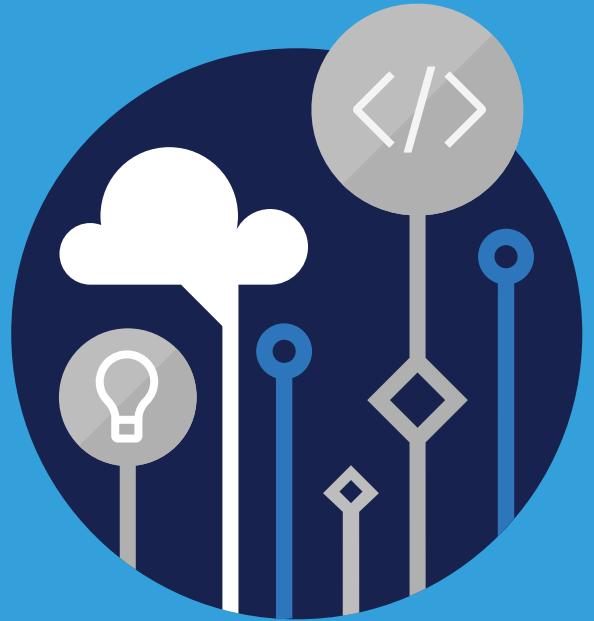


Microsoft  
Official  
Course



AZ-900TOX

Microsoft Azure  
Fundamentals

# AZ-900T0X

## Microsoft Azure Fundamentals

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Revised April 2019



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# Module 0 Course Introduction

## About this course

### About this course

#### **Course Description**

This course provides foundational level knowledge on cloud concepts; core Azure services; security, privacy, compliance, and trust; and Azure pricing and support.

#### **Level:**

Beginner

#### **Audience**

The audience for this course is just beginning to learn about cloud computing and how Microsoft Azure provides that service. There are two versions of this course a one day version and a two day version. The content for both courses aligns to the AZ-900 exam objective domain.

- **AZ-900T00.** This two day course provides an Azure pass and time for students to participate in hands-on labs during the course.
- **AZ-900T01.** This one day course does not provide an Azure pass or time for students to participate in hands-on labs during the course.

#### **Prerequisites**

There are no prerequisites for this course, but students with some IT knowledge or experience will find the concepts easier to understand.

#### **Expected learning**

- The basics of cloud computing and Azure, and how to get started with Azure's subscriptions and accounts.
- The advantages of using cloud computing services, learning to differentiate between the categories and types of cloud computing, and how to examine the various concepts, resources, and terminology that are necessary to work with Azure architecture.
- The core services available with Microsoft Azure.

- The core solutions that encompass a wide array of tools and services from Microsoft Azure.
- The general security and network security features, and how you can use the various Azure services to help ensure that your cloud resources are safe, secure, and trusted.
- The identity, governance, privacy, and compliance features, and how Azure can help you secure access to cloud resources, what it means to build a cloud governance strategy, and how Azure adheres to common regulatory and compliance standards.
- The factors that influence cost, tools you can use to help estimate and manage your cloud spend, and how Azure's service-level agreements (SLAs) can impact your application design decisions.

## Course agenda

### **Module 1 - Cloud concepts**

This module introduces you to the basics of cloud computing and Azure, and how to get started with Azure's subscriptions and accounts. You'll learn about the advantages of using cloud computing services, learn to differentiate between the categories and types of cloud computing, and examine the various concepts, resources, and terminology that are necessary to work with Azure architecture.

- Lesson 1 - Introduction to Azure fundamentals
- Lesson 2 - Fundamental Azure concepts
- Lesson 3 - Module 1 Review Questions
- Lesson 4 - Module 1 Summary

### **Module 2 - Core Azure services**

In this module, learn about core services available with Microsoft Azure.

- Lesson 1 - Core Azure architectural components
- Lesson 2 - Core Azure workload products
- Lesson 3 - Azure networking services
- Lesson 4 - Azure storage services
- Lesson 5 - Azure database services
- Lesson 6 - Module 2 Review Questions
- Lesson 7 - Module 2 Summary

### **Module 3 - Core solutions and management tools**

Core solutions encompass a wide array of tools and services from Microsoft Azure. In this module, you'll be introduced to many of these tools and services, and will be asked to help choose the best one for a given business scenario.

- Lesson 1 - Choose the best Azure IoT service
- Lesson 2 - Choose the best AI service
- Lesson 3 - Choose the best Azure serverless technology
- Lesson 4 - Choose the best tools with DevOps and GitHub
- Lesson 5 - Choose the best management tools

- 
- Lesson 6 - Choose the best Azure monitoring service
  - Lesson 7 - Module 3 Review Questions
  - Lesson 8 - Module 3 Summary

#### **Module 4 - General security and networking features**

In this module you'll learn about general security and network security features, and learn about how you can use the various Azure services to help ensure that your cloud resources are safe, secure, and trusted.

- Lesson 1 - Security Tools and Features
- Lesson 2 - Secure Network Connectivity
- Lesson 3 - Module 4 Review Questions
  
- Lesson 4 - Module 4 Summary

#### **Module 5 - Identity, Governance, Privacy, and Compliance**

In this module you'll learn about identity, governance, privacy, and compliance features. You'll learn how Azure can help you secure access to cloud resources, what it means to build a cloud governance strategy, and how Azure adheres to common regulatory and compliance standards.

- Lesson 1 - Core Azure identity services
- Lesson 2 - Azure Governance Methodologies
- Lesson 3 - Privacy, Compliance, and Data Protection standards
- Lesson 4 - Module 5 Review Questions
  
- Lesson 5 - Module 5 Summary

#### **Module 6 - Azure Pricing and Lifecycle**

Learn about the factors that influence cost, tools you can use to help estimate and manage your cloud spend, and how Azure's service-level agreements (SLAs) can impact your application design decisions.

- Lesson 1 - Planning and Cost Management
- Lesson 2 - Azure Service Level Agreements (SLAs) and Lifecycle
- Lesson 3 - Module 6 Review Questions
  
- Lesson 4 - Module 6 Summary

## **AZ-900 Certification Exam**

The **AZ-900, Microsoft Azure Fundamentals**,<sup>1</sup> certification exam is designed for candidates looking to demonstrate foundational level knowledge of cloud services and how those services are provided with Microsoft Azure. The exam is intended for candidates with non-technical backgrounds, such as those involved in selling or purchasing cloud based solutions and services or who have some involvement with cloud based solutions and services, as well as those with a technical background who have a need to

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<sup>1</sup> <https://docs.microsoft.com/en-us/learn/certifications/exams/az-900>

validate their foundational level knowledge around cloud services. Technical IT experience is not required however some general IT knowledge or experience would be beneficial.

This exam can be taken as an optional first step in learning about cloud services and how those concepts are exemplified by Microsoft Azure. It can be taken as a precursor to Microsoft Azure or Microsoft cloud services exams. While it would be a beneficial first step, validating foundational level knowledge, taking this exam is not a pre-requisite before taking any other Azure-based certifications.

The exam includes six study areas. The percentages indicate the relative weight of each area on the exam. The higher the percentage, the more questions the exam will contain. Be sure to read the exam page for specifics about what skills are covered in each area.

AZ-900 Study Areas	Weights
Describe cloud concepts	20-25%
Describe Core Azure Services	15-20%
Describe core solutions and management tools on Azure	10-15%
Describe general security and network security features	10-15%
Describe identity, governance, privacy, and compliance features	20-25%
Describe Azure cost management and Service Level Agreements	10-15%

- This course maps directly to the exam AZ-900 Microsoft Azure Fundamentals.
  - ✓ This exam does not include a hands-on testing component.

## Accessing labs

### Microsoft Learn Sandbox or Microsoft Learning Azure Pass (Optional)

Microsoft Learning Azure Pass – to provide access to Microsoft Azure. Check the dollar balance of your Azure Pass within Microsoft Azure once you have set up your subscription and be aware of how much you are consuming as you proceed. Do not allow Microsoft Azure components to run overnight or for extended periods. Each lab creates a new resource group. To minimize costs, remove the resource group at the end of the lab.

To access the labs for this course, please visit **Microsoft Azure Fundamentals GitHub Labs<sup>2</sup>**.

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<sup>2</sup> <https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/>

## Module 1 Cloud concepts

### Introduction to Azure fundamentals

#### Introduction

Azure is a cloud computing platform with an ever-expanding set of services to help you build solutions to meet your business goals. Azure services range from simple web services for hosting your business presence in the cloud to running fully virtualized computers for you to run your custom software solutions. Azure provides a wealth of cloud-based services like remote storage, database hosting, and centralized account management. Azure also offers new capabilities like AI and Internet of Things (IoT).

In this module, you'll take an entry-level, end-to-end look at Azure and its capabilities. You'll gain a solid foundation for completing the available learning paths for Azure fundamentals.

#### What is Azure fundamentals?

Azure fundamentals is a series of six learning paths that familiarize you to Azure and its many services and features.

Whether you're interested in Azure's core compute, network, storage, and database services, learning about cloud security best practices, or exploring the cutting edge in IoT and machine learning, think of Azure fundamentals as your curated guide to Azure.

Azure fundamentals includes interactive exercises that give you hands-on experience with Azure. Many exercises provide a temporary Azure environment called the sandbox, which allows you to learn for free and at your own pace.

Technical IT experience is not required; however, having general IT knowledge will help you get the most from your learning experience.

#### Why should I take Azure fundamentals?

Whether you're just beginning to work with the cloud or you already have cloud experience and are new to Azure, Azure fundamentals provides you with everything you need to get started.

No matter your goals, Azure fundamentals has something for you. Take Azure fundamentals if you:

- Have general interest in Azure or in the cloud.
- Want to earn official certification from Microsoft.

### Preparation for Exam AZ-900

The Azure fundamentals learning path series can help you prepare for **Exam AZ-900: Microsoft Azure Fundamentals**<sup>1</sup>. This exam includes six knowledge domain areas:

AZ-900 Domain Area	Weight
Describe cloud concepts	20-25%
Describe core Azure services	15-20%
Describe core solutions and management tools on Azure	10-15%
Describe general security and network security features	10-15%
Describe identity, governance, privacy, and compliance features	20-25%
Describe Azure cost management and Service Level Agreements	10-15%

Each domain area maps to a learning path in Azure fundamentals.

The percentages shown indicate the relative weight of each area on the exam. The higher the percentage, the more questions that part of the exam will contain. Be sure to read the exam page for specifics about what skills are covered in each area.

This training helps you develop a broad understanding of Azure. Having real-world experience will help reinforce the concepts so that you're more fully prepared for the exam or to apply your skills on the job.

## Learning objectives

After completing this module, you'll be able to:

- Describe the basic concepts of cloud computing.
- Determine whether Azure is the right solution for your business needs.
- Differentiate between the different methods of creating an Azure subscription.

## Prerequisites

- You should be familiar with basic computing concepts and terminology.
- Familiarity with cloud computing is helpful but isn't necessary.

## What is cloud computing?

Have you ever wondered what cloud computing is? It's the delivery of computing services over the internet, which is otherwise known as the cloud. These services include servers, storage, databases, networking, software, analytics, and intelligence. Cloud computing offers faster innovation, flexible resources, and economies of scale.

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<sup>1</sup> <https://docs.microsoft.com/learn/certifications/exams/az-900?azure-portal=true>



<https://www.microsoft.com/videoplayer/embed/RE4LyBB>

## Why is cloud computing typically cheaper to use?

Cloud computing is the delivery of computing services over the internet by using a pay-as-you-go pricing model. You typically pay only for the cloud services you use, which helps you:

- Lower your operating costs.
- Run your infrastructure more efficiently.
- Scale as your business needs change.

To put it another way, cloud computing is a way to rent compute power and storage from someone else's datacenter. You can treat cloud resources like you would resources in your own datacenter. When you're done using them, you give them back. You're billed only for what you use.

Instead of maintaining CPUs and storage in your datacenter, you rent them for the time that you need them. The cloud provider takes care of maintaining the underlying infrastructure for you. The cloud enables you to quickly solve your toughest business challenges, and bring cutting-edge solutions to your users.

## Why should I move to the cloud?

The cloud helps you move faster and innovate in ways that were once nearly impossible.

In our ever-changing digital world, two trends emerge:

- Teams deliver new features to their users at record speeds.
- Users expect an increasingly rich and immersive experience with their devices and with software.

Software releases were once scheduled in terms of months or even years. Today, teams release features in smaller batches that are often scheduled in days or weeks. Some teams even deliver software updates continuously—sometimes with multiple releases within the same day.

Think of all the ways you interact with devices that you couldn't do a few years ago. Many devices can recognize your face and respond to voice commands. Augmented reality changes the way you interact with the physical world. Household appliances are even beginning to act intelligently. These technologies are only a few examples, and many of them are powered by the cloud.

To power your services and deliver innovative and novel user experiences more quickly, the cloud provides on-demand access to:

- A nearly limitless pool of raw compute, storage, and networking components.
- Speech recognition and other cognitive services that help make your application stand out from the crowd.
- Analytics services that deliver telemetry data from your software and devices.

## What is Azure?



<https://www.microsoft.com/videoplayer/embed/RWEsag>

Azure is a continually expanding set of cloud services that help your organization meet your current and future business challenges. Azure gives you the freedom to build, manage, and deploy applications on a massive global network using your favorite tools and frameworks.

## What does Azure offer?

With help from Azure, you have everything you need to build your next great solution. The following table lists several of the benefits that Azure provides, so you can easily invent with purpose.

<b>Be ready for the future:</b> Continuous innovation from Microsoft supports your development today and your product visions for tomorrow.	
	<b>Build on your terms:</b> You have choices. With a commitment to open source, and support for all languages and frameworks, you can build how you want and deploy where you want to.
	<b>Operate hybrid seamlessly:</b> On-premises, in the cloud, and at the edge--we'll meet you where you are. Integrate and manage your environments with tools and services designed for a hybrid cloud solution.

**Trust your cloud:** Get security from the ground up, backed by a team of experts, and proactive compliance trusted by enterprises, governments, and startups.



## What can I do with Azure?

Azure provides more than 100 services that enable you to do everything from running your existing applications on virtual machines, to exploring new software paradigms, such as intelligent bots and mixed reality.

Many teams start exploring the cloud by moving their existing applications to virtual machines that run in Azure. Migrating your existing apps to virtual machines is a good start, but the cloud is much more than a different place to run your virtual machines.

For example, Azure provides AI and machine-learning services that can naturally communicate with your users through vision, hearing, and speech. It also provides storage solutions that dynamically grow to accommodate massive amounts of data. Azure services enable solutions that aren't feasible without the power of the cloud.

## How does Azure work?



<https://www.microsoft.com/videoplayer/embed/RWJKac>

## What is the Azure portal?

The Azure portal is a web-based, unified console that provides an alternative to command-line tools. With the Azure portal, you can manage your Azure subscription by using a graphical user interface. You can:

- Build, manage, and monitor everything from simple web apps to complex cloud deployments.
- Create custom dashboards for an organized view of resources.
- Configure accessibility options for an optimal experience.



<https://www.microsoft.com/videoplayer/embed/RE4ICN6>

The Azure portal is designed for resiliency and continuous availability. It maintains a presence in every Azure datacenter. This configuration makes the Azure portal resilient to individual datacenter failures and avoids network slowdowns by being close to users. The Azure portal updates continuously and requires no downtime for maintenance activities.

The screenshot shows the Microsoft Azure portal interface. At the top, there's a navigation bar with the Microsoft Azure logo, a search bar containing 'Search resources, services, and docs (G+)', and a user profile icon. Below the search bar, the 'Azure services' section is visible, featuring a 'Create a resource' button (highlighted with a dashed blue border), icons for Resource groups, Virtual machines, App Services, Storage accounts, SQL databases, and Azure Database for PostgreSQL. Further down, there are icons for Azure Cosmos DB and Kubernetes services, along with a 'More services' link. The 'Navigate' section at the bottom includes links for Subscriptions, Resource groups, All resources, and Dashboard.

## What is Azure Marketplace?

Azure Marketplace<sup>2</sup> helps connect users with Microsoft partners, independent software vendors, and startups that are offering their solutions and services, which are optimized to run on Azure. Azure Marketplace customers can find, try, purchase, and provision applications and services from hundreds of leading service providers. All solutions and services are certified to run on Azure.

<sup>2</sup> <https://azuremarketplace.microsoft.com?azure-portal=true>

The screenshot shows the Microsoft Azure Marketplace interface. On the left, there's a sidebar with navigation links such as 'Create a resource', 'Dashboard', 'All services', 'FAVORITES' (which includes 'Resource groups', 'All resources', 'Recent', 'App Services', 'SQL databases', 'Virtual machines (classic)', 'Virtual machines', 'Cloud services (classic)', 'Subscriptions', 'Azure Active Directory', 'Monitor', 'Security Center', 'Cost Management + Billing', 'Help + support', and 'Advisor'). The main area is titled 'Marketplace > Marketplace > Everything'. It features a search bar at the top right and filters for 'Pricing' (All), 'Operating System' (All), and 'Publisher' (All). Below these are sections for 'What's new' (Azure Data Box, Red Hat Enterprise Linux, Azure Databricks, Citrix Virtual Apps Essentials, Barracuda WAF-as-a-Service, Confidential Compute VM), 'Users interested in Template deployment also viewed' (Storage account - blob, file, table, queue, Template deployment, CentOS-based 7.5, Rogue Wave Software (formerly OpenLogic)), and 'Recommended for you' (SQL Database, Ubuntu Server 16.04 LTS, Azure Cosmos DB, Container Service, Application Insights, Azure Database for MySQL). Each item has a small icon and the name of the provider.

The solution catalog spans several industry categories such as open-source container platforms, virtual machine images, databases, application build and deployment software, developer tools, threat detection, and blockchain. Using Azure Marketplace, you can provision end-to-end solutions quickly and reliably, hosted in your own Azure environment. At the time of writing, there are more than 8,000 listings.

Azure Marketplace is designed for IT pros and cloud developers interested in commercial and IT software. Microsoft partners also use it as a launch point for all joint go-to-market activities.

## Tour of Azure services

Azure can help you tackle tough business challenges. You bring your requirements, creativity, and favorite software development tools. Azure brings a massive global infrastructure that's always available for you to build your applications on.

Let's take a quick tour of the high-level services Azure offers.

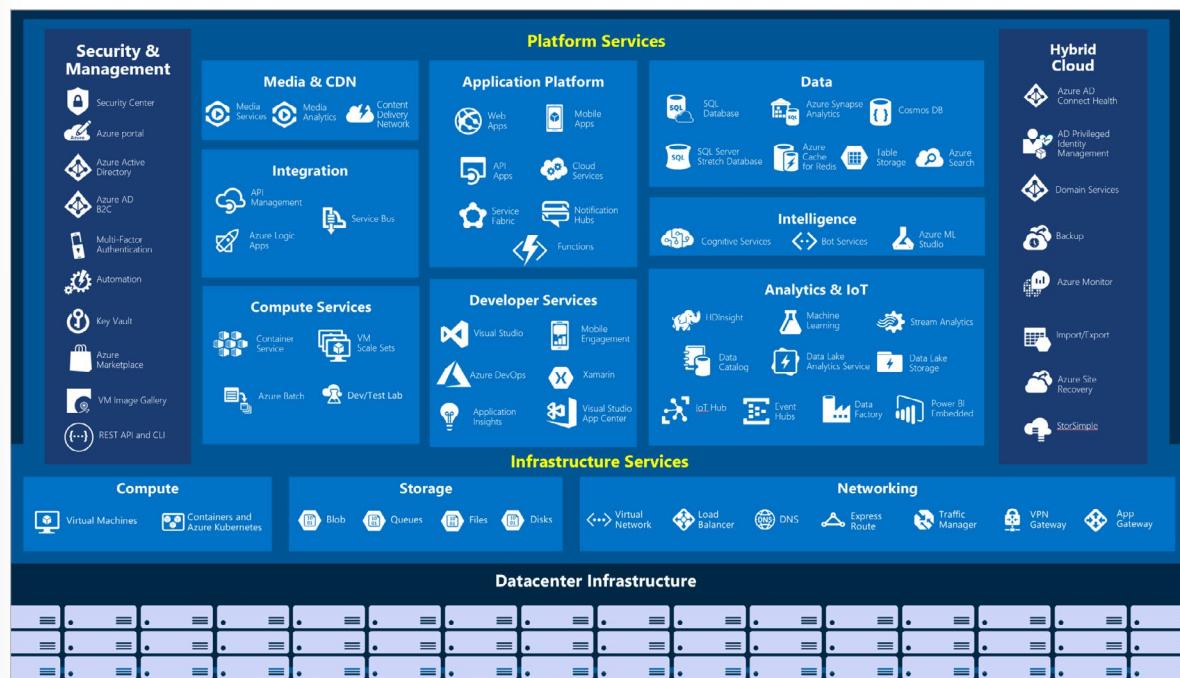
## Azure overview



<https://www.microsoft.com/videoplayer/embed/RWBg9Q>

## Azure services

Here's a big-picture view of the available services and features in Azure.



Let's take a closer look at the most commonly used categories:

<ul style="list-style-type: none"> <li>Compute</li> <li>Networking</li> <li>Storage</li> <li>Mobile</li> <li>Databases</li> </ul>	<ul style="list-style-type: none"> <li>Web</li> <li>Internet of Things (IoT)</li> <li>Big data</li> <li>AI</li> <li>DevOps</li> </ul>
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## Compute

Compute services are often one of the primary reasons why companies move to the Azure platform. Azure provides a range of options for hosting applications and services. Here are some examples of compute services in Azure.

Service name	Service function
Azure Virtual Machines	Windows or Linux virtual machines (VMs) hosted in Azure.
Azure Virtual Machine Scale Sets	Scaling for Windows or Linux VMs hosted in Azure.
Azure Kubernetes Service	Cluster management for VMs that run containerized services.
Azure Service Fabric	Distributed systems platform that runs in Azure or on-premises.

Azure Batch	Managed service for parallel and high-performance computing applications.
Azure Container Instances	Containerized apps run on Azure without provisioning servers or VMs.
Azure Functions	An event-driven, serverless compute service.

## Networking

Linking compute resources and providing access to applications is the key function of Azure networking. Networking functionality in Azure includes a range of options to connect the outside world to services and features in the global Azure datacenters.

Here are some examples of networking services in Azure.

Service name	Service function
Azure Virtual Network	Connects VMs to incoming virtual private network (VPN) connections.
Azure Load Balancer	Balances inbound and outbound connections to applications or service endpoints.
Azure Application Gateway	Optimizes app server farm delivery while increasing application security.
Azure VPN Gateway	Accesses Azure Virtual Networks through high-performance VPN gateways.
Azure DNS	Provides ultra-fast DNS responses and ultra-high domain availability.
Azure Content Delivery Network	Delivers high-bandwidth content to customers globally.
Azure DDoS Protection	Protects Azure-hosted applications from distributed denial of service (DDOS) attacks.
Azure Traffic Manager	Distributes network traffic across Azure regions worldwide.
Azure ExpressRoute	Connects to Azure over high-bandwidth dedicated secure connections.
Azure Network Watcher	Monitors and diagnoses network issues by using scenario-based analysis.
Azure Firewall	Implements high-security, high-availability firewall with unlimited scalability.
Azure Virtual WAN	Creates a unified wide area network (WAN) that connects local and remote sites.

## Storage

Azure provides four main types of storage services.

Service name	Service function
Azure Blob storage	Storage service for very large objects, such as video files or bitmaps.
Azure File storage	File shares that can be accessed and managed like a file server.

Azure Queue storage	A data store for queuing and reliably delivering messages between applications.
Azure Table storage	Table storage is a service that stores non-relational structured data (also known as structured NoSQL data) in the cloud, providing a key/attribute store with a schemaless design.

These services all share several common characteristics:

- **Durable** and highly available with redundancy and replication.
- **Secure** through automatic encryption and role-based access control.
- **Scalable** with virtually unlimited storage.
- **Managed**, handling maintenance and any critical problems for you.
- **Accessible** from anywhere in the world over HTTP or HTTPS.

## Mobile

With Azure, developers can create mobile back-end services for iOS, Android, and Windows apps quickly and easily. Features that used to take time and increase project risks, such as adding corporate sign-in and then connecting to on-premises resources such as SAP, Oracle, SQL Server, and SharePoint, are now simple to include.

Other features of this service include:

- Offline data synchronization.
- Connectivity to on-premises data.
- Broadcasting push notifications.
- Autoscaling to match business needs.

## Databases

Azure provides multiple database services to store a wide variety of data types and volumes. And with global connectivity, this data is available to users instantly.

Service name	Service function
Azure Cosmos DB	Globally distributed database that supports NoSQL options.
Azure SQL Database	Fully managed relational database with auto-scale, integral intelligence, and robust security.
Azure Database for MySQL	Fully managed and scalable MySQL relational database with high availability and security.
Azure Database for PostgreSQL	Fully managed and scalable PostgreSQL relational database with high availability and security.
SQL Server on Azure Virtual Machines	Service that hosts enterprise SQL Server apps in the cloud.
Azure Synapse Analytics	Fully managed data warehouse with integral security at every level of scale at no extra cost.

Azure Database Migration Service	Service that migrates databases to the cloud with no application code changes.
Azure Cache for Redis	Fully managed service caches frequently used and static data to reduce data and application latency.
Azure Database for MariaDB	Fully managed and scalable MariaDB relational database with high availability and security.

## Web

Having a great web experience is critical in today's business world. Azure includes first-class support to build and host web apps and HTTP-based web services. The following Azure services are focused on web hosting.

Service name	Description
Azure App Service	Quickly create powerful cloud web-based apps.
Azure Notification Hubs	Send push notifications to any platform from any back end.
Azure API Management	Publish APIs to developers, partners, and employees securely and at scale.
Azure Cognitive Search	Deploy this fully managed search as a service.
Web Apps feature of Azure App Service	Create and deploy mission-critical web apps at scale.
Azure SignalR Service	Add real-time web functionalities easily.

## IoT

People are able to access more information than ever before. Personal digital assistants led to smartphones, and now there are smart watches, smart thermostats, and even smart refrigerators. Personal computers used to be the norm. Now the internet allows any item that's online-capable to access valuable information. This ability for devices to gather and then relay information for data analysis is referred to as IoT.

Many services can assist and drive end-to-end solutions for IoT on Azure.

Service name	Description
IoT Central	Fully managed global IoT software as a service (SaaS) solution that makes it easy to connect, monitor, and manage IoT assets at scale.
Azure IoT Hub	Messaging hub that provides secure communications between and monitoring of millions of IoT devices.
IoT Edge	Fully managed service that allows data analysis models to be pushed directly onto IoT devices, which allows them to react quickly to state changes without needing to consult cloud-based AI models.

## Big data

Data comes in all formats and sizes. When we talk about big data, we're referring to *large* volumes of data. Data from weather systems, communications systems, genomic research, imaging platforms, and many other scenarios generate hundreds of gigabytes of data. This amount of data makes it hard to analyze and make decisions. It's often so large that traditional forms of processing and analysis are no longer appropriate.

Open-source cluster technologies have been developed to deal with these large data sets. Azure supports a broad range of technologies and services to provide big data and analytic solutions.

Service name	Description
Azure Synapse Analytics	Run analytics at a massive scale by using a cloud-based enterprise data warehouse that takes advantage of massively parallel processing to run complex queries quickly across petabytes of data.
Azure HDInsight	Process massive amounts of data with managed clusters of Hadoop clusters in the cloud.
Azure Databricks	Integrate this collaborative Apache Spark-based analytics service with other big data services in Azure.

## AI

AI, in the context of cloud computing, is based around a broad range of services, the core of which is machine learning. Machine learning is a data science technique that allows computers to use existing data to forecast future behaviors, outcomes, and trends. Using machine learning, computers learn without being explicitly programmed.

Forecasts or predictions from machine learning can make apps and devices smarter. For example, when you shop online, machine learning helps recommend other products you might like based on what you've purchased. Or when your credit card is swiped, machine learning compares the transaction to a database of transactions and helps detect fraud. And when your robot vacuum cleaner vacuums a room, machine learning helps it decide whether the job is done.

Here are some of the most common AI and machine learning service types in Azure.

Service name	Description
Azure Machine Learning Service	Cloud-based environment you can use to develop, train, test, deploy, manage, and track machine learning models. It can auto-generate a model and auto-tune it for you. It will let you start training on your local machine, and then scale out to the cloud.
Azure ML Studio	Collaborative visual workspace where you can build, test, and deploy machine learning solutions by using prebuilt machine learning algorithms and data-handling modules.

A closely related set of products are the *cognitive services*. You can use these prebuilt APIs in your applications to solve complex problems.

Service name	Description
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Vision	Use image-processing algorithms to smartly identify, caption, index, and moderate your pictures and videos.
Speech	Convert spoken audio into text, use voice for verification, or add speaker recognition to your app.
Knowledge mapping	Map complex information and data to solve tasks such as intelligent recommendations and semantic search.
Bing Search	Add Bing Search APIs to your apps and harness the ability to comb billions of webpages, images, videos, and news with a single API call.
Natural Language processing	Allow your apps to process natural language with prebuilt scripts, evaluate sentiment, and learn how to recognize what users want.

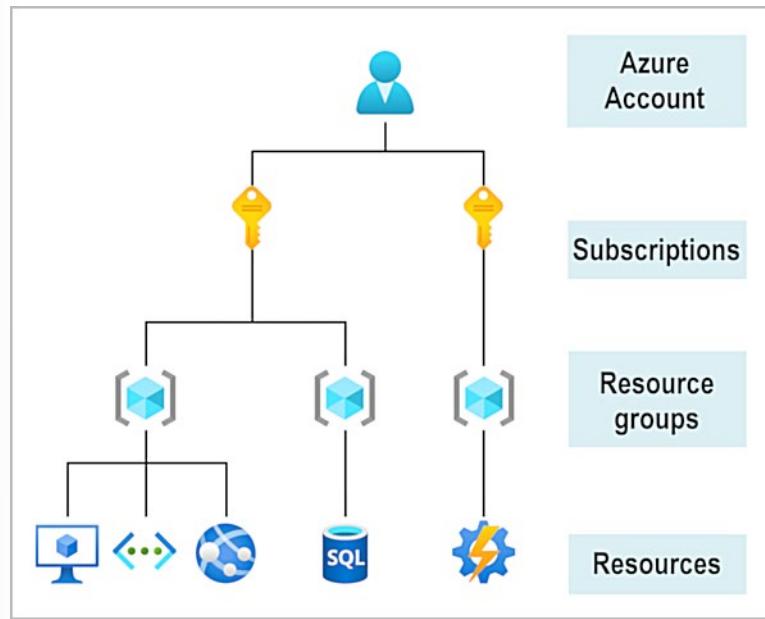
## DevOps

DevOps brings together people, processes, and technology by automating software delivery to provide continuous value to your users. With Azure DevOps, you can create *build* and *release* pipelines that provide continuous integration, delivery, and deployment for your applications. You can integrate repositories and application tests, perform application monitoring, and work with build artifacts. You can also work with and backlog items for tracking, automate infrastructure deployment, and integrate a range of third-party tools and services such as Jenkins and Chef. All of these functions and many more are closely integrated with Azure to allow for consistent, repeatable deployments for your applications to provide streamlined build and release processes.

Service name	Description
Azure DevOps	Use development collaboration tools such as high-performance pipelines, free private Git repositories, configurable Kanban boards, and extensive automated and cloud-based load testing. Formerly known as Visual Studio Team Services.
Azure DevTest Labs	Quickly create on-demand Windows and Linux environments to test or demo applications directly from deployment pipelines.

## Get started with Azure accounts

To create and use Azure services, you need an Azure subscription. When you're completing Learn modules, most of the time a temporary subscription is created for you, which runs in an environment called the Learn sandbox. When you're working with your own applications and business needs, you need to create an Azure account, and a subscription will be created for you. After you've created an Azure account, you're free to create additional subscriptions. For example, your company might use a single Azure account for your business and separate subscriptions for development, marketing, and sales departments. After you've created an Azure subscription, you can start creating Azure resources within each subscription.



If you're new to Azure, you can sign up for a free account on the Azure website to start exploring at no cost to you. When you're ready, you can choose to upgrade your free account. You can create a new subscription that enables you to start paying for Azure services you need to use that are beyond the limits of a free account.

## Create an Azure account

You can purchase Azure access directly from Microsoft by signing up on the **Azure website<sup>3</sup>** or through a Microsoft representative. You can also purchase Azure access through a Microsoft partner. Cloud Solution Provider partners offer a range of complete managed-cloud solutions for Azure.



<https://www.microsoft.com/videoplayer/embed/RWK1QU>

For more information on how to create an Azure account, see the **Create an Azure account<sup>4</sup>** learning module.

## What is the Azure free account?

The Azure free account includes:

- Free access to popular Azure products for 12 months.
- A credit to spend for the first 30 days.
- Access to more than 25 products that are always free.

<sup>3</sup> <https://azure.microsoft.com/?azure-portal=true>

<sup>4</sup> <https://docs.microsoft.com/learn/modules/create-an-azure-account/?azure-portal=true>

The Azure free account is an excellent way for new users to get started and explore. To sign up, you need a phone number, a credit card, and a Microsoft or GitHub account. The credit card information is used for identity verification only. You won't be charged for any services until you upgrade to a paid subscription.

## What is the Azure free student account?

The Azure free student account offer includes:

- Free access to certain Azure services for 12 months.
- A credit to use in the first 12 months.
- Free access to certain software developer tools.

The **Azure free student account**<sup>5</sup> is an offer for students that gives \$100 credit and free developer tools. Also, you can sign up without a credit card.

## What is the Learn sandbox?

Many of the Learn exercises use a technology called the sandbox, which creates a temporary subscription that's added to your Azure account. This temporary subscription allows you to create Azure resources for the duration of a Learn module. Learn automatically cleans up the temporary resources for you after you've completed the module.

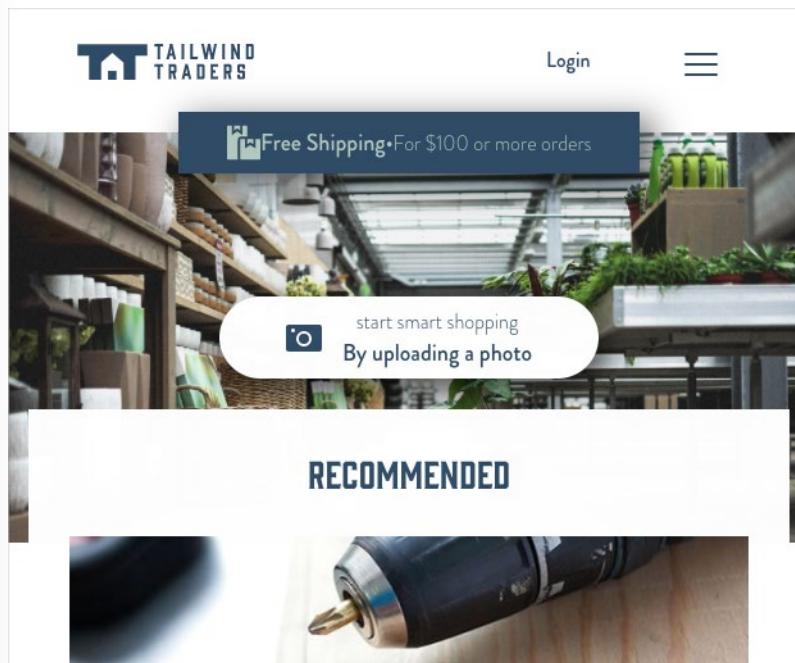
When you're completing a Learn module, you're welcome to use your personal subscription to complete the exercises in a module. The sandbox is the preferred method to use though, because it allows you to create and test Azure resources at no cost to you.

## Case study introduction

Throughout the Azure Fundamentals learning paths, we'll work with **Tailwind Traders**<sup>6</sup>, a fictitious home improvement retailer. It operates retail hardware stores across the globe and online.

<sup>5</sup> <https://azure.microsoft.com/free/students/?azure-portal=true>

<sup>6</sup> <https://www.tailwindtraders.com/?azure-portal=true>



Tailwind Traders currently manages an on-premises datacenter that hosts the company's retail website. The datacenter also stores all of the data and streaming video for its applications. The IT department is currently responsible for all of the management tasks for its computing hardware and software. For example, let's suppose that you work as an IT specialist for the company's IT department. Your IT team handles the procurement process to buy new hardware, installs and configures software, and deploys everything throughout the datacenter.

These management responsibilities create some obstacles for delivering your applications to your users in a timely fashion. As an IT pro, you realize it would be advantageous to have servers, storage, databases, and other services immediately available when you develop and deploy applications. You want to easily start a new server or add services to your solutions.

In the other units of this learning module, you've learned about some of the cloud-based services that Tailwind Traders can use to address its technology challenges. With that in mind, the services that are available through Azure can help Tailwind Traders conduct its business more efficiently.

As you complete the various modules in the Azure Fundamentals learning paths, we'll analyze the challenges that Tailwind Traders is facing. You'll see how you can use Azure services to address each of the issues as they arise. After you've completed each of the modules, the knowledge that you gained from resolving the hypothetical challenges that the fictional Tailwind Traders company encountered should benefit you in your real-world environments.

# Fundamental Azure concepts

## Introduction

You work in the IT department for Tailwind Traders, which has decided to migrate its applications and data to Microsoft Azure. You're aware that cloud computing will save your company time and money by migrating from your existing, on-premises, physical hardware, to a cloud solution. With this new solution, you'll only need to pay for the resources and computing time that you use.



However, some of the cloud computing concepts are new to many members of your IT staff. They've been asking some specific questions about what cloud computing can do for them. For example, the team that manages Tailwind Traders' website wants to know how Azure improves the site's availability and scalability. The team that handles the deployment of new hardware is curious to see how cloud computing can make their deployment processes faster.

In addition, your developer team wants to learn about the different options available to them as they are designing new applications. For example, is there a way to run their applications in a hybrid configuration, where part of their application runs on-premises and the rest of the application runs in the cloud?

In this module, you'll learn about the fundamental concepts of cloud computing, how Azure implements these concepts, and how Tailwind Traders might benefit from migrating to a cloud computing environment.

## Learning objectives

Upon completion of this module, you'll be able to:

- Identify the benefits and considerations of using cloud services.
- Describe the differences between categories of cloud services.
- Describe the differences between types of cloud computing.

## Prerequisites

- You should be familiar with basic computing concepts and terminology.

## Cloud models

### What are public, private, and hybrid clouds?

There are three deployment models for cloud computing: *public cloud*, *private cloud*, and *hybrid cloud*. Each deployment model has different aspects that you should consider as you migrate to the cloud.

Deployment model	Description
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<b>Public cloud</b>	Services are offered over the public internet and available to anyone who wants to purchase them. Cloud resources, such as servers and storage, are owned and operated by a third-party cloud service provider, and delivered over the internet.
<b>Private cloud</b>	A private cloud consists of computing resources used exclusively by users from one business or organization. A private cloud can be physically located at your organization's on-site (on-premises) datacenter, or it can be hosted by a third-party service provider.
<b>Hybrid cloud</b>	A hybrid cloud is a computing environment that combines a public cloud and a private cloud by allowing data and applications to be shared between them.

