

internal processes. You need to be aware of this and to mitigate against it.

Along with problems such as lack of preparation for the surge in demand or the corporate corpus there was also the headache that this worth based approach caused. This was my migraine. There was some financial risk associated with this project and some investment needed. I had to be concerned with not only the development but operations. This included lots of capital investment along with costs that weren't either truly variable or ones that I could only guess at. To minimise the risk we shared common components with other projects but in a large heterogeneous application environment then this just complicates allocation of costs. How much would a user visiting our application cost us in terms of compute, power and data centre usage was an incredibly tough question.

In my risk models, I also had no clear way of determining operational costs as it scaled. I had to make lots of estimates on stepwise changes and how much compute resources would be used by an application that hadn't been built. The financial model was more akin to art than any form of science. Some of that uncertainty ending up as "padding" in the metric e.g. the price per lead that I would charge. Fortunately other areas had better costs models. In the LFP example above then distribution systems and even printing were more variable (i.e. price per print or price per package) because we had experience of running an online photo and printing service. This brings me to the next topic of pricing granularity.