBM Tivoli-based Service Management Center for Cloud Computing.
- New comers such as Rightscale, Elastra, DataSynapse, Platform Computing offer management services with a singular focus on cloud computing.
- In addition a spectrum of vendors such as SpringSource, Webmetrics, CiRBA, Nimsoft, New Relic, Ylastic, etc. offer solutions for monitoring and optimization of public cloud services.



# Cloud Service Management Standards

- Standards for cloud service management are emerging including DMTF Open Cloud Standards Incubator.
- The Open Cloud Standards Incubator addresses the following aspects of the lifecycle of a cloud service:
  - description of the cloud service in a template
  - deployment of the cloud service into a cloud
  - offering of the service to consumers
  - consumer entrance into contracts for the offering
  - provider operation and management of instances of the service
  - removal of the service offering