## Cloud model comparison

### Public cloud

- No capital expenditures to scale up.
- Applications can be quickly provisioned and deprovisioned.
- Organizations pay only for what they use.

### Private cloud

- Hardware must be purchased for start-up and maintenance.
- Organizations have complete control over resources and security.
- Organizations are responsible for hardware maintenance and updates.

### Hybrid cloud

- Provides the most flexibility.
- Organizations determine where to run their applications.
- Organizations control security, compliance, or legal requirements.

## Cloud benefits and considerations

### What are some cloud computing advantages?

There are several advantages that a cloud environment has over a physical environment that Tailwind Traders can use following its migration to Azure.

- **High availability:** Depending on the service-level agreement (SLA) that you choose, your cloud-based apps can provide a continuous user experience with no apparent downtime, even when things go wrong.

- **Scalability:** Apps in the cloud can scale *vertically* and *horizontally*.
  - Scale vertically to increase compute capacity by adding RAM or CPUs to a virtual machine.
  - Scaling horizontally increases compute capacity by adding instances of resources, such as adding VMs to the configuration.
- **Elasticity:** You can configure cloud-based apps to take advantage of autoscaling, so your apps always have the resources they need.
- **Agility:** Deploy and configure cloud-based resources quickly as your app requirements change.
- **Geo-distribution:** You can deploy apps and data to regional datacenters around the globe, thereby ensuring that your customers always have the best performance in their region.
- **Disaster recovery:** By taking advantage of cloud-based backup services, data replication, and geo-distribution, you can deploy your apps with the confidence that comes from knowing that your data is safe in the event of disaster.

## Capital expenses vs. operating expenses

There are two different types of expenses that you should consider:

- **Capital Expenditure (CapEx)** is the up-front spending of money on physical infrastructure, and then deducting that up-front expense over time. The up-front cost from CapEx has a value that reduces over time.
- **Operational Expenditure (OpEx)** is spending money on services or products now, and being billed for them now. You can deduct this expense in the same year you spend it. There is no up-front cost, as you pay for a service or product as you use it.

In other words, when Tailwind Traders owns its infrastructure, it buys equipment that goes onto its balance sheets as assets. Because a capital investment was made, accountants categorize this transaction as a CapEx. Over time, to account for the assets' limited useful lifespan, assets are depreciated or amortized.

Cloud services, on the other hand, are categorized as an OpEx, because of their consumption model. There's no asset for Tailwind Traders to amortize, and its cloud service provider (Azure) manages the costs that are associated with the purchase and lifespan of the physical equipment. As a result, OpEx has a direct impact on net profit, taxable income, and the associated expenses on the balance sheet.

To summarize, CapEx requires significant up-front financial costs, as well as ongoing maintenance and support expenditures. By contrast, OpEx is a consumption-based model, so Tailwind Traders is only responsible for the cost of the computing resources that it uses.

## Cloud computing is a consumption-based model

Cloud service providers operate on a *consumption-based model*, which means that end users only pay for the resources that they use. Whatever they use is what they pay for.

A consumption-based model has many benefits, including:

- No upfront costs.
- No need to purchase and manage costly infrastructure that users might not use to its fullest.
- The ability to pay for additional resources when they are needed.

- The ability to stop paying for resources that are no longer needed.

## Cloud services

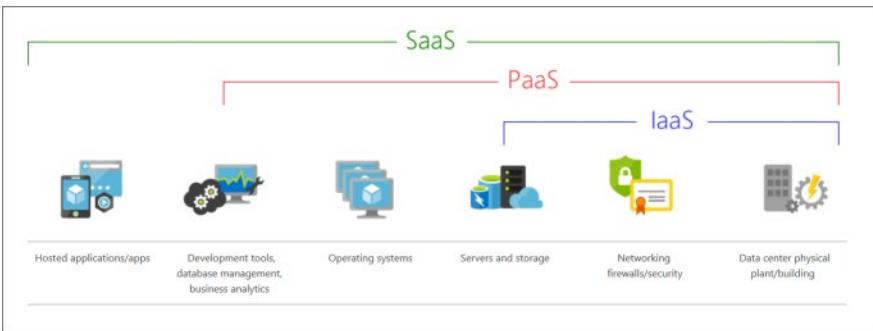
### What are cloud service models?

If you've been around cloud computing for a while, you've probably seen the *PaaS*, *IaaS*, and *SaaS* acronyms for the different *cloud service models*. These models define the different levels of shared responsibility that a cloud provider and cloud tenant are responsible for.

Model	Definition	Description
<b>IaaS</b>	<i>Infrastructure-as-a-Service</i>	This cloud service model is the closest to managing physical servers; a cloud provider will keep the hardware up-to-date, but operating system maintenance and network configuration is up to you as the cloud tenant. For example, Azure virtual machines are fully operational virtual compute devices running in Microsoft datacenters. An advantage of this cloud service model is rapid deployment of new compute devices. Setting up a new virtual machine is considerably faster than procuring, installing, and configuring a physical server.
<b>PaaS</b>	<i>Platform-as-a-Service</i>	This cloud service model is a managed hosting environment. The cloud provider manages the virtual machines and networking resources, and the cloud tenant deploys their applications into the managed hosting environment. For example, Azure App Services provides a managed hosting environment where developers can upload their web applications, without having to worry about the physical hardware and software requirements.

<b>SaaS</b>	<i>Software-as-a-Service</i>	In this cloud service model, the cloud provider manages all aspects of the application environment, such as virtual machines, networking resources, data storage, and applications. The cloud tenant only needs to provide their data to the application managed by the cloud provider. For example, Microsoft Office 365 provides a fully working version of Microsoft Office that runs in the cloud. All you need to do is create your content, and Office 365 takes care of everything else.
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The following illustration demonstrates the services that might run in each of the cloud service models.



Let's compare the three models in more detail in the following sections.

## IaaS

IaaS is the most flexible category of cloud services. It aims to give you complete control over the hardware that runs your application. Instead of buying hardware, with IaaS, you rent it.

## Advantages

**No CapEx.** Users have no up-front costs.

**Agility.** Applications can be made accessible quickly, and deprovisioned whenever needed.

**Management.** The shared responsibility model applies; the user manages and maintains the services they have provisioned, and the cloud provider manages and maintains the cloud infrastructure.

**Consumption-based model.** Organizations pay only for what they use and operate under an Operational Expenditure (OpEx) model.

**Skills.** No deep technical skills are required to deploy, use, and gain the benefits of a public cloud. Organizations can use the skills and expertise of the cloud provider to ensure workloads are secure, safe, and highly available.

**Cloud benefits.** Organizations can use the skills and expertise of the cloud provider to ensure workloads are made secure and highly available.

**Flexibility.** IaaS is the most flexible cloud service because you have control to configure and manage the hardware running your application.

## PaaS

PaaS provides the same benefits and considerations as IaaS, but there are some additional benefits to be aware of.

## Advantages

**No CapEx.** Users have no up-front costs.

**Agility.** PaaS is more agile than IaaS, and users don't need to configure servers for running applications.

**Consumption-based model.** Users pay only for what they use, and operate under an OpEx model.

**Skills.** No deep technical skills are required to deploy, use, and gain the benefits of PaaS.

**Cloud benefits.** Users can take advantage of the skills and expertise of the cloud provider to ensure that their workloads are made secure and highly available. In addition, users can gain access to more cutting-edge development tools. They can then apply these tools across an application's lifecycle.

**Productivity.** Users can focus on application development only, because the cloud provider handles all platform management. Working with distributed teams as services is easier because the platform is accessed over the internet. You can make the platform available globally more easily.

## Disadvantage

**Platform limitations.** There can be some limitations to a cloud platform that might affect how an application runs. When you're evaluating which PaaS platform is best suited for a workload, be sure to consider any limitations in this area.

## SaaS

SaaS is software that's centrally hosted and managed for you and your users or customers. Usually one version of the application is used for all customers, and it's licensed through a monthly or annual subscription.

SaaS provides the same benefits as IaaS, but again there are some additional benefits to be aware of too.

## Advantages

**No CapEx.** Users have no up-front costs.

**Agility.** Users can provide staff with access to the latest software quickly and easily.

**Pay-as-you-go pricing model.** Users pay for the software they use on a subscription model, typically monthly or yearly, regardless of how much they use the software.

**Skills.** No deep technical skills are required to deploy, use, and gain the benefits of SaaS.

**Flexibility.** Users can access the same application data from anywhere.

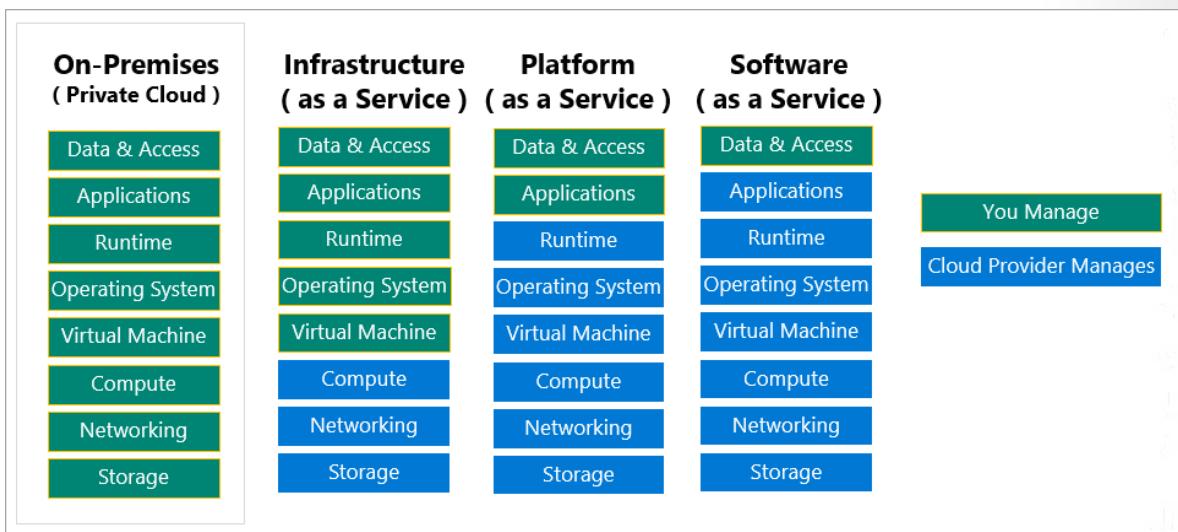
## Disadvantage

**Software limitations.** There can be some limitations to a software application that might affect how users work. Because you're using as-is software, you don't have direct control of features. When you're evaluating which SaaS platform is best suited for a workload, be sure to consider any business needs and software limitations.

## Cloud service model comparison

IaaS	PaaS	SaaS
The most flexible cloud service.	Focus on application development.	Pay-as-you-go pricing model.
You configure and manage the hardware for your application.	Platform management is handled by the cloud provider.	Users pay for the software they use on a subscription model.

The following chart illustrates the various levels of responsibility between a cloud provider and a cloud tenant.



## What is serverless computing?

Like PaaS, *serverless computing* enables developers to build applications faster by eliminating the need for them to manage infrastructure. With serverless applications, the cloud service provider automatically provisions, scales, and manages the infrastructure required to run the code. Serverless architectures are highly scalable and event-driven, only using resources when a specific function or trigger occurs.

It's important to note that servers are still running the code. The "serverless" name comes from the fact that the tasks associated with infrastructure provisioning and management are invisible to the developer. This approach enables developers to increase their focus on the business logic, and deliver more value to the core of the business. Serverless computing helps teams increase their productivity and bring products to market faster, and it allows organizations to better optimize resources and stay focused on innovation.

## Module 1 Review Questions

### Module 01 Review Questions

Choose the best response for each of the questions below. Then select **Check your answers**.

#### Multiple choice

*Which of the following statements is not true about cloud computing?*

- All cloud computing resources are usually limited to specific geographic regions.
- IaaS, PaaS, and SaaS are examples of cloud computing service models.
- IaaS, PaaS, and SaaS are common cloud computing service models and are respectively infrastructure as a service, platform as a service, and software as a service.

#### Multiple choice

*True or false: You need to purchase an Azure account before you can use any Azure resources.*

- False
- True

#### Multiple choice

*True or false: In an IaaS environment, the cloud tenant is responsible for routine hardware maintenance.*

- True
- False

#### Multiple choice

*Which of the following choices isn't a cloud computing category?*

- Platform-as-a-Service (PaaS)
- Networking-as-a-Service (NaaS)
- Infrastructure-as-a-Service (IaaS)
- Software-as-a-Service (SaaS)

#### Multiple choice

*Which of the following options isn't a type of cloud computing?*

- Hybrid cloud
- Private cloud
- Public cloud
- Distributed cloud

## Multiple choice

*Which of the following choices isn't a benefit of using cloud services?*

- Scalability
- Disaster recovery
- Geographic isolation
- High availability

## Multiple choice

*Which of the following is a logical unit of Azure services that links to an Azure account?*

- Management group
- Resource group
- Azure subscription

## Multiple choice

*Which of the following statements is true?*

- With Operating Expenses (OpEx), you are only responsible for the computing resources that you use.
- With Operating Expenses (OpEx), you are responsible for purchasing and maintaining your computing resources.
- With Capital Expenses (CapEx), you are only responsible for the computing resources that you use.

# Module 01 Summary

## Module 01 Summary

### Introduction to Azure fundamentals

In this lesson, you learned how to:

- Describe the basic concepts of cloud computing.
- Determine whether Azure is the right solution for your business needs.
- Differentiate between the different methods of creating an Azure subscription.

### Learn more

- [Azure free account FAQ<sup>7</sup>](#)
- [Create an Azure account<sup>8</sup>](#)

### Discuss Azure fundamental concepts

In this lesson, you learned how Tailwind Traders can take advantage of several cloud computing features, which will help the company reduce its overall computing costs. You examined several of the benefits that cloud computing provides, such as high availability, scalability, and geographic distribution. You compared the differences between capital expenses and operating expenses in a cloud computing scenario. Lastly, you learned about the different categories (IaaS, PaaS, SaaS) and types (public, private, and hybrid) of cloud computing. Armed with this new knowledge, you can help Tailwind Traders migrate successfully to Azure.

### Learn more

- [Discuss Azure fundamental concepts<sup>9</sup>](#)
- [Examples of fiscal outcomes<sup>10</sup>](#)
- [What is cloud computing? A beginner's guide<sup>11</sup>](#)
- [What is infrastructure as a service \(IaaS\)?<sup>12</sup>](#)
- [What is platform as a service \(PaaS\)?<sup>13</sup>](#)
- [What is software as a service \(SaaS\)?<sup>14</sup>](#)
- [Serverless computing<sup>15</sup>](#)
- [What is a private cloud?<sup>16</sup>](#)

<sup>7</sup> <https://azure.microsoft.com/free/free-account-faq/?azure-portal=true>

<sup>8</sup> <https://docs.microsoft.com/learn/modules/create-an-azure-account/?azure-portal=true>

<sup>9</sup> <https://docs.microsoft.com/learn/modules/fundamental-azure-concepts/>

<sup>10</sup> <https://docs.microsoft.com/azure/cloud-adoption-framework/strategy/business-outcomes/fiscal-outcomes>

<sup>11</sup> <https://azure.microsoft.com/overview/what-is-cloud-computing/>

<sup>12</sup> <https://azure.microsoft.com/overview/what-is-iaas/?azure-portal=true>

<sup>13</sup> <https://azure.microsoft.com/overview/what-is-paas/?azure-portal=true>

<sup>14</sup> <https://azure.microsoft.com/overview/what-is-saas/?azure-portal=true>

<sup>15</sup> <https://azure.microsoft.com/overview/serverless-computing/?azure-portal=true>

<sup>16</sup> <https://azure.microsoft.com/overview/what-is-a-private-cloud/>

- 
- **What is a hybrid cloud?**<sup>17</sup>
  - **What is a public cloud?**<sup>18</sup>

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<sup>17</sup> <https://azure.microsoft.com/overview/what-is-hybrid-cloud-computing/>

<sup>18</sup> <https://azure.microsoft.com/overview/what-is-a-public-cloud/>

# Answers

## Multiple choice

Which of the following statements is *not* true about cloud computing?

- All cloud computing resources are usually limited to specific geographic regions.
- IaaS, PaaS, and SaaS are examples of cloud computing service models.
- IaaS, PaaS, and SaaS are common cloud computing service models and are respectively infrastructure as a service, platform as a service, and software as a service.

*Explanation*

*Most cloud computing resources can be distributed to global datacenters.*

## Multiple choice

True or false: You need to purchase an Azure account before you can use any Azure resources.

- False
- True

*Explanation*

*You can use a free Azure account or a Microsoft Learn sandbox to create resources.*

## Multiple choice

True or false: In an IaaS environment, the cloud tenant is responsible for routine hardware maintenance.

- True
- False

*Explanation*

*In an IaaS environment, the cloud provider is responsible for any hardware maintenance.*

## Multiple choice

Which of the following choices isn't a cloud computing category?

- Platform-as-a-Service (PaaS)
- Networking-as-a-Service (NaaS)
- Infrastructure-as-a-Service (IaaS)
- Software-as-a-Service (SaaS)

*Explanation*

*NaaS isn't a cloud computing category.*

## Multiple choice

Which of the following options isn't a type of cloud computing?

- Hybrid cloud
- Private cloud
- Public cloud
- Distributed cloud

*Explanation*

*A distributed cloud isn't a valid type of cloud computing.*

**Multiple choice**

Which of the following choices isn't a benefit of using cloud services?

- Scalability
- Disaster recovery
- Geographic isolation
- High availability

*Explanation*

*You can choose to create resources in a single region; however, one of the primary advantages to cloud computing is geographic distribution.*

**Multiple choice**

Which of the following is a logical unit of Azure services that links to an Azure account?

- Management group
- Resource group
- Azure subscription

*Explanation*

*An Azure subscription is a logical unit of Azure services that links to an Azure account.*

**Multiple choice**

Which of the following statements is true?

- With Operating Expenses (OpEx), you are only responsible for the computing resources that you use.
- With Operating Expenses (OpEx), you are responsible for purchasing and maintaining your computing resources.
- With Capital Expenses (CapEx), you are only responsible for the computing resources that you use.

*Explanation*

*With Operating Expenses (OpEx), you are only responsible for the computing resources that you use.*



## Module 2 Core Azure services

### Core Azure architectural components

#### Introduction

Let's say that you work as a developer for a successful hardware manufacturing company, Tailwind Traders. Your company's Chief Technology Officer recently decided to adopt Azure as the cloud computing platform. You're currently in the planning stages for the migration. Before you begin the migration process, you decide to study Azure concepts, resources, and terminology to ensure your migration is a success.



In this module, you'll learn about several of the components that are necessary to successfully deploy resources on Azure.

#### Learning objectives

After completing this module, you'll be able to describe the benefits and usage of:

- Azure regions, region pairs, and availability zones.
- Azure resources, resource groups, and Azure Resource Manager.
- Azure subscriptions and management groups.

