

# Understanding Planning and Management of Costs

---



**Steve Buchanan**

MICROSOFT AZURE MVP / CLOUD ARCHITECT

@buchatech | [www.buchatech.com](http://www.buchatech.com)



# Overview



Understanding options for purchasing Azure products and services

Understanding options around Azure Free account

Understanding the factors affecting costs

Understanding Zones for billing purposes

Understanding best practices for minimizing Azure costs

Understanding the Azure Pricing calculators



# Azure Subscription Use and Options



**Free** - \$200 in Azure credit to be used in 30 days. Access to free Azure services



**Pay-As-You-Go** - Charges monthly for the services you used in that billing period



**Student** - \$100 in Azure credits to be used in 12 months. No credit card required



**Enterprise Agreement** - Purchase Azure services and Microsoft software under a single agreement

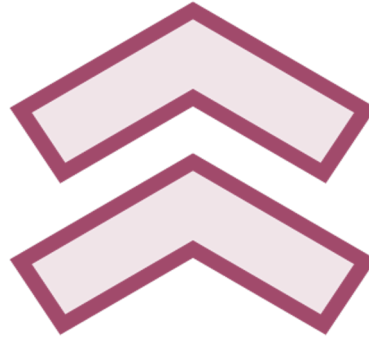


# Options for Purchasing Azure Products and Services



## Enterprise Agreement (EA)

- Designed for very large organizations
- Premiere support and dedicated Azure resources
- Annual Azure spend commit
- Customized and deeply discounted Azure pricing



## Direct - from Microsoft

- Bill from Microsoft
- Support through Microsoft support plan
- Self-manage or use partner for Azure provisioning, deployment, usage management



## Indirect - Cloud Solution Provider (CSP)

- Bill from CSP
- Support through CSP
- Work with CSP for Azure provisioning, deployment, and usage management