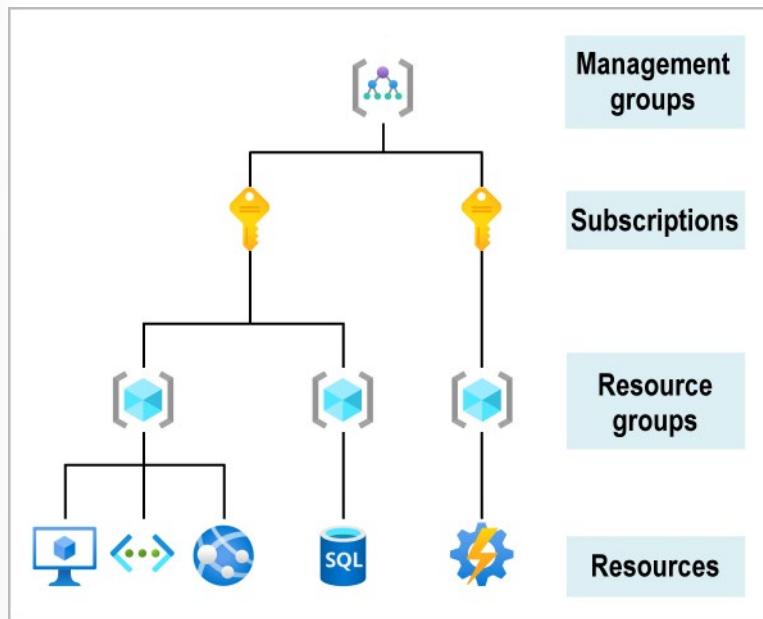
#### Prerequisites

- You should be familiar with basic computing concepts and terminology.
- Familiarity with cloud computing is helpful but isn't necessary.

# Overview of Azure subscriptions, management groups, and resources

As part of your research for Tailwind Traders, you need to learn the organizing structure for resources in Azure, which has four levels: management groups, subscriptions, resource groups, and resources.

The following image shows the top-down hierarchy of organization for these levels.



Having seen the top-down hierarchy of organization, let's describe each of those levels from the bottom up:

- **Resources:** Resources are instances of services that you create, like virtual machines, storage, or SQL databases.
- **Resource groups:** Resources are combined into resource groups, which act as a logical container into which Azure resources like web apps, databases, and storage accounts are deployed and managed.
- **Subscriptions:** A subscription groups together user accounts and the resources that have been created by those user accounts. For each subscription, there are limits or quotas on the amount of resources that you can create and use. Organizations can use subscriptions to manage costs and the resources that are created by users, teams, or projects.
- **Management groups:** These groups help you manage access, policy, and compliance for multiple subscriptions. All subscriptions in a management group automatically inherit the conditions applied to the management group.

You'll examine each of these four organizational levels in the next few units.

## Azure regions, availability zones, and region pairs

In the previous unit, you learned about Azure resources and resource groups. Resources are created in regions, which are different geographical locations around the globe that contain Azure datacenters.

Azure is made up of datacenters located around the globe. When you use a service or create a resource such as a SQL database or virtual machine (VM), you're using physical equipment in one or more of these locations. These specific datacenters aren't exposed to users directly. Instead, Azure organizes them into regions. As you'll see later in this unit, some of these regions offer availability zones, which are different Azure datacenters within that region.

## Azure regions

A *region* is a geographical area on the planet that contains at least one but potentially multiple datacenters that are nearby and networked together with a low-latency network. Azure intelligently assigns and controls the resources within each region to ensure workloads are appropriately balanced.

When you deploy a resource in Azure, you'll often need to choose the region where you want your resource deployed.

**Important:** Some services or VM features are only available in certain regions, such as specific VM sizes or storage types. There are also some global Azure services that don't require you to select a particular region, such as Azure Active Directory, Azure Traffic Manager, and Azure DNS.

A few examples of regions are West US, Canada Central, West Europe, Australia East, and Japan West. Here's a view of all the available regions as of June 2020.



## Why are regions important?

Azure has more global regions than any other cloud provider. These regions give you the flexibility to bring applications closer to your users no matter where they are. Global regions provide better scalability and redundancy. They also preserve data residency for your services.

## Special Azure regions

Azure has specialized regions that you might want to use when you build out your applications for compliance or legal purposes. A few examples include:

- **US DoD Central, US Gov Virginia, US Gov Iowa and more:** These regions are physical and logical network-isolated instances of Azure for U.S. government agencies and partners. These datacenters are operated by screened U.S. personnel and include additional compliance certifications.
- **China East, China North, and more:** These regions are available through a unique partnership between Microsoft and 21Vianet, whereby Microsoft doesn't directly maintain the datacenters.

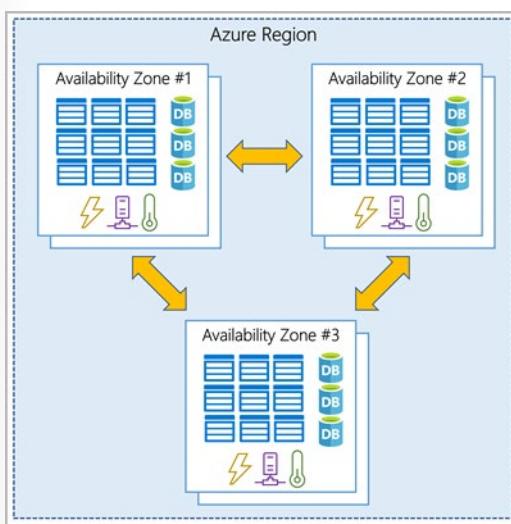
Regions are what you use to identify the location for your resources. There are two other terms you should also be aware of: *geographies* and *availability zones*.

## Azure availability zones

You want to ensure your services and data are redundant so you can protect your information in case of failure. When you host your infrastructure, setting up your own redundancy requires that you create duplicate hardware environments. Azure can help make your app highly available through availability zones.

### What is an availability zone?

Availability zones are physically separate datacenters within an Azure region. Each availability zone is made up of one or more datacenters equipped with independent power, cooling, and networking. An availability zone is set up to be an *isolation boundary*. If one zone goes down, the other continues working. Availability zones are connected through high-speed, private fiber-optic networks.



## Supported regions

Not every region has support for availability zones. For an updated list, see [Regions that support availability zones in Azure<sup>1</sup>](#).

<sup>1</sup> <https://docs.microsoft.com/azure/availability-zones/az-region?azure-portal=true>

## Use availability zones in your apps

You can use availability zones to run mission-critical applications and build high-availability into your application architecture by co-locating your compute, storage, networking, and data resources within a zone and replicating in other zones. Keep in mind that there could be a cost to duplicating your services and transferring data between zones.

Availability zones are primarily for VMs, managed disks, load balancers, and SQL databases. Azure services that support availability zones fall into two categories:

- **Zonal services:** You pin the resource to a specific zone (for example, VMs, managed disks, IP addresses).
- **Zone-redundant services:** The platform replicates automatically across zones (for example, zone-redundant storage, SQL Database).

Check the documentation to determine which elements of your architecture you can associate with an availability zone.

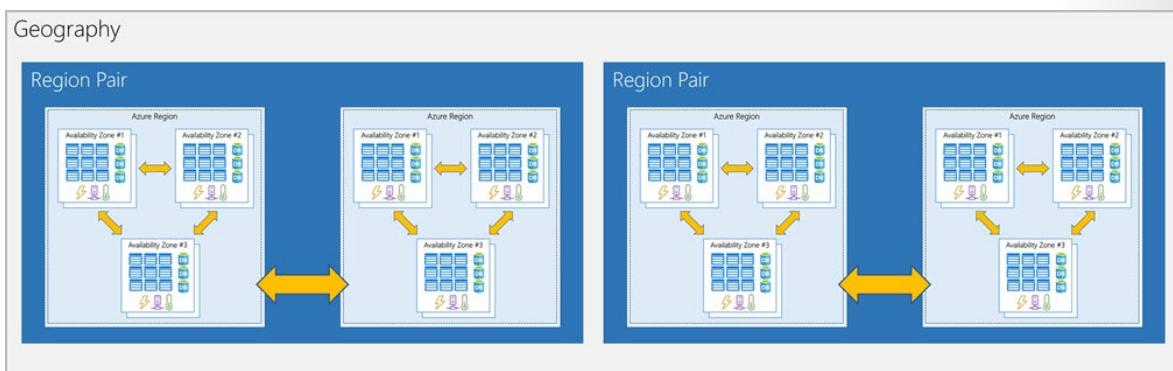
## Azure region pairs

Availability zones are created by using one or more datacenters. There's a minimum of three zones within a single region. It's possible that a large disaster could cause an outage big enough to affect even two datacenters. That's why Azure also creates *region pairs*.

### What is a region pair?

Each Azure region is always paired with another region within the same geography (such as US, Europe, or Asia) at least 300 miles away. This approach allows for the replication of resources (such as VM storage) across a geography that helps reduce the likelihood of interruptions because of events such as natural disasters, civil unrest, power outages, or physical network outages that affect both regions at once. If a region in a pair was affected by a natural disaster, for instance, services would automatically failover to the other region in its region pair.

Examples of region pairs in Azure are West US paired with East US and SouthEast Asia paired with East Asia.



Because the pair of regions is directly connected and far enough apart to be isolated from regional disasters, you can use them to provide reliable services and data redundancy. Some services offer automatic geo-redundant storage by using region pairs.

Additional advantages of region pairs:

- If an extensive Azure outage occurs, one region out of every pair is prioritized to make sure at least one is restored as quickly as possible for applications hosted in that region pair.
- Planned Azure updates are rolled out to paired regions one region at a time to minimize downtime and risk of application outage.
- Data continues to reside within the same geography as its pair (except for Brazil South) for tax- and law-enforcement jurisdiction purposes.

Having a broadly distributed set of datacenters allows Azure to provide a high guarantee of availability.

## Azure resources, resource groups, and Azure Resource Manager

Before you create a subscription for Tailwind Traders, you will need to be ready to start creating resources and storing them in resource groups. With that in mind, it's important to define those terms:

- **Resource:** A manageable item that's available through Azure. Virtual machines (VMs), storage accounts, web apps, databases, and virtual networks are examples of resources.
- **Resource group:** A container that holds related resources for an Azure solution. The resource group includes resources that you want to manage as a group. You decide which resources belong in a resource group based on what makes the most sense for your organization.

### Azure resource groups

Resource groups are a fundamental element of the Azure platform. A resource group is a logical container for resources deployed on Azure. These resources are anything you create in an Azure subscription like VMs, Azure Application Gateway instances, and Azure Cosmos DB instances. All resources must be in a resource group, and a resource can only be a member of a single resource group. Many resources can be moved between resource groups with some services having specific limitations or requirements to move. Resource groups can't be nested. Before any resource can be provisioned, you need a resource group for it to be placed in.

### Logical grouping

Resource groups exist to help manage and organize your Azure resources. By placing resources of similar usage, type, or location in a resource group, you can provide order and organization to resources you create in Azure. Logical grouping is the aspect that you're most interested in here, because there's a lot of disorder among our resources.



## Life cycle

If you delete a resource group, all resources contained within it are also deleted. Organizing resources by life cycle can be useful in nonproduction environments, where you might try an experiment and then dispose of it. Resource groups make it easy to remove a set of resources all at once.

## Authorization

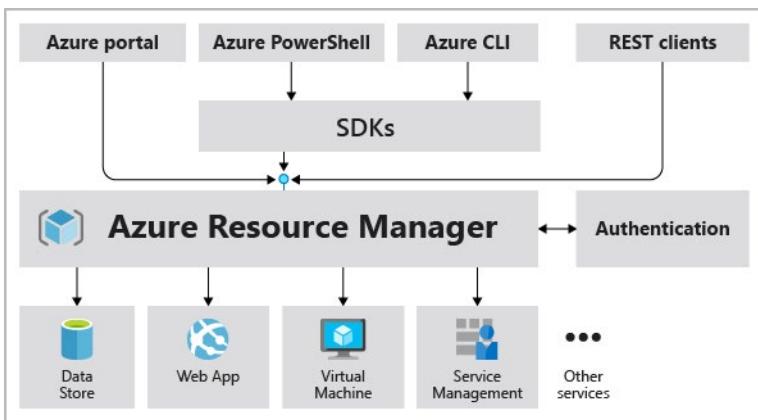
Resource groups are also a scope for applying role-based access control (RBAC) permissions. By applying RBAC permissions to a resource group, you can ease administration and limit access to allow only what's needed.

## Azure Resource Manager

Azure Resource Manager is the deployment and management service for Azure. It provides a management layer that enables you to create, update, and delete resources in your Azure account. You use management features like access control, locks, and tags to secure and organize your resources after deployment.

When a user sends a request from any of the Azure tools, APIs, or SDKs, Resource Manager receives the request. It authenticates and authorizes the request. Resource Manager sends the request to the Azure service, which takes the requested action. Because all requests are handled through the same API, you see consistent results and capabilities in all the different tools.

The following image shows the role Resource Manager plays in handling Azure requests.



All capabilities that are available in the Azure portal are also available through PowerShell, the Azure CLI, REST APIs, and client SDKs. Functionality initially released through APIs will be represented in the portal within 180 days of initial release.

## The benefits of using Resource Manager

With Resource Manager, you can:

- Manage your infrastructure through declarative templates rather than scripts. A Resource Manager template is a JSON file that defines what you want to deploy to Azure.
- Deploy, manage, and monitor all the resources for your solution as a group, rather than handling these resources individually.

- Redeploy your solution throughout the development life cycle and have confidence your resources are deployed in a consistent state.
- Define the dependencies between resources so they're deployed in the correct order.
- Apply access control to all services because RBAC is natively integrated into the management platform.
- Apply tags to resources to logically organize all the resources in your subscription.
- Clarify your organization's billing by viewing costs for a group of resources that share the same tag.



<https://www.microsoft.com/videoplayer/embed/RWyvOc>

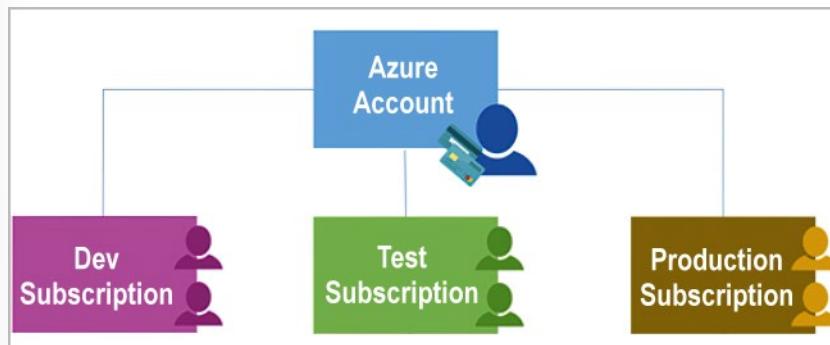
## Azure subscriptions and management groups

As Tailwind Traders gets started with Azure, one of your first steps will be to create at least one Azure subscription. You'll use it to create your cloud-based resources in Azure.

**Note:** An Azure resource is a manageable item that's available through Azure. Virtual machines (VMs), storage accounts, web apps, databases, and virtual networks are all examples of resources.

### Azure subscriptions

Using Azure requires an Azure subscription. A subscription provides you with authenticated and authorized access to Azure products and services. It also allows you to provision resources. An Azure subscription is a logical unit of Azure services that links to an Azure account, which is an identity in Azure Active Directory (Azure AD) or in a directory that Azure AD trusts.



An account can have one subscription or multiple subscriptions that have different billing models and to which you apply different access-management policies. You can use Azure subscriptions to define boundaries around Azure products, services, and resources. There are two types of subscription boundaries that you can use:

- **Billing boundary:** This subscription type determines how an Azure account is billed for using Azure. You can create multiple subscriptions for different types of billing requirements. Azure generates separate billing reports and invoices for each subscription so that you can organize and manage costs.

- **Access control boundary:** Azure applies access-management policies at the subscription level, and you can create separate subscriptions to reflect different organizational structures. An example is that within a business, you have different departments to which you apply distinct Azure subscription policies. This billing model allows you to manage and control access to the resources that users provision with specific subscriptions.

## Create additional Azure subscriptions

You might want to create additional subscriptions for resource or billing management purposes. For example, you might choose to create additional subscriptions to separate:

- **Environments:** When managing your resources, you can choose to create subscriptions to set up separate environments for development and testing, security, or to isolate data for compliance reasons. This design is particularly useful because resource access control occurs at the subscription level.
- **Organizational structures:** You can create subscriptions to reflect different organizational structures. For example, you could limit a team to lower-cost resources, while allowing the IT department a full range. This design allows you to manage and control access to the resources that users provision within each subscription.
- **Billing:** You might want to also create additional subscriptions for billing purposes. Because costs are first aggregated at the subscription level, you might want to create subscriptions to manage and track costs based on your needs. For instance, you might want to create one subscription for your production workloads and another subscription for your development and testing workloads.

You might also need additional subscriptions because of:

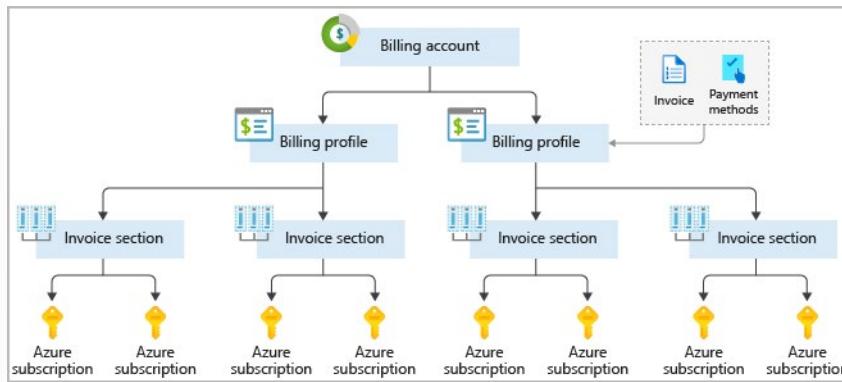
- **Subscription limits:** Subscriptions are bound to some hard limitations. For example, the maximum number of Azure ExpressRoute circuits per subscription is 10. Those limits should be considered as you create subscriptions on your account. If there's a need to go over those limits in particular scenarios, you might need additional subscriptions.

## Customize billing to meet your needs

If you have multiple subscriptions, you can organize them into invoice sections. Each invoice section is a line item on the invoice that shows the charges incurred that month. For example, you might need a single invoice for your organization but want to organize charges by department, team, or project.

Depending on your needs, you can set up multiple invoices within the same billing account. To do this, create additional billing profiles. Each billing profile has its own monthly invoice and payment method.

The following diagram shows an overview of how billing is structured. If you've previously signed up for Azure or if your organization has an Enterprise Agreement, your billing might be set up differently.



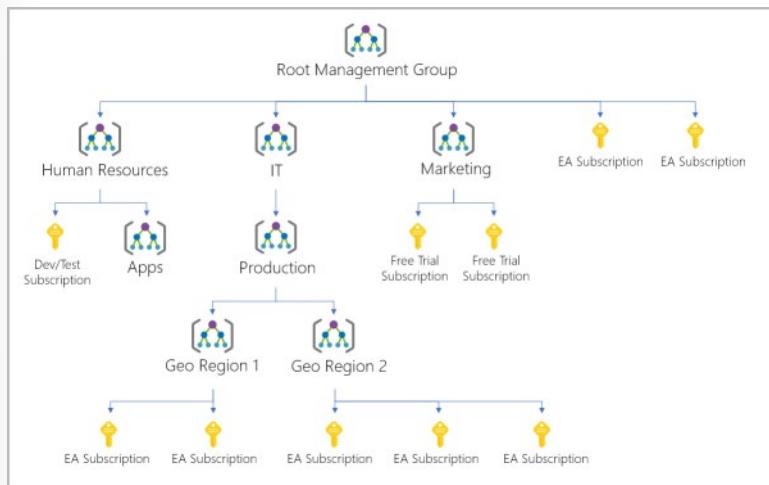
## Azure management groups

If your organization has many subscriptions, you might need a way to efficiently manage access, policies, and compliance for those subscriptions. Azure management groups provide a level of scope above subscriptions. You organize subscriptions into containers called management groups and apply your governance conditions to the management groups. All subscriptions within a management group automatically inherit the conditions applied to the management group. Management groups give you enterprise-grade management at a large scale no matter what type of subscriptions you might have. All subscriptions within a single management group must trust the same Azure AD tenant.

For example, you can apply policies to a management group that limits the regions available for VM creation. This policy would be applied to all management groups, subscriptions, and resources under that management group by only allowing VMs to be created in that region.

## Hierarchy of management groups and subscriptions

You can build a flexible structure of management groups and subscriptions to organize your resources into a hierarchy for unified policy and access management. The following diagram shows an example of creating a hierarchy for governance by using management groups.



You can create a hierarchy that applies a policy. For example, you could limit VM locations to the US West Region in a group called Production. This policy will inherit onto all the Enterprise Agreement subscriptions that are descendants of that management group and will apply to all VMs under those subscrip-

tions. This security policy can't be altered by the resource or subscription owner, which allows for improved governance.

Another scenario where you would use management groups is to provide user access to multiple subscriptions. By moving multiple subscriptions under that management group, you can create one role-based access control (RBAC) assignment on the management group, which will inherit that access to all the subscriptions. One assignment on the management group can enable users to have access to everything they need instead of scripting RBAC over different subscriptions.

## Important facts about management groups

- 10,000 management groups can be supported in a single directory.
- A management group tree can support up to six levels of depth. This limit doesn't include the root level or the subscription level.
- Each management group and subscription can support only one parent.
- Each management group can have many children.
- All subscriptions and management groups are within a single hierarchy in each directory.

## Walkthrough - Explore the Azure portal

### Launch the Azure Portal and have a look at the common components used everyday building cloud solutions (5 min)

1. Connect to <https://portal.azure.com>
2. Explore the home screen.
3. Find "All Services" and see what is available.

# Core Azure workload products

## Introduction

Imagine that you work as a development lead at Tailwind Traders, a company that specializes in hardware manufacturing. Your management team tells you that the company's website has been having a difficult time keeping up with the application demands. The team wants you to investigate a solution. The front-end web servers are operating near capacity during peak periods of the day, and you need to get a solution in place quickly. But there's a problem. You don't have any free servers to scale out your application.



You could ask to buy new equipment, but your department's budget is tight. You want to make a good impression with leadership, but you don't know how many servers are necessary for this project, and you don't want to buy more hardware than you need. Even if you were able to procure several servers, you'd need to invest a lot of time to set them up and install software.

Ideally, you would obtain the resources you need to do the work without too much administration and configure them to do the work. You'd also pay only for the compute resources you need while you're using them.

This scenario is exactly what you can do in Azure. You can create compute resources, configure them to do the work that's needed, and pay for only what you use.

## Learning objectives

After completing this module, you'll be able to describe the benefits and usage of:

- Azure Virtual Machines
- Azure App Service
- Azure Container Instances
- Azure Kubernetes Service
- Azure Functions
- Azure Virtual Desktop

## Prerequisites

- You should be familiar with basic computing concepts and terminology.
- Familiarity with cloud computing is helpful but isn't necessary.

## Overview of Azure compute services

Azure compute is an on-demand computing service for running cloud-based applications. It provides computing resources such as disks, processors, memory, networking, and operating systems. The re-

sources are available on-demand and can typically be made available in minutes or even seconds. You pay only for the resources you use, and only for as long as you're using them.

Azure supports a wide range of computing solutions for development and testing, running applications, and extending your datacenter. The service supports Linux, Windows Server, SQL Server, Oracle, IBM, and SAP. Azure also has many services that can run virtual machines (VMs). Each service provides different options depending on your requirements. Some of the most prominent services are:

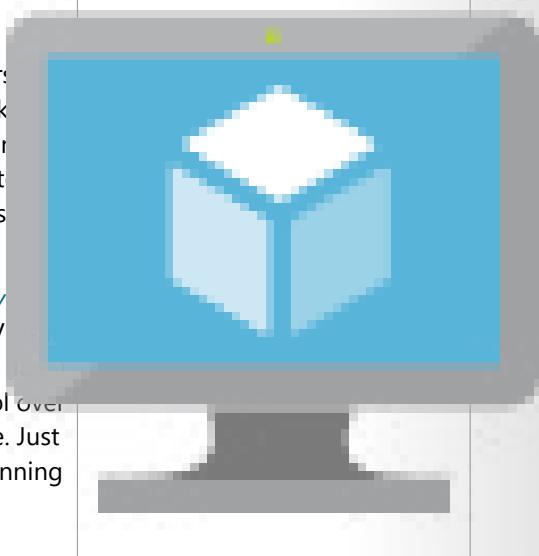
- Azure Virtual Machines
- Azure Container Instances
- Azure App Service
- Azure Functions (or *serverless computing*)

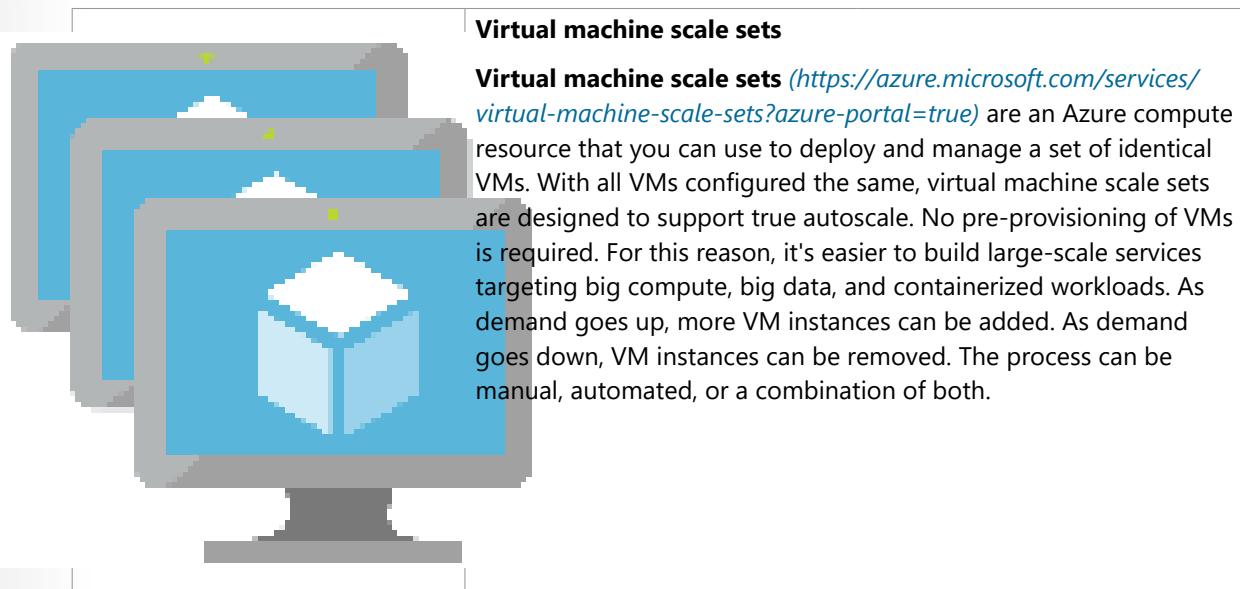
Everything		
COMPUTE (28)		
General		Virtual machines
Compute		Virtual machine scale sets
Networking		Function App
Storage		App Services
Web		Kubernetes services
Mobile		Availability sets
Containers		Disks
Databases		
Analytics		

## Virtual machines

Virtual machines are software emulations of physical computers. They include a virtual processor, memory, storage, and network resources. VMs host an operating system, and you can install and run software just like a physical computer. When using a remote desktop client, you can use and control the VM as if you were sitting in front of it.

With **Azure Virtual Machines** (<https://azure.microsoft.com/services/virtual-machines/?azure-portal=true>), you can create and use VMs in the cloud. Virtual Machines provides infrastructure as a service and can be used in different ways. When you need total control over an operating system and environment, VMs are an ideal choice. Just like a physical computer, you can customize all the software running on the VM. This ability is helpful when you're running custom software or custom hosting configurations.



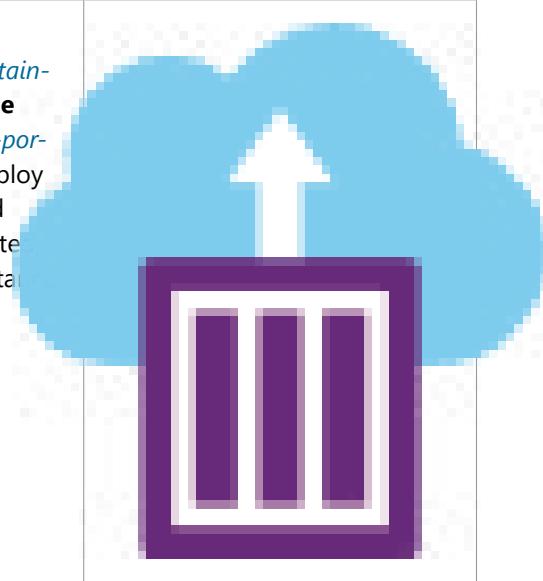


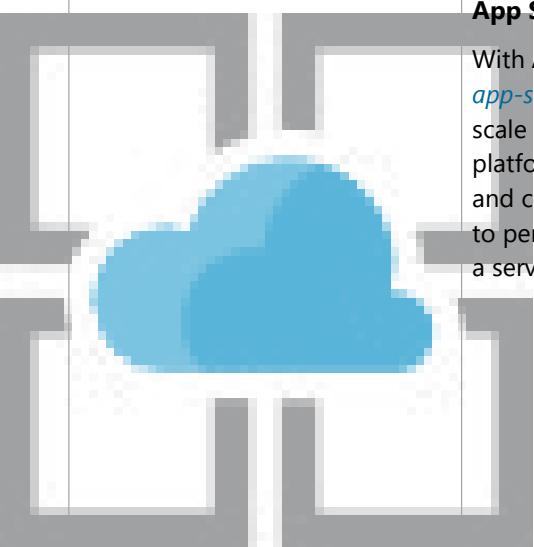
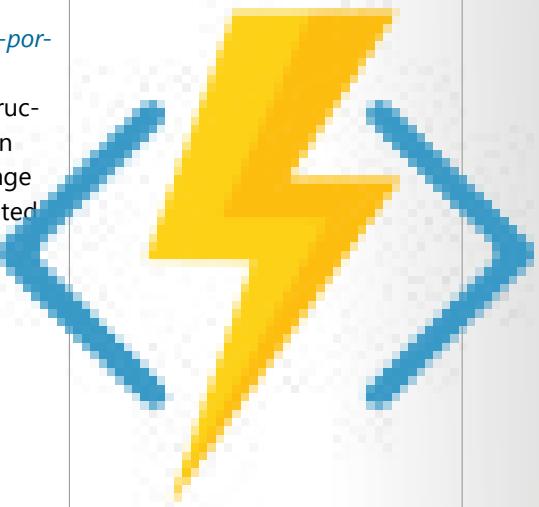
### Virtual machine scale sets

**Virtual machine scale sets** (<https://azure.microsoft.com/services/virtual-machine-scale-sets?azure-portal=true>) are an Azure compute resource that you can use to deploy and manage a set of identical VMs. With all VMs configured the same, virtual machine scale sets are designed to support true autoscale. No pre-provisioning of VMs is required. For this reason, it's easier to build large-scale services targeting big compute, big data, and containerized workloads. As demand goes up, more VM instances can be added. As demand goes down, VM instances can be removed. The process can be manual, automated, or a combination of both.

### Containers and Kubernetes

**Container Instances** (<https://azure.microsoft.com/services/container-instances?azure-portal=true>) and **Azure Kubernetes Service** (<https://azure.microsoft.com/services/kubernetes-service?azure-portal=true>) are Azure compute resources that you can use to deploy and manage containers. Containers are lightweight, virtualized application environments. They're designed to be quickly created, scaled out, and stopped dynamically. You can run multiple instances of a containerized application on a single host machine.



	<p><b>App Service</b></p> <p>With <b>Azure App Service</b> (<a href="https://azure.microsoft.com/services/app-service?azure-portal=true">https://azure.microsoft.com/services/app-service?azure-portal=true</a>), you can quickly build, deploy, and scale enterprise-grade web, mobile, and API apps running on any platform. You can meet rigorous performance, scalability, security, and compliance requirements while using a fully managed platform to perform infrastructure maintenance. App Service is a platform as a service (PaaS) offering.</p>
<p><b>Functions</b></p> <p><b>Functions</b> (<a href="https://azure.microsoft.com/services/functions?azure-portal=true">https://azure.microsoft.com/services/functions?azure-portal=true</a>) are ideal when you're concerned only about the code running your service and not the underlying platform or infrastructure. They're commonly used when you need to perform work in response to an event (often via a REST request), timer, or message from another Azure service, and when that work can be completed quickly, within seconds or less.</p> 	

## Discuss when to use Azure virtual machines

One possible solution to Tailwind Traders' lack of physical servers is through the use of virtual machines (VMs).

With Azure Virtual Machines, you can create and use VMs in the cloud. VMs provide infrastructure as a service (IaaS) in the form of a virtualized server and can be used in many ways. Just like a physical computer, you can customize all of the software running on the VMs. VMs are an ideal choice when you need:

- Total control over the operating system (OS).
- The ability to run custom software.
- To use custom hosting configurations.

An Azure VM gives you the flexibility of virtualization without having to buy and maintain the physical hardware that runs the VM. You still need to configure, update, and maintain the software that runs on the VM.



You can create and provision a VM in minutes when you select a preconfigured VM image. Selecting an image is one of the most important decisions you'll make when you create a VM. An image is a template used to create a VM. These templates already include an OS and often other software, like development tools or web hosting environments.

## Examples of when to use VMs

- **During testing and development.** VMs provide a quick and easy way to create different OS and application configurations. Test and development personnel can then easily delete the VMs when they no longer need them.
- **When running applications in the cloud.** The ability to run certain applications in the public cloud as opposed to creating a traditional infrastructure to run them can provide substantial economic benefits. For example, an application might need to handle fluctuations in demand. Shutting down VMs when you don't need them or quickly starting them up to meet a sudden increase in demand means you pay only for the resources you use.
- **When extending your datacenter to the cloud.** An organization can extend the capabilities of its own on-premises network by creating a virtual network in Azure and adding VMs to that virtual network. Applications like SharePoint can then run on an Azure VM instead of running locally. This arrangement makes it easier or less expensive to deploy than in an on-premises environment.
- **During disaster recovery.** As with running certain types of applications in the cloud and extending an on-premises network to the cloud, you can get significant cost savings by using an IaaS-based approach to disaster recovery. If a primary datacenter fails, you can create VMs running on Azure to run your critical applications and then shut them down when the primary datacenter becomes operational again.

## Move to the cloud with VMs

VMs are also an excellent choice when you move from a physical server to the cloud (also known as lift and shift). You can create an image of the physical server and host it within a VM with little or no changes. Just like a physical on-premises server, you must maintain the VM. You update the installed OS and the software it runs.

## Scale VMs in Azure

You can run single VMs for testing, development, or minor tasks. Or you can group VMs together to provide high availability, scalability, and redundancy. No matter what your uptime requirements are, Azure has several features that can meet them. These features include:

- Virtual machine scale sets
- Azure Batch

### What are virtual machine scale sets?

Virtual machine scale sets let you create and manage a group of identical, load-balanced VMs. Imagine you're running a website that enables scientists to upload astronomy images that need to be processed. If you duplicated the VM, you'd normally need to configure an additional service to route requests between multiple instances of the website. Virtual machine scale sets could do that work for you.

Scale sets allow you to centrally manage, configure, and update a large number of VMs in minutes to provide highly available applications. The number of VM instances can automatically increase or decrease in response to demand or a defined schedule. With virtual machine scale sets, you can build large-scale services for areas such as compute, big data, and container workloads.

### What is Azure Batch?

Azure Batch enables large-scale parallel and high-performance computing (HPC) batch jobs with the ability to scale to tens, hundreds, or thousands of VMs.

When you're ready to run a job, Batch does the following:

- Starts a pool of compute VMs for you.
- Installs applications and staging data.
- Runs jobs with as many tasks as you have.
- Identifies failures.
- Requeues work.
- Scales down the pool as work completes.

There might be situations in which you need raw computing power or supercomputer-level compute power. Azure provides these capabilities.

## Walkthrough - Create an Azure Virtual Machine

### Create a virtual machine in the portal (10 min)

In this walkthrough, we will create a virtual machine in the Azure portal, connect to the virtual machine, install the web server role and test.

1. Create the virtual machine.

2. Connect to the virtual machine.
  
3. Install the web server role and test.

Take time during this walk-through to click and read the informational icons.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/01-Create%20a%20virtual%20machine.html>

## Decide when to use Azure App Service

In your research for Tailwind Traders, you've looked at different ways that you can virtualize your application. Another alternative is to deploy your application's front-end websites to Azure App Service, which makes it easy to respond to application demand.

App Service enables you to build and host web apps, background jobs, mobile back-ends, and RESTful APIs in the programming language of your choice without managing infrastructure. It offers automatic scaling and high availability. App Service supports Windows and Linux and enables automated deployments from GitHub, Azure DevOps, or any Git repo to support a continuous deployment model.



This platform as a service (PaaS) environment allows you to focus on the website and API logic while Azure handles the infrastructure to run and scale your web applications.

## Azure App Service costs

You pay for the Azure compute resources your app uses while it processes requests based on the App Service plan you choose. The App Service plan determines how much hardware is devoted to your host. For example, the plan determines whether it's dedicated or shared hardware and how much memory is reserved for it. There's even a *free* tier you can use to host small, low-traffic sites.

## Types of app services

With App Service, you can host most common app service styles like:

- Web apps
- API apps
- WebJobs

- Mobile apps

App Service handles most of the infrastructure decisions you deal with in hosting web-accessible apps:

- Deployment and management are integrated into the platform.
- Endpoints can be secured.
- Sites can be scaled quickly to handle high traffic loads.
- The built-in load balancing and traffic manager provide high availability.

All of these app styles are hosted in the same infrastructure and share these benefits. This flexibility makes App Service the ideal choice to host web-oriented applications.

## Web apps

App Service includes full support for hosting web apps by using ASP.NET, ASP.NET Core, Java, Ruby, Node.js, PHP, or Python. You can choose either Windows or Linux as the host operating system.

## API apps

Much like hosting a website, you can build REST-based web APIs by using your choice of language and framework. You get full Swagger support and the ability to package and publish your API in Azure Marketplace. The produced apps can be consumed from any HTTP- or HTTPS-based client.

## WebJobs

You can use the WebJobs feature to run a program (.exe, Java, PHP, Python, or Node.js) or script (.cmd, .bat, PowerShell, or Bash) in the same context as a web app, API app, or mobile app. They can be scheduled or run by a trigger. WebJobs are often used to run background tasks as part of your application logic.

## Mobile apps

Use the Mobile Apps feature of App Service to quickly build a back end for iOS and Android apps. With just a few clicks in the Azure portal, you can:

- Store mobile app data in a cloud-based SQL database.
- Authenticate customers against common social providers, such as MSA, Google, Twitter, and Facebook.
- Send push notifications.
- Execute custom back-end logic in C# or Node.js.

On the mobile app side, there's SDK support for native iOS and Android, Xamarin, and React native apps.

# Walkthrough - Create a Web App

## Create a Web App (10 min)

In this walkthrough, we will create a new web app that runs a Docker container. The container displays a Welcome message.

1. Create a Web App using a Docker image.

2. Test the Web App.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/02-Create%20a%20Web%20App.html>

## Decide when to use Azure Container Services

While virtual machines are an excellent way to reduce costs versus the investments that are necessary for physical hardware, they're still limited to a single operating system per virtual machine. If you want to run multiple instances of an application on a single host machine, containers are an excellent choice.