# Azure Free Account

<https://azure.microsoft.com/en-us/free/>



Many popular services  
free for 12 months



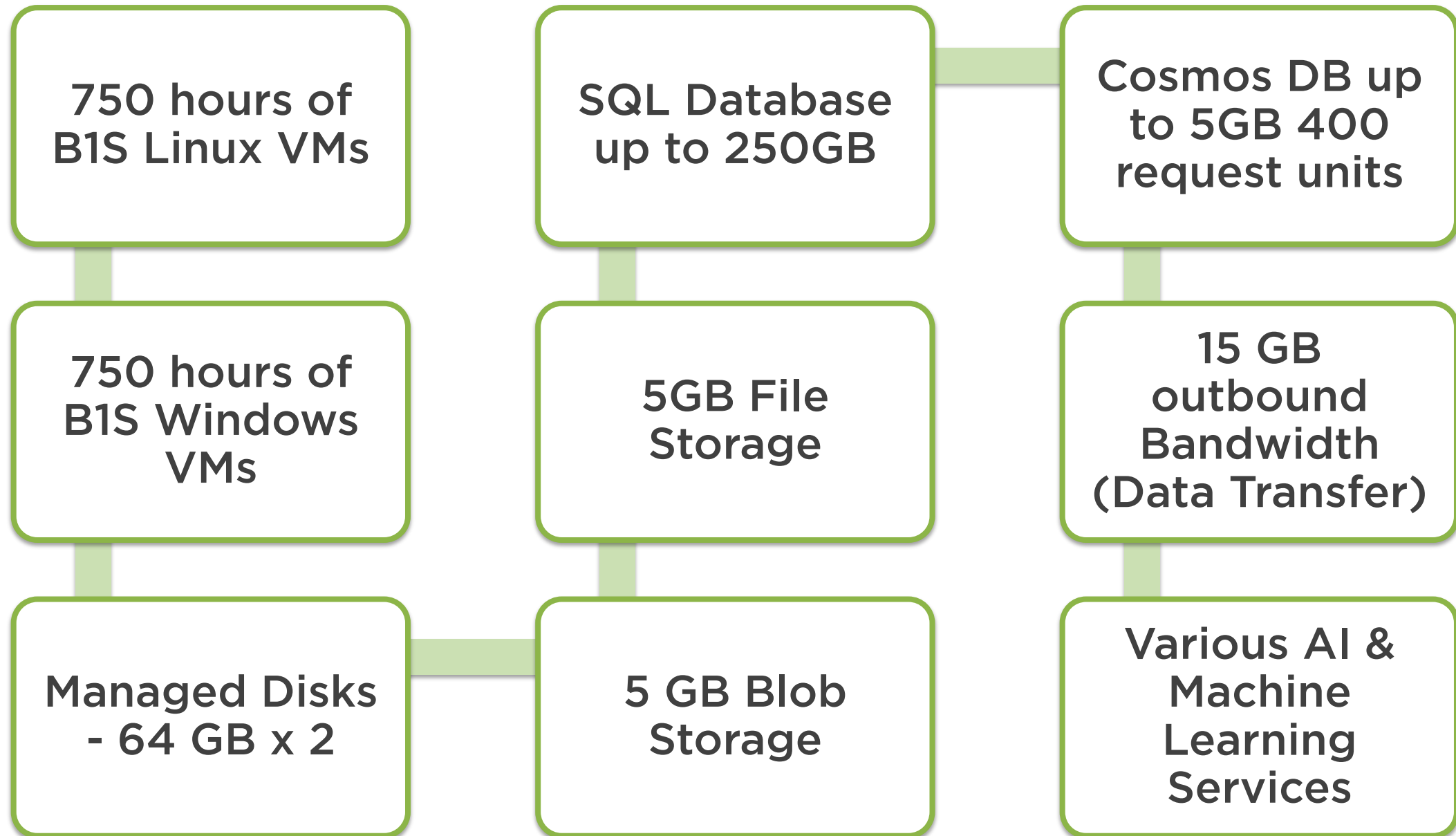
30 day \$200 credit



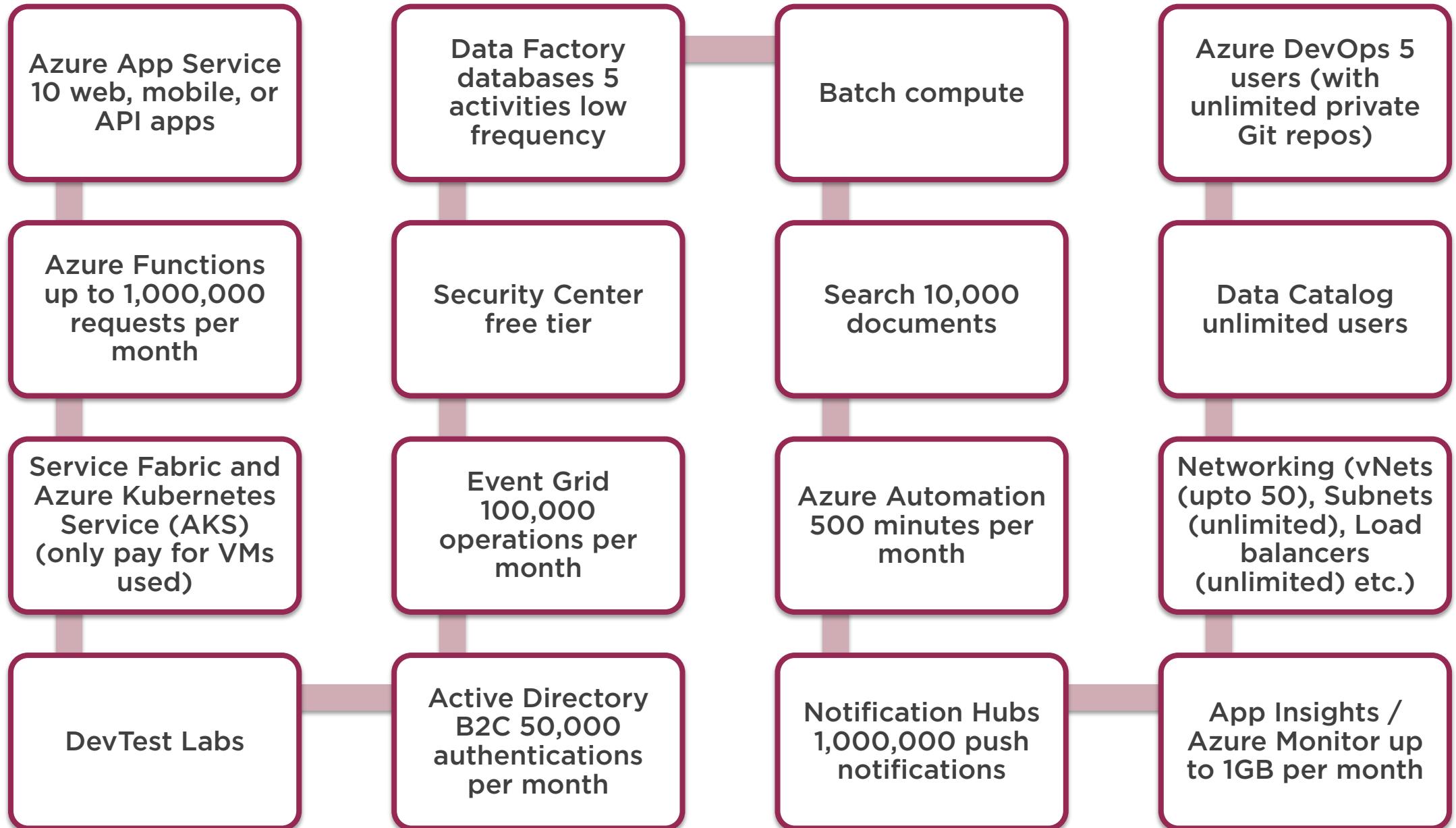
25+ services  
free forever



# Popular Azure Services Free for 12 Months



# Azure Services Always Free



# Understanding the Factors Affecting Costs

## Resource Type:

Costs are specific to each resource. The usage that a meter tracks & the amount of meters associated to a resource will depend on resource type.