## What are containers?

Containers are a virtualization environment. Much like running multiple virtual machines on a single physical host, you can run multiple containers on a single physical or virtual host. Unlike virtual machines, you don't manage the operating system for a container. Virtual machines appear to be an instance of an operating system that you can connect to and manage, but containers are lightweight and designed to be created, scaled out, and stopped dynamically. While it's possible to create and deploy virtual machines as application demand increases, containers are designed to allow you to respond to changes on demand. With containers, you can quickly restart in case of a crash or hardware interruption. One of the most popular container engines is Docker, which is supported by Azure.

## Compare virtual machines to containers

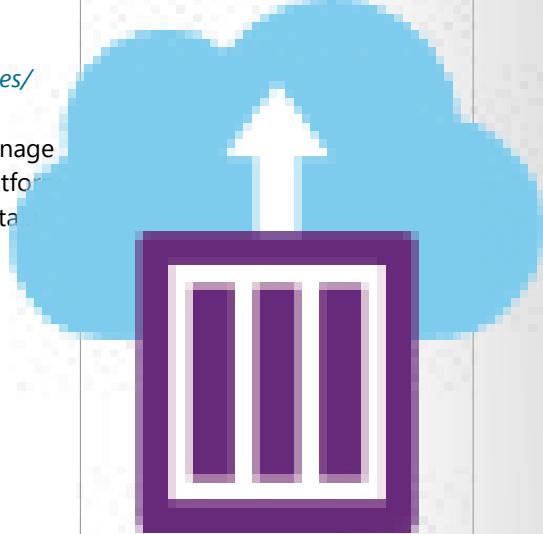
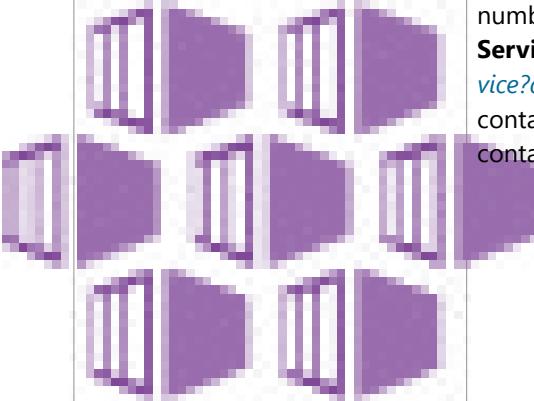
The following video highlights several of the important differences between virtual machines and containers.



<https://www.microsoft.com/videoplayer/embed/RE2yuaq>

## Manage containers

Containers are managed through a container orchestrator, which can start, stop, and scale out application instances as needed. There are two ways to manage both Docker and Microsoft-based containers in Azure: Azure Container Instances and Azure Kubernetes Service (AKS).

<b>Azure Container Instances</b>  <b>Azure Container Instances</b> ( <a href="https://azure.microsoft.com/services/container-instances?azure-portal=true">https://azure.microsoft.com/services/container-instances?azure-portal=true</a> ) offers the fastest and simplest way to run a container in Azure without having to manage any virtual machines or adopt any additional services. It's a platform as a service (PaaS) offering that allows you to upload your containers, which it runs for you.	
 <b>Azure Kubernetes Service</b>  The task of automating, managing, and interacting with a large number of containers is known as orchestration. <b>Azure Kubernetes Service</b> ( <a href="https://azure.microsoft.com/services/kubernetes-service?azure-portal=true">https://azure.microsoft.com/services/kubernetes-service?azure-portal=true</a> ) is a complete orchestration service for containers with distributed architectures and large volumes of containers.	

## What is Kubernetes?

The following video discusses some important details about Kubernetes container orchestration.



<https://www.microsoft.com/videoplayer/embed/RE2yEuX>

## Use containers in your solutions

Containers are often used to create solutions by using a *microservice architecture*. This architecture is where you break solutions into smaller, independent pieces. For example, you might split a website into a container hosting your front end, another hosting your back end, and a third for storage. This split allows you to separate portions of your app into logical sections that can be maintained, scaled, or updated independently.

Imagine your website back-end has reached capacity but the front end and storage aren't being stressed. You could:

- Scale the back end separately to improve performance.
- Decide to use a different storage service.
- Replace the storage container without affecting the rest of the application.

## What is a microservice?

The following video discusses some important details about microservices.



<https://www.microsoft.com/videoplayer/embed/RE2yual>

## Walkthrough - Deploy Azure container instances

### Deploy Azure Container Instances (10 min)

In this walkthrough we create, configure, and deploy a Docker container by using Azure Container Instances (ACI) in the Azure Portal. The container is a Welcome to ACI web application that displays a static HTML page.

1. Create a container instance.
2. Deploy the container and test.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/03-Deploy%20Azure%20Container%20Instances.html>

## Decide when to use Azure Functions

After consulting with several of your fellow developers at Tailwind Traders, you've determined that some of your application logic is event driven. In other words, for a large amount of time, your application is waiting for a particular input before it performs any processing. To reduce your costs, you want to avoid having to pay for the time that your application is waiting for input. With that in mind, you've decided to investigate Azure Functions to see if it can help.

Serverless computing is the abstraction of servers, infrastructure and operating systems. With serverless computing, Azure takes care managing the server infrastructure and the allocation and deallocation of resources based on demand. Infrastructure isn't your responsibility. Scaling and performance are handled automatically. You're billed only for the exact resources you use. There's no need to reserve capacity.



Serverless computing includes the abstraction of servers, an event-driven scale, and micro-billing:

- **Abstraction of servers:** Serverless computing abstracts the servers you run on. You never explicitly reserve server instances. The platform manages that for you. Each function execution can run on a different compute instance. This execution context is transparent to the code. With serverless architecture, you deploy your code, which then runs with high availability.
- **Event-driven scale:** Serverless computing is an excellent fit for workloads that respond to incoming events. Events include triggers by:
  - Timers, for example, if a function needs to run every day at 10:00 AM UTC.
  - HTTP, for example, API and webhook scenarios.
  - Queues, for example, with order processing.
  - And much more.

Instead of writing an entire application, the developer authors a function, which contains both code and metadata about its triggers and bindings. The platform automatically schedules the function to run and scales the number of compute instances based on the rate of incoming events. Triggers define how a function is invoked. Bindings provide a declarative way to connect to services from within the code.

- **Micro-billing:** Traditional computing bills for a block of time like paying a monthly or annual rate for website hosting. This method of billing is convenient but isn't always cost effective. Even if a customer's website gets only one hit a day, they still pay for a full day's worth of availability. With serverless computing, they pay only for the time their code runs. If no active function executions occur, they're

not charged. For example, if the code runs once a day for two minutes, they're charged for one execution and two minutes of computing time.

## Serverless computing in Azure



<https://www.microsoft.com/videoplayer/embed/RE2yzjL>

Azure has two implementations of serverless compute:

- **Azure Functions:** Functions can execute code in almost any modern language.
- **Azure Logic Apps:** Logic apps are designed in a web-based designer and can execute logic triggered by Azure services without writing any code.

## Azure Functions

When you're concerned only about the code running your service, and not the underlying platform or infrastructure, using Azure Functions is ideal. Functions are commonly used when you need to perform work in response to an event (often via a REST request), timer, or message from another Azure service, and when that work can be completed quickly, within seconds or less.

Functions scale automatically based on demand, so they're a solid choice when demand is variable. For example, you might receive messages from an IoT solution that's used to monitor a fleet of delivery vehicles. You'll likely have more data arriving during business hours.

Using a virtual machine-based approach, you'd incur costs even when the virtual machine is idle. With functions, Azure runs your code when it's triggered and automatically deallocates resources when the function is finished. In this model, you're only charged for the CPU time used while your function runs.

Functions can be either stateless or stateful. When they're stateless (the default), they behave as if they're restarted every time they respond to an event. When they're stateful (called Durable Functions), a context is passed through the function to track prior activity.

Functions are a key component of serverless computing. They're also a general compute platform for running any type of code. If the needs of the developer's app change, you can deploy the project in an environment that isn't serverless. This flexibility allows you to manage scaling, run on virtual networks, and even completely isolate the functions.

## Azure Logic Apps

Logic apps are similar to functions. Both enable you to trigger logic based on an event. Where functions execute code, logic apps execute *workflows* that are designed to automate business scenarios and are built from predefined logic blocks.

Every Azure logic app workflow starts with a trigger, which fires when a specific event happens or when newly available data meets specific criteria. Many triggers include basic scheduling capabilities, so developers can specify how regularly their workloads will run. Each time the trigger fires, the Logic Apps engine creates a logic app instance that runs the actions in the workflow. These actions can also include

data conversions and flow controls, such as conditional statements, switch statements, loops, and branching.

You create logic app workflows by using a visual designer on the Azure portal or in Visual Studio. The workflows are persisted as a JSON file with a known workflow schema.

Azure provides more than 200 different connectors and processing blocks to interact with different services. These resources include the most popular enterprise apps. You can also build custom connectors and workflow steps if the service you need to interact with isn't covered. You then use the visual designer to link connectors and blocks together. You pass data through the workflow to do custom processing, often all without writing any code.

As an example, let's say a ticket arrives in Zendesk. You could:

- Detect the intent of the message with cognitive services.
- Create an item in SharePoint to track the issue.
- Add the customer to your Dynamics 365 CRM system if they aren't already in your database.
- Send a follow-up email to acknowledge their request.

All of those actions could be designed in a visual designer, which makes it easy to see the logic flow. For this reason, it's ideal for a business analyst role.

## Functions vs. Logic Apps

Functions and Logic Apps can both create complex orchestrations. An orchestration is a collection of functions or steps that are executed to accomplish a complex task.

- With Functions, you write code to complete each step.
- With Logic Apps, you use a GUI to define the actions and how they relate to one another.

You can mix and match services when you build an orchestration, calling functions from logic apps and calling logic apps from functions. Here are some common differences between the two.

	<b>Functions</b>	<b>Logic Apps</b>
State	Normally stateless, but Durable Functions provide state.	Stateful.
Development	Code-first (imperative).	Designer-first (declarative).
Connectivity	About a dozen built-in binding types. Write code for custom bindings.	Large collection of connectors. Enterprise Integration Pack for B2B scenarios. Build custom connectors.
Actions	Each activity is an Azure function. Write code for activity functions.	Large collection of ready-made actions.
Monitoring	Azure Application Insights.	Azure portal, Log Analytics.
Management	REST API, Visual Studio.	Azure portal, REST API, PowerShell, Visual Studio.
Execution context	Can run locally or in the cloud.	Runs only in the cloud.

## Decide when to use Azure Virtual Desktop

In addition to the challenges that Tailwind Traders has been facing with application scale, your manager has asked you to put together a new development team of remote workers.

This task would normally require setting up several new computers with all of the requisite development tools for your new team. Then you would need to ship them to the respective developers. The time to procure, set up, and ship each of these computers would be costly. Also, all of your new developers have their own computing devices that are running a mixture of Windows, Android, and macOS operating systems.

You want to find a way to expedite the deployment process for your remote workers. You also want to keep your management costs to a minimum. With that in mind, you want to see how Azure Virtual Desktop can help your organization.

## What is Azure Virtual Desktop?

Azure Virtual Desktop is a desktop and application virtualization service that runs on the cloud. It enables your users to use a cloud-hosted version of Windows from any location. Azure Virtual Desktop works across devices like Windows, Mac, iOS, Android, and Linux. It works with apps that you can use to access remote desktops and apps. You can also use most modern browsers to access Azure Virtual Desktop-hosted experiences.

The following video gives you an overview of Azure Virtual Desktop.



<https://www.microsoft.com/videoplayer/embed/RE4LRpC>

## Why should you use Azure Virtual Desktop?

### Provide the best user experience

Users have the freedom to connect to Azure Virtual Desktop with any device over the internet. They use a Azure Virtual Desktop client to connect to their published Windows desktop and applications. This client could either be a native application on the device or the Azure Virtual Desktop HTML5 web client.

You can make sure your session host virtual machines (VMs) run near apps and services that connect to your datacenter or the cloud. This way your users stay productive and don't encounter long load times.

User sign-in to Azure Virtual Desktop is fast because user profiles are containerized by using FSLogix. At sign-in, the user profile container is dynamically attached to the computing environment. The user profile is immediately available and appears in the system exactly like a native user profile.

You can provide individual ownership through personal (persistent) desktops. For example, you might want to provide personal remote desktops for members of an engineering team. Then they can add or remove programs without impacting other users on that remote desktop.

### Enhance security

Azure Virtual Desktop provides centralized security management for users' desktops with Azure Active Directory (Azure AD). You can enable multifactor authentication to secure user sign-ins. You can also secure access to data by assigning granular role-based access controls (RBACs) to users.

With Azure Virtual Desktop, the data and apps are separated from the local hardware. Azure Virtual Desktop runs them instead on a remote server. The risk of confidential data being left on a personal device is reduced.

User sessions are isolated in both single and multi-session environments.

Azure Virtual Desktop also improves security by using reverse connect technology. This connection type is more secure than the Remote Desktop Protocol. We don't open inbound ports to the session host VMs.

## What are some key features of Azure Virtual Desktop?

### Simplified management

Azure Virtual Desktop is an Azure service, so it will be familiar to Azure administrators. You use Azure AD and RBACs to manage access to resources. With Azure, you also get tools to automate VM deployments, manage VM updates, and provide disaster recovery. As with other Azure services, Azure Virtual Desktop uses Azure Monitor for monitoring and alerts. This standardization lets admins identify issues through a single interface.

### Performance management

Azure Virtual Desktop gives you options to load balance users on your VM host pools. *Host pools* are collections of VMs with the same configuration assigned to multiple users. For the best performance, you can configure load balancing to occur as users sign in (breadth mode). With breadth mode, users are sequentially allocated across the host pool for your workload. To save costs, you can configure your VMs for depth mode load balancing where users are fully allocated on one VM before moving to the next. Azure Virtual Desktop provides tools to automatically provision additional VMs when incoming demand exceeds a specified threshold.

### Multi-session Windows 10 deployment

Azure Virtual Desktop lets you use Windows 10 Enterprise multi-session, the only Windows client-based operating system that enables multiple concurrent users on a single VM. Azure Virtual Desktop also provides a more consistent experience with broader application support compared to Windows Server-based operating systems.

## How can you reduce costs with Azure Virtual Desktop?

### Bring your own licenses

Azure Virtual Desktop is available to you at no additional cost if you have an eligible Microsoft 365 license. Just pay for the Azure resources used by Azure Virtual Desktop.

- Bring your eligible Windows or Microsoft 365 license to get Windows 10 Enterprise and Windows 7 Enterprise desktops and apps at no additional cost.
- If you're an eligible Microsoft Remote Desktop Services Client Access License customer, Windows Server Remote Desktop Services desktops and apps are available at no additional cost.

## Save on compute costs

Buy one-year or three-year Azure Reserved Virtual Machine Instances to save you up to 72 percent versus pay-as-you-go pricing. You can pay for a reservation up front or monthly. Reservations provide a billing discount and don't affect the runtime state of your resources.

# Azure networking services

## Introduction

Suppose your company, Tailwind Traders, has migrated some applications to the cloud and is architecting new ones. The servers that host Tailwind Traders' customer and product data are based in Silicon Valley. Your company also has several branch offices located in different geographic regions. As part of your migration strategy, your company needs to determine the correct approach to configure its network infrastructure.



To help save costs, you convince your team to move your website and several of your other networked resources to the cloud. With that in mind, you'll need to provide secure access to private company data for each of its branch locations. You want to know how Azure can help you manage your network more effectively. As it turns out, managing networks on Azure isn't entirely different from managing on-premises networks.

In this module, you'll learn about the different Azure networking options and the scenarios in which each is appropriate.

## Learning objectives

After completing this module, you'll be able to:

- Describe the core networking resources that are available in Azure.
- Describe the benefits and usage of Azure Virtual Network, Azure VPN Gateway, and Azure Express-Route.

## Prerequisites

- You should be familiar with basic network concepts and terminology.
- Familiarity with cloud computing is helpful but isn't necessary.

## Azure Virtual Network fundamentals

Tailwind Traders has an on-premises datacenter that you plan to keep, but you want to use Azure to offload peak traffic by using virtual machines (VMs) hosted in Azure. You want to keep your existing IP addressing scheme and network appliances while ensuring that any data transfer is secure.

Using Azure Virtual Network for your virtual networking can help you reach your goals.

## What is Azure virtual networking?

*Azure virtual networks* enable Azure resources, such as VMs, web apps, and databases, to communicate with each other, with users on the internet, and with your on-premises client computers. You can think of an Azure network as a set of resources that links other Azure resources.

Azure virtual networks provide the following key networking capabilities:

- Isolation and segmentation
- Internet communications
- Communicate between Azure resources
- Communicate with on-premises resources
- Route network traffic
- Filter network traffic
- Connect virtual networks

## Network configurations for virtual machines



<https://www.microsoft.com/videoplayer/embed/RE2yEve>

## Isolation and segmentation

Virtual Network allows you to create multiple isolated virtual networks. When you set up a virtual network, you define a private IP address space by using either public or private IP address ranges. You can divide that IP address space into subnets and allocate part of the defined address space to each named subnet.

For name resolution, you can use the name resolution service that's built in to Azure. You also can configure the virtual network to use either an internal or an external DNS server.

## Internet communications

A VM in Azure can connect to the internet by default. You can enable incoming connections from the internet by defining a public IP address or a public load balancer. For VM management, you can connect via the Azure CLI, Remote Desktop Protocol, or Secure Shell.

## Communicate between Azure resources

You'll want to enable Azure resources to communicate securely with each other. You can do that in one of two ways:

- **Virtual networks** Virtual networks can connect not only VMs but other Azure resources, such as the App Service Environment for Power Apps, Azure Kubernetes Service, and Azure virtual machine scale sets.
- **Service endpoints** You can use service endpoints to connect to other Azure resource types, such as Azure SQL databases and storage accounts. This approach enables you to link multiple Azure resources to virtual networks to improve security and provide optimal routing between resources.

## Communicate with on-premises resources

Azure virtual networks enable you to link resources together in your on-premises environment and within your Azure subscription. In effect, you can create a network that spans both your local and cloud environments. There are three mechanisms for you to achieve this connectivity:

- **Point-to-site virtual private networks** The typical approach to a virtual private network (VPN) connection is from a computer outside your organization, back into your corporate network. In this case, the client computer initiates an encrypted VPN connection to connect that computer to the Azure virtual network.
- **Site-to-site virtual private networks** A site-to-site VPN links your on-premises VPN device or gateway to the Azure VPN gateway in a virtual network. In effect, the devices in Azure can appear as being on the local network. The connection is encrypted and works over the internet.
- **Azure ExpressRoute** For environments where you need greater bandwidth and even higher levels of security, Azure ExpressRoute is the best approach. ExpressRoute provides dedicated private connectivity to Azure that doesn't travel over the internet. (You'll learn more about ExpressRoute in a separate unit later in this module.)

## Route network traffic

By default, Azure routes traffic between subnets on any connected virtual networks, on-premises networks, and the internet. You also can control routing and override those settings, as follows:

- **Route tables** A route table allows you to define rules about how traffic should be directed. You can create custom route tables that control how packets are routed between subnets.
- **Border Gateway Protocol** Border Gateway Protocol (BGP) works with Azure VPN gateways or ExpressRoute to propagate on-premises BGP routes to Azure virtual networks.

## Filter network traffic

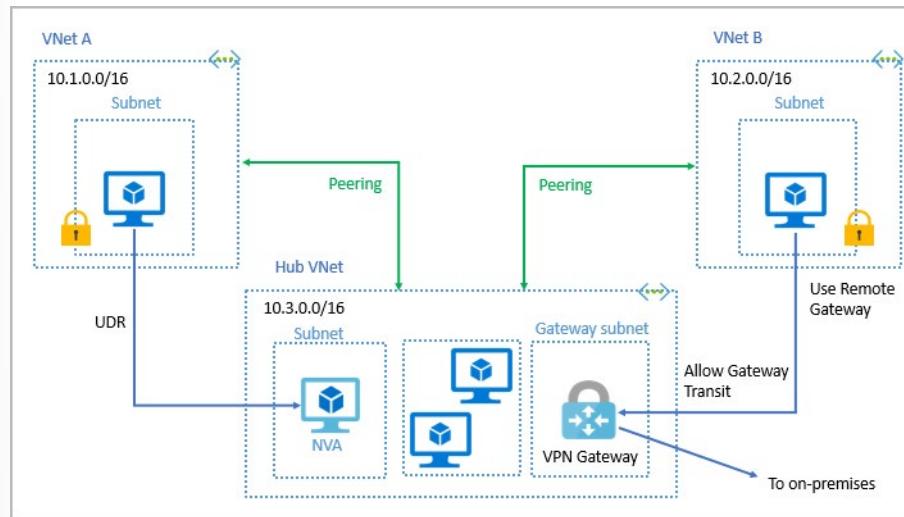
Azure virtual networks enable you to filter traffic between subnets by using the following approaches:

- **Network security groups** A network security group is an Azure resource that can contain multiple inbound and outbound security rules. You can define these rules to allow or block traffic, based on factors such as source and destination IP address, port, and protocol.
- **Network virtual appliances** A network virtual appliance is a specialized VM that can be compared to a hardened network appliance. A network virtual appliance carries out a particular network function, such as running a firewall or performing wide area network (WAN) optimization.

## Connect virtual networks

You can link virtual networks together by using virtual network *peering*. Peering enables resources in each virtual network to communicate with each other. These virtual networks can be in separate regions, which allows you to create a global interconnected network through Azure.

UDR is user-defined Routing. UDR is a significant update to Azure's Virtual Networks as this allows network admins to control the routing tables between subnets within a VNet, as well as between VNets, thereby allowing for greater control over network traffic flow.



## Azure Virtual Network settings

You can create and configure Azure Virtual Network instances from the Azure portal, Azure PowerShell on your local computer, or Azure Cloud Shell.

### Create a virtual network

When you create an Azure virtual network, you configure a number of basic settings. You'll have the option to configure advanced settings, such as multiple subnets, distributed denial of service (DDoS) protection, and service endpoints.

Home > Virtual Network >

## Create virtual network

Basics IP Addresses Security Tags Review + create

Azure Virtual Network (VNet) is the fundamental building block for your private network in Azure. VNet enables many types of Azure resources, such as Azure Virtual Machines (VM), to securely communicate with each other, the internet, and on-premises networks. VNet is similar to a traditional network that you'd operate in your own data center, but brings with it additional benefits of Azure's infrastructure such as scale, availability, and isolation. [Learn more about virtual network](#)

### Project details

Subscription \* ⓘ

Learn AIRS - Microsoft Azure Internal Consumption

Resource group ⓘ

Loading...

[Create new](#)

### Instance details

Name \*

Region

Loading...

You'll configure the following settings for a basic virtual network:

- **Network name** The network name must be unique in your subscription, but it doesn't need to be globally unique. Make the name a descriptive one that's easy to remember and identified from other virtual networks.
- **Address space** When you set up a virtual network, you define the internal address space in Classless Interdomain Routing (CIDR) format. This address space needs to be unique within your subscription and any other networks that you connect to. Let's assume you choose an address space of 10.0.0.0/24 for your first virtual network. The addresses defined in this address space range from 10.0.0.1 to 10.0.0.254. You then create a second virtual network and choose an address space of 10.0.0.0/8. The addresses in this address space range from 10.0.0.1 to 10.255.255.254. Some of the addresses overlap and can't be used for the two virtual networks. But you can use 10.0.0.0/16, with addresses that range from 10.0.0.1 to 10.0.255.254, and 10.1.0.0/16, with addresses that range from 10.1.0.1 to 10.1.255.254. You can assign these address spaces to your virtual networks because there's no address overlap.

**Note:** You can add address spaces after you create the virtual network.

- **Subscription** This option only applies if you have multiple subscriptions to choose from.
- **Resource group** Like any other Azure resource, a virtual network needs to exist in a resource group. You can either select an existing resource group or create a new one.
- **Location** Select the location where you want the virtual network to exist.
- **Subnet** Within each virtual network address range, you can create one or more subnets that partition the virtual network's address space. Routing between subnets will then depend on the default traffic routes. You also can define custom routes. Alternatively, you can define one subnet that encompasses all the virtual networks' address ranges.

**Note:** Subnet names must begin with a letter or number and end with a letter, number, or underscore. They may contain only letters, numbers, underscores, periods, or hyphens.

- **DDoS protection** You can select either Basic or Standard DDoS protection. Standard DDoS protection is a premium service. For more information on Standard DDoS protection, see [Azure DDoS protection Standard overview<sup>2</sup>](#).
- **Service endpoints** Here, you enable service endpoints. Then you select from the list which Azure service endpoints you want to enable. Options include Azure Cosmos DB, Azure Service Bus, Azure Key Vault, and so on.

After you've configured these settings, select **Create**.

## Define additional settings

After you create a virtual network, you can then define further settings. These include:

- **Network security group** Network security groups have security rules that enable you to filter the type of network traffic that can flow in and out of virtual network subnets and network interfaces. You create the network security group separately. Then you associate it with the virtual network.
- **Route table** Azure automatically creates a route table for each subnet within an Azure virtual network and adds system default routes to the table. You can add custom route tables to modify traffic between virtual networks.

You can also amend the service endpoints.

The screenshot shows the Azure portal interface for managing a subnet. At the top, it displays the subnet name 'default' and its parent virtual network 'RFD-vnet'. Below this, there are standard save, discard, delete, and refresh buttons. The main configuration area starts with the 'Address range (CIDR block)' field, which is currently set to '10.0.0.0/24'. Below this, the 'Available addresses' count is shown as '250'. Further down, there are sections for 'Network security group' (set to 'None'), 'Route table' (set to 'None'), and 'Users' (with a 'Manage users' link). The final section, 'Service endpoints', contains a dropdown menu for selecting services, currently showing '0 selected'.

<sup>2</sup> <https://docs.microsoft.com/azure/virtual-network/ddos-protection-overview?azure-portal=true>

## Configure virtual networks

After you've created a virtual network, you can change any further settings on the **Virtual network** pane in the Azure portal. Alternatively, you can use PowerShell commands or commands in Cloud Shell to make changes.

The screenshot shows the Azure portal interface for managing a virtual network named 'ATS-VNET'. The left sidebar contains a navigation menu with sections such as Overview, Activity log, Access control (IAM), Tags, Diagnose and solve problems, Settings (Address space, Connected devices, Subnets, DDoS protection, Firewall (Preview), DNS servers, Peerings, Service endpoints, Properties, Locks, Automation script), Monitoring (Connection monitor, Diagram), and Support + troubleshooting (Connection troubleshoot, New support request). The main content area displays basic information about the virtual network, including its resource group ('ATS\_RG1'), location ('West US'), subscription ('Technologists\_A'), and address space ('10.1.0.0/16'). It also shows a table for connected devices, which currently has no results.

You can then review and change settings in further subpanes. These settings include:

- **Address spaces:** You can add additional address spaces to the initial definition.
- **Connected devices:** Use the virtual network to connect machines.
- **Subnets:** You can add additional subnets.
- **Peerings:** Link virtual networks in peering arrangements.

You can also monitor and troubleshoot virtual networks. Or, you can create an automation script to generate the current virtual network.

Virtual networks are powerful and highly configurable mechanisms for connecting entities in Azure. You can connect Azure resources to one another or to resources you have on-premises. You can isolate, filter, and route your network traffic. Azure allows you to increase security where you feel you need it.

# Azure VPN Gateway fundamentals

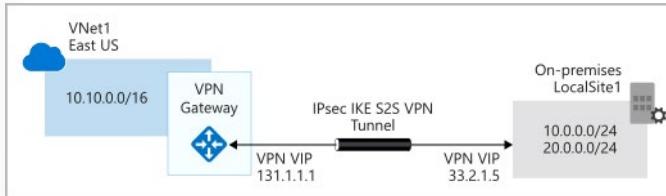
VPNs use an encrypted tunnel within another network. They're typically deployed to connect two or more trusted private networks to one another over an untrusted network (typically the public internet). Traffic is encrypted while traveling over the untrusted network to prevent eavesdropping or other attacks.

For our Tailwind Traders scenario, VPNs can enable branch offices to share sensitive information between locations. For example, let's say that your offices on the East Coast region of North America need to access your company's private customer data, which is stored on servers that are physically located in a West Coast region. A VPN that connects your East Coast offices to your West Coast servers allows your company to securely access your private customer data.

## VPN gateways

A VPN gateway is a type of virtual network gateway. Azure VPN Gateway instances are deployed in Azure Virtual Network instances and enable the following connectivity:

- Connect on-premises datacenters to virtual networks through a *site-to-site* connection.
- Connect individual devices to virtual networks through a *point-to-site* connection.
- Connect virtual networks to other virtual networks through a *network-to-network* connection.



All transferred data is encrypted in a private tunnel as it crosses the internet. You can deploy only one VPN gateway in each virtual network, but you can use one gateway to connect to multiple locations, which includes other virtual networks or on-premises datacenters.

When you deploy a VPN gateway, you specify the VPN type: either *policy-based* or *route-based*. The main difference between these two types of VPNs is how traffic to be encrypted is specified. In Azure, both types of VPN gateways use a pre-shared key as the only method of authentication. Both types also rely on Internet Key Exchange (IKE) in either version 1 or version 2 and Internet Protocol Security (IPSec). IKE is used to set up a security association (an agreement of the encryption) between two endpoints. This association is then passed to the IPSec suite, which encrypts and decrypts data packets encapsulated in the VPN tunnel.

## Policy-based VPNs

Policy-based VPN gateways specify statically the IP address of packets that should be encrypted through each tunnel. This type of device evaluates every data packet against those sets of IP addresses to choose the tunnel where that packet is going to be sent through.

Key features of policy-based VPN gateways in Azure include:

- Support for IKEv1 only.
- Use of *static routing*, where combinations of address prefixes from both networks control how traffic is encrypted and decrypted through the VPN tunnel. The source and destination of the tunneled networks are declared in the policy and don't need to be declared in routing tables.

- Policy-based VPNs must be used in specific scenarios that require them, such as for compatibility with legacy on-premises VPN devices.

## Route-based VPNs

If defining which IP addresses are behind each tunnel is too cumbersome, route-based gateways can be used. With route-based gateways, IPSec tunnels are modeled as a network interface or virtual tunnel interface. IP routing (either static routes or dynamic routing protocols) decides which one of these tunnel interfaces to use when sending each packet. Route-based VPNs are the preferred connection method for on-premises devices. They're more resilient to topology changes such as the creation of new subnets.

Use a route-based VPN gateway if you need any of the following types of connectivity:

- Connections between virtual networks
- Point-to-site connections
- Multisite connections
- Coexistence with an Azure ExpressRoute gateway

Key features of route-based VPN gateways in Azure include:

- Supports IKEv2
- Uses any-to-any (wildcard) traffic selectors
- Can use *dynamic routing protocols*, where routing/forwarding tables direct traffic to different IPSec tunnels. In this case, the source and destination networks aren't statically defined as they are in policy-based VPNs or even in route-based VPNs with static routing. Instead, data packets are encrypted based on network routing tables that are created dynamically using routing protocols such as Border Gateway Protocol (BGP).

## VPN gateway sizes

The capabilities of your VPN gateway are determined by the SKU or size that you deploy. This table shows the main capabilities of each available SKU.

SKU	Site-to-site/Network-to-network tunnels	Aggregate throughput benchmark	Border Gateway Protocol support
Basic [See Note]	Maximum: 10	100 Mbps	Not supported
VpnGw1/Az	Maximum: 30	650 Mbps	Supported
VpnGw2/Az	Maximum: 30	1 Gbps	Supported
VpnGw3/Az	Maximum: 30	1.25 Gbps	Supported

**Note:** A Basic VPN gateway should only be used for Dev/Test workloads. In addition, it's unsupported to migrate from Basic to the VpnGW1/2/3/Az SKUs at a later time without having to remove the gateway and redeploy.

## Deploy VPN gateways

Before you can deploy a VPN gateway, you'll need some Azure and on-premises resources.

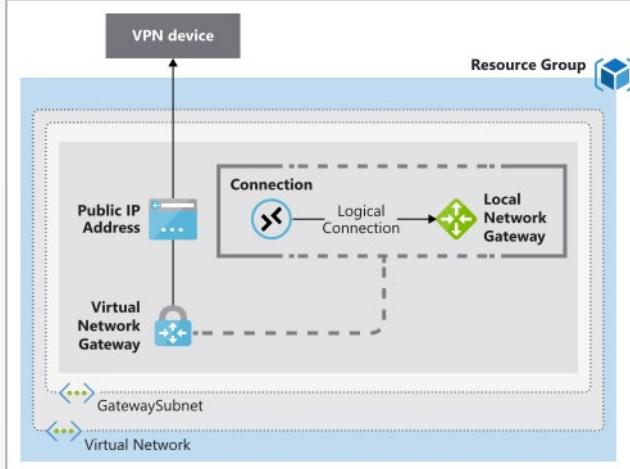
## Required Azure resources

You'll need these Azure resources before you can deploy an operational VPN gateway:

- **Virtual network.** Deploy a virtual network with enough address space for the additional subnet that you'll need for the VPN gateway. The address space for this virtual network must not overlap with the on-premises network that you'll be connecting to. You can deploy only one VPN gateway within a virtual network.
- **GatewaySubnet.** Deploy a subnet called `GatewaySubnet` for the VPN gateway. Use at least a `/27` address mask to make sure you have enough IP addresses in the subnet for future growth. You can't use this subnet for any other services.
- **Public IP address.** Create a Basic-SKU dynamic public IP address if you're using a non-zone-aware gateway. This address provides a public-routable IP address as the target for your on-premises VPN device. This IP address is dynamic, but it won't change unless you delete and re-create the VPN gateway.
- **Local network gateway.** Create a local network gateway to define the on-premises network's configuration, such as where the VPN gateway will connect and what it will connect to. This configuration includes the on-premises VPN device's public IPv4 address and the on-premises routable networks. This information is used by the VPN gateway to route packets that are destined for on-premises networks through the IPSec tunnel.
- **Virtual network gateway.** Create the virtual network gateway to route traffic between the virtual network and the on-premises datacenter or other virtual networks. The virtual network gateway can be either a VPN or ExpressRoute gateway, but this unit only deals with VPN virtual network gateways. (You'll learn more about ExpressRoute in a separate unit later in this module.)
- **Connection.** Create a connection resource to create a logical connection between the VPN gateway and the local network gateway.
  - The connection is made to the on-premises VPN device's IPv4 address as defined by the local network gateway.
  - The connection is made from the virtual network gateway and its associated public IP address.

You can create multiple connections.

The following diagram shows this combination of resources and their relationships to help you better understand what's required to deploy a VPN gateway.



## Required on-premises resources

To connect your datacenter to a VPN gateway, you'll need these on-premises resources:

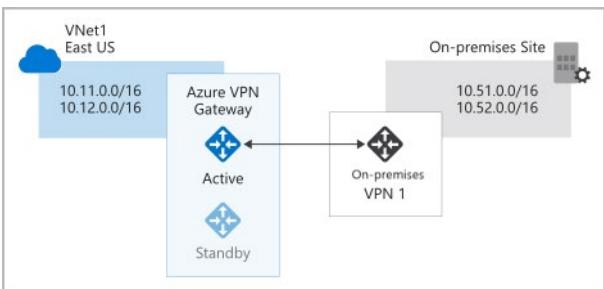
- A VPN device that supports policy-based or route-based VPN gateways
- A public-facing (internet-routable) IPv4 address

## High-availability scenarios

There are several ways to ensure you have a fault-tolerant configuration.

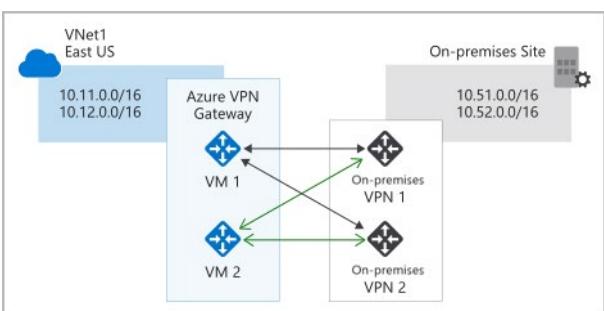
### Active/standby

By default, VPN gateways are deployed as two instances in an active/standby configuration, even if you only see one VPN gateway resource in Azure. When planned maintenance or unplanned disruption affects the active instance, the standby instance automatically assumes responsibility for connections without any user intervention. Connections are interrupted during this failover, but they're typically restored within a few seconds for planned maintenance and within 90 seconds for unplanned disruptions.



### Active/active

With the introduction of support for the BGP routing protocol, you can also deploy VPN gateways in an active/active configuration. In this configuration, you assign a unique public IP address to each instance. You then create separate tunnels from the on-premises device to each IP address. You can extend the high availability by deploying an additional VPN device on-premises.



### ExpressRoute failover

Another high-availability option is to configure a VPN gateway as a secure failover path for ExpressRoute connections. ExpressRoute circuits have resiliency built in. But they aren't immune to physical problems that affect the cables delivering connectivity or outages that affect the complete ExpressRoute location. In

high-availability scenarios, where there's risk associated with an outage of an ExpressRoute circuit, you can also provision a VPN gateway that uses the internet as an alternative method of connectivity. In this way, you can ensure there's always a connection to the virtual networks.

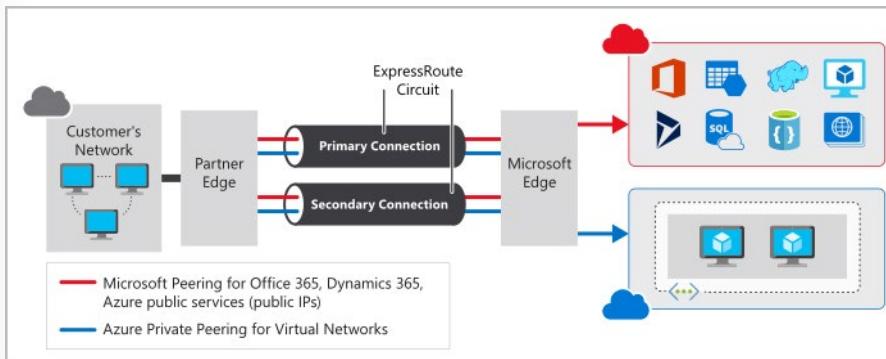
## Zone-redundant gateways

In regions that support availability zones, VPN gateways and ExpressRoute gateways can be deployed in a zone-redundant configuration. This configuration brings resiliency, scalability, and higher availability to virtual network gateways. Deploying gateways in Azure availability zones physically and logically separates gateways within a region while protecting your on-premises network connectivity to Azure from zone-level failures. These gateways require different gateway SKUs and use Standard public IP addresses instead of Basic public IP addresses.

## ExpressRoute fundamentals

ExpressRoute lets you extend your on-premises networks into the Microsoft cloud over a private connection with the help of a connectivity provider. With ExpressRoute, you can establish connections to Microsoft cloud services, such as Microsoft Azure and Microsoft 365.

Connectivity can be from an any-to-any (IP VPN) network, a point-to-point Ethernet network, or a virtual cross-connection through a connectivity provider at a colocation facility. ExpressRoute connections don't go over the public Internet. This allows ExpressRoute connections to offer more reliability, faster speeds, consistent latencies, and higher security than typical connections over the Internet. For information on how to connect your network to Microsoft using ExpressRoute, see ExpressRoute connectivity models.