## Service:

Azure usage rates and billing periods can be different across Enterprise Agreements, Direct, & CSP, which affect costs.

## Location:

Azure is global with regions all over the world. Costs can vary between regions for the same Azure products, services, and resources. This is based on factors such as level of popularity, demand, and local costs to Microsoft of the infrastructure, connectivity, cooling, staff etc.

## Egress traffic:

Sending data into Azure ingress (inbound) is always free. However, pulling data out of Azure egress (outbound) always has a cost. Understanding traffic flow & egress charges on services that will be consumed will help estimate costs.





# Zones for Billing Purposes

An Azure Zone is a geographical grouping of Azure Regions for billing purposes

Data transfer pricing is based on the Zones



# Zones for Billing Purposes

Zone 1

**United States, US Government, Europe, Canada, UK, France, Switzerland**

Zone 2

**East Asia, Southeast Asia, Japan, Australia, India, Korea**

Zone 3

**Brazil, South Africa, UAE**

DE Zone 1

**Germany**



# Best Practices for Minimizing Azure Costs

**Reserved  
Instances**

**Quotas**

**Azure Hybrid  
Benefit**

**Azure Cost  
Management**

**Spending Limits**

**Tags**



# The Pricing Calculators



## Azure Pricing calculator

Estimate the costs for Azure products



## Total Cost of Ownership (TCO) calculator

Estimate the cost of migration and Cost of Ownership



Estimate total: \$152.62



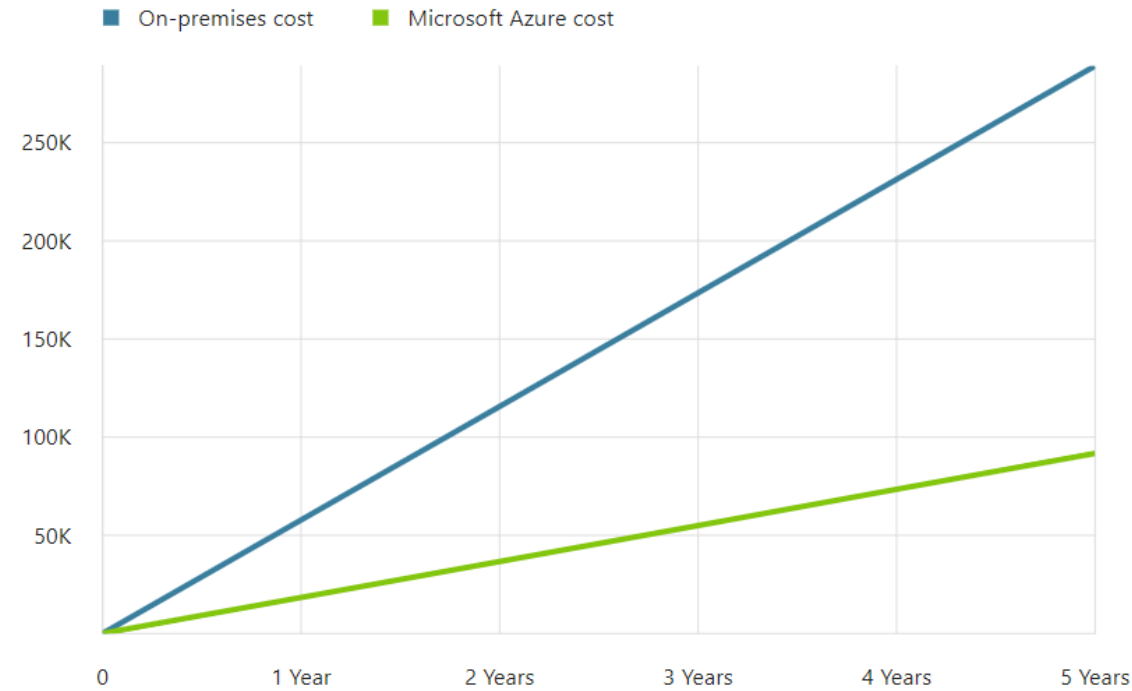
# Understanding the Pricing Calculator

The Azure pricing calculator is web based and can be used to estimate cost of Azure services

You add the services, their tiers, and estimated consumption

The calculator will output the cost per service and the total cost of all inputted services





# Understanding the TCO Calculator

This calculator should be used when planning to migrate to Azure

It will help estimate the cost savings that can be realized by migrating workloads to Azure along with the TCO over 5 years



# Demo



## In this demo we will:

- Pricing an IaaS solution with the Azure Pricing calculator and Total Cost of Ownership (TCO) calculator