As part of your work for Tailwind Traders, you should understand what Azure ExpressRoute is and how it integrates with on-premises and Azure networks. In this unit, you'll learn about the benefits that ExpressRoute provides compared to other site-to-site connectivity options. As a result, you'll learn whether ExpressRoute can provide your company with the best possible network performance.

Throughout this unit, we'll focus on two different layers of the Open Systems Interconnection (OSI) model:

- **Layer 2 (L2):** This layer is the Data Link Layer, which provides node-to-node communication between two nodes on the same network.
- **Layer 3 (L3):** This layer is the Network Layer, which provides addressing and routing between nodes on a multi-node network.

## Features and benefits of ExpressRoute

There are several benefits to using ExpressRoute as the connection service between Azure and on-premises networks.

- Layer 3 connectivity between your on-premises network and the Microsoft Cloud through a connectivity provider. Connectivity can be from an any-to-any (IPVPN) network, a point-to-point Ethernet connection, or through a virtual cross-connection via an Ethernet exchange.
- Connectivity to Microsoft cloud services across all regions in the geopolitical region.
- Global connectivity to Microsoft services across all regions with the ExpressRoute premium add-on.
- Dynamic routing between your network and Microsoft via BGP.
- Built-in redundancy in every peering location for higher reliability.
- Connection uptime SLA.
- QoS support for Skype for Business.

## Layer 3 connectivity

ExpressRoute provides Layer 3 (address-level) connectivity between your on-premises network and the Microsoft cloud through connectivity partners. These connections can be from a point-to-point or any-to-any network. They can also be virtual cross-connections through an exchange.

## Built-in redundancy

Each connectivity provider uses redundant devices to ensure that connections established with Microsoft are highly available. You can configure multiple circuits to complement this feature. All redundant connections are configured with Layer 3 connectivity to meet service-level agreements.

## Connectivity to Microsoft cloud services

ExpressRoute enables direct access to the following services in all regions:

- Microsoft Office 365
- Microsoft Dynamics 365
- Azure compute services, such as Azure Virtual Machines
- Azure cloud services, such as Azure Cosmos DB and Azure Storage

Office 365 was created to be accessed securely and reliably via the internet. For this reason, we recommend the use of ExpressRoute for specific scenarios. The “Learn more” section at the end of this module includes a link about using ExpressRoute to access Office 365.

## Across on-premises connectivity with ExpressRoute Global Reach

You can enable ExpressRoute Global Reach to exchange data across your on-premises sites by connecting your ExpressRoute circuits. For example, assume that you have a private datacenter in California connected to ExpressRoute in Silicon Valley. You have another private datacenter in Texas connected to ExpressRoute in Dallas. With ExpressRoute Global Reach, you can connect your private datacenters through two ExpressRoute circuits. Your cross-datacenter traffic will travel through the Microsoft network.

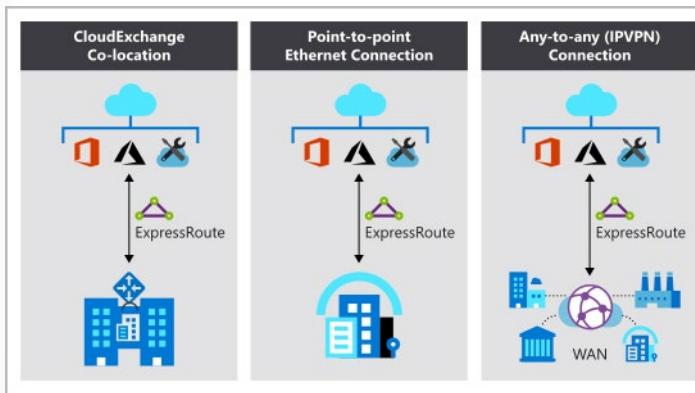
## Dynamic routing

ExpressRoute uses the Border Gateway Protocol (BGP) routing protocol. BGP is used to exchange routes between on-premises networks and resources running in Azure. This protocol enables dynamic routing between your on-premises network and services running in the Microsoft cloud.

## ExpressRoute connectivity models

ExpressRoute supports three models that you can use to connect your on-premises network to the Microsoft cloud:

- CloudExchange colocation
- Point-to-point Ethernet connection
- Any-to-any connection



## Colocation at a cloud exchange

Colocated providers can normally offer both Layer 2 and Layer 3 connections between your infrastructure, which might be located in the colocation facility, and the Microsoft cloud. For example, if your datacenter is colocated at a cloud exchange such as an ISP, you can request a virtual cross-connection to the Microsoft cloud.

## Point-to-point Ethernet connection

Point-to-point connections provide Layer 2 and Layer 3 connectivity between your on-premises site and Azure. You can connect your offices or datacenters to Azure by using the point-to-point links. For example, if you have an on-premises datacenter, you can use a point-to-point Ethernet link to connect to Microsoft.

## Any-to-any networks

With any-to-any connectivity, you can integrate your wide area network (WAN) with Azure by providing connections to your offices and datacenters. Azure integrates with your WAN connection to provide a connection like you would have between your datacenter and any branch offices.

With any-to-any connections, all WAN providers offer Layer 3 connectivity. For example, if you already use Multiprotocol Label Switching to connect to your branch offices or other sites in your organization, an ExpressRoute connection to Microsoft behaves like any other location on your private WAN.

## Security considerations

With ExpressRoute, your data doesn't travel over the public internet, so it's not exposed to the potential risks associated with internet communications. ExpressRoute is a private connection from your on-premises infrastructure to your Azure infrastructure. Even if you have an ExpressRoute connection, DNS queries, certificate revocation list checking, and Azure Content Delivery Network requests are still sent over the public internet.

## Walkthrough - Create a virtual network

### Create a virtual network (20 min)

Create a virtual network with two virtual machines and then test connection between the machines.

1. Create a virtual network.
  
2. Create two virtual machines.
  
3. Test the connection.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/03-Deploy%20Azure%20Container%20Instances.html>

# Azure storage services

## Introduction

Suppose your company, Tailwind Traders, has a number of product brochures, datasheets, product images, and other files that are related to marketing, sales, and support. In the past, your company has been hosting these files on standalone web servers in your datacenter.

Your company is now in the process of migrating its applications to the cloud, and your development team is currently architecting new applications. Your Chief Technology Officer (CTO) wants to migrate all of your marketing, sales, and support files to the cloud in order to take advantage of geographic distribution of your files. This move also reduces the number of physical servers that your company maintains in your datacenter. As part of your migration strategy, you need to determine the correct approach for your cloud-based storage infrastructure.



In this module, you'll learn about the different Azure storage options and the scenarios in which each is appropriate.

**Note:** Azure storage isn't the same as Azure database services.

## Learning objectives

After completing this module, you'll be able to describe the benefits and usage of:

- Azure Blob Storage
- Azure Disk Storage
- Azure Files Storage
- Azure Blob Access tiers

## Prerequisites

- You should be familiar with basic computing concepts and terminology

## Azure storage account fundamentals

The Chief Technology Officer (CTO) for your company, Tailwind Traders, has tasked your team with migrating all of your files to the cloud. Your team has chosen **Azure Storage**<sup>3</sup>, which is a service that you can use to store files, messages, tables, and other types of information. Clients such as websites, mobile apps, desktop applications, and many other types of custom solutions can read data from and write data to Azure Storage. Azure Storage is also used by infrastructure as a service virtual machines, and platform as a service cloud services.

The following video introduces the different services that should be available with Azure Storage.

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<sup>3</sup> <https://azure.microsoft.com/product-categories/storage?azure-portal=true>

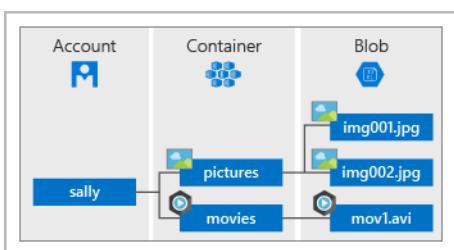


<https://www.microsoft.com/videoplayer/embed/RE4MAbS>

To begin using Azure Storage, you first create an Azure Storage account to store your data objects. You can create an Azure Storage account by using the Azure portal, PowerShell, or the Azure CLI.

Your storage account will contain all of your Azure Storage data objects, such as blobs, files, and disks.

**Note:** Azure VMs use Azure Disk Storage to store virtual disks. However, you can't use Azure Disk Storage to store a disk outside of a virtual machine.



A storage account provides a unique namespace for your Azure Storage data, that's accessible from anywhere in the world over HTTP or HTTPS. Data in this account is secure, highly available, durable, and massively scalable.

For more information, see [Create a storage account<sup>4</sup>](#).

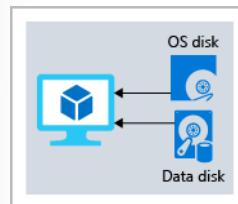
## Discuss disk storage fundamentals

Disk Storage provides disks for Azure virtual machines. Applications and other services can access and use these disks as needed, similar to how they would in on-premises scenarios. Disk Storage allows data to be persistently stored and accessed from an attached virtual hard disk.



Disks come in many different sizes and performance levels, from solid-state drives (SSDs) to traditional spinning hard disk drives (HDDs), with varying performance tiers. You can use standard SSD and HDD disks for less critical workloads, premium SSD disks for mission-critical production applications, and ultra-durable disks for data-intensive workloads such as SAP HANA, top tier databases, and transaction-heavy workloads. Azure has consistently delivered enterprise-grade durability for infrastructure as a service (IaaS) disks, with an industry-leading ZERO% annualized failure rate.

The following illustration shows an Azure virtual machine that uses separate disks to store different data.



## Explore Azure Blob storage fundamentals

<sup>4</sup> <https://docs.microsoft.com/azure/storage/common/storage-account-create?azure-portal=true>

Azure Blob Storage is an object storage solution for the cloud. It can store massive amounts of data, such as text or binary data. Azure Blob Storage is unstructured, meaning that there are no restrictions on the kinds of data it can hold. Blob Storage can manage thousands of simultaneous uploads, massive amounts of video data, constantly growing log files, and can be reached from anywhere with an internet connection.



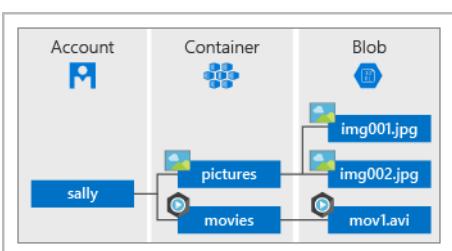
Blobs aren't limited to common file formats. A blob could contain gigabytes of binary data streamed from a scientific instrument, an encrypted message for another application, or data in a custom format for an app you're developing. One advantage of blob storage over disk storage is that it does not require developers to think about or manage disks; data is uploaded as blobs, and Azure takes care of the physical storage needs.

Blob Storage is ideal for:

- Serving images or documents directly to a browser.
- Storing files for distributed access.
- Streaming video and audio.
- Storing data for backup and restore, disaster recovery, and archiving.
- Storing data for analysis by an on-premises or Azure-hosted service.
- Storing up to 8 TB of data for virtual machines.

You store blobs in containers, which helps you organize your blobs depending on your business needs.

The following diagram illustrates how you might use Azure accounts, containers, and blobs.



## Explore Azure Files fundamentals

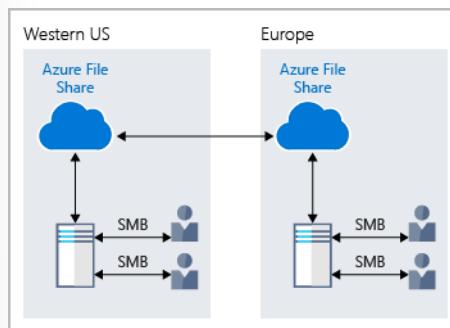
Azure Files offers fully managed file shares in the cloud that are accessible via the industry standard Server Message Block and Network File System (preview) protocols. Azure file shares can be mounted concurrently by cloud or on-premises deployments on Windows, Linux, and macOS. Applications running in Azure virtual machines or cloud services can mount a file storage share to access file data, just as a desktop application would mount a typical SMB share. Any number of Azure virtual machines or roles can mount and access the file storage share simultaneously. Typical usage scenarios would be to share files anywhere in the world, diagnostic data, or application data sharing.



Use Azure Files for the following situations:

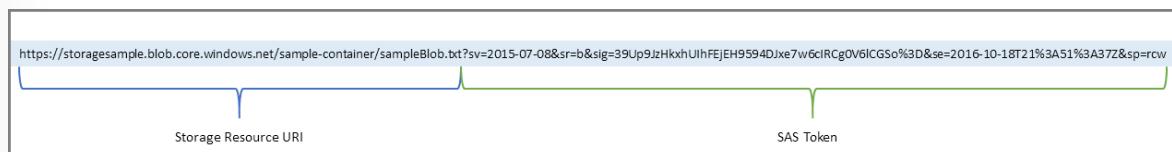
- Many on-premises applications use file shares. Azure Files makes it easier to migrate those applications that share data to Azure. If you mount the Azure file share to the same drive letter that the on-premises application uses, the part of your application that accesses the file share should work with minimal changes, if any.
- Store configuration files on a file share and access them from multiple VMs. Tools and utilities used by multiple developers in a group can be stored on a file share, ensuring that everybody can find them, and that they use the same version.
- Write data to a file share, and process or analyze the data later. For example, you might want to do this with diagnostic logs, metrics, and crash dumps.

The following illustration shows Azure Files being used to share data between two geographical locations. Azure Files ensures the data is encrypted at rest, and the SMB protocol ensures the data is encrypted in transit.



One thing that distinguishes Azure Files from files on a corporate file share is that you can access the files from anywhere in the world, by using a URL that points to the file. You can also use Shared Access Signature (SAS) tokens to allow access to a private asset for a specific amount of time.

Here's an example of a service SAS URI, showing the resource URI and the SAS token:



## Understand Blob access tiers

Data stored in the cloud can grow at an exponential pace. To manage costs for your expanding storage needs, it's helpful to organize your data based on attributes like frequency of access and planned retention period. Data stored in the cloud can be different based on how it's generated, processed, and accessed over its lifetime. Some data is actively accessed and modified throughout its lifetime. Some data is accessed frequently early in its lifetime, while access dropping drastically as the data ages. Some data remains in the cloud and is rarely, if ever, accessed after it's stored. To accommodate these different access needs, Azure provides several *access tiers*, which you can use to balance your storage costs with your access needs.



Azure Storage offers different access tiers for your blob storage, helping you store object data in the most cost-effective manner. The available access tiers include:

- **Hot access tier:** Optimized for storing data that is accessed frequently (for example, images for your website).
- **Cool access tier:** Optimized for data that is infrequently accessed and stored for at least 30 days (for example, invoices for your customers).
- **Archive access tier:** Appropriate for data that is rarely accessed and stored for at least 180 days, with flexible latency requirements (for example, long-term backups).

The following considerations apply to the different access tiers:

- Only the hot and cool access tiers can be set at the account level. The archive access tier isn't available at the account level.
- Hot, cool, and archive tiers can be set at the blob level, during upload or after upload.
- Data in the cool access tier can tolerate slightly lower availability, but still requires high durability, retrieval latency, and throughput characteristics similar to hot data. For cool data, a slightly lower availability service-level agreement (SLA) and higher access costs compared to hot data are acceptable trade-offs for lower storage costs.
- Archive storage stores data offline and offers the lowest storage costs, but also the highest costs to rehydrate and access data.

The following illustration demonstrates choosing between the hot and cool access tiers on a general purpose storage account.

The cost of your storage account depends on the usage and the options you choose below.  
[Learn more](#)

Account kind  
StorageV2 (general purpose v2)

Performance ⓘ  
 Standard  Premium

Secure transfer required \* ⓘ  
 Disabled  Enabled

Access tier (default) ⓘ  
 Cool  Hot

Replication ⓘ  
Locally-redundant storage (LRS)

Large file shares ⓘ  
 Disabled  Enabled

Identity-based Directory Service for Azure File Authentication ⓘ  
None

Data Lake Storage Gen2

Hierarchical namespace ⓘ  
 Disabled  Enabled

NFS v3 ⓘ  
 Disabled  Enabled

## Walkthrough - Create blob storage

**Create a storage account with a blob storage container.  
Work with blob files. (5 min)**

1. Create a storage account.
2. Work with blob storage.
3. Monitor the storage account.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/05-Create%20Blob%20storage.html>

# Azure database services

## Introduction

Due to a growing number of acquisitions over the last decade, Tailwind Traders use various database and analytics technologies. As the company begins to migrate existing data workloads and deploy new data workloads to Azure, it needs to understand which Azure technology will be appropriate for each workload. The company's Chief Technology Officer (CTO) has assigned you the task of researching the different database options that are available. This research will help your company choose the right options for each of your data scenarios.



Today's applications are required to be highly responsive and always online. To achieve low latency and high availability, instances of these applications need to be deployed in datacenters that are close to their users. Applications need to respond in real time to large changes in usage at peak hours, store ever-increasing volumes of data, and make this data available to users in milliseconds. To help your company reach its goals, Azure database services are globally distributed, and Azure supports many of the industry standard databases and APIs.

The following video provides a brief overview for several of the database services that are available on Azure.



<https://www.microsoft.com/videoplayer/embed/RWyJvs>

In this module, you'll learn more about several of the primary database services that are available on Azure, and you'll analyze some of the reasons why each of these services might be the right choice for your data needs.

## Learning objectives

After completing this module, you'll be able to describe the benefits and usage of:

- Azure Cosmos DB
- Azure SQL Database
- Azure SQL Managed Instance
- Azure Database for MySQL
- Azure Database for PostgreSQL
- Azure Synapse Analytics
- Azure HDInsight

- Azure Databricks
- Azure Data Lake Analytics

## Prerequisites

- You should be familiar with basic computing concepts and terminology.
- You should be familiar with basic database concepts and terminology.

## Azure Cosmos DB

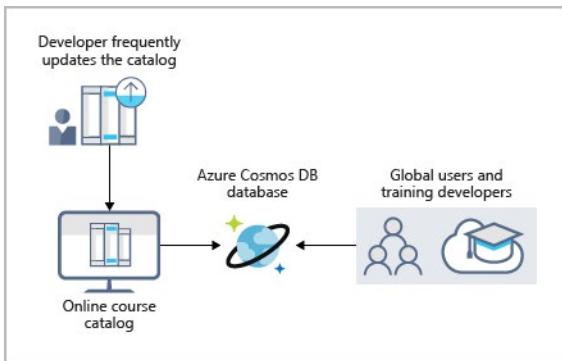
Over the years, Tailwind Traders has acquired several smaller companies. Each of these companies had teams of developers who used different database services and various APIs to work with their data. A long-term plan might be to eventually move all of the disparate data to a common database service. For now, though, you'd like to enable each of these teams to work with an environment where they can use their existing skills. Fortunately for you, Azure Cosmos DB can help out.



Azure Cosmos DB is a globally distributed, multi-model database service. You can elastically and independently scale throughput and storage across any number of Azure regions worldwide. You can take advantage of fast, single-digit-millisecond data access by using any one of several popular APIs. Azure Cosmos DB provides comprehensive service level agreements for throughput, latency, availability, and consistency guarantees.

Azure Cosmos DB supports schema-less data, which lets you build highly responsive and "Always On" applications to support constantly changing data. You can use this feature to store data that's updated and maintained by users around the world.

For example, Tailwind Traders provides a public training portal that is used by customers across the globe to learn about the different tools that Tailwind Traders creates. Tailwind Traders developers maintain and update the data. The following illustration shows a sample Azure Cosmos DB database that's used to store data for the Tailwind Traders training portal website.



Azure Cosmos DB is flexible. At the lowest level, Azure Cosmos DB stores data in atom-record-sequence (ARS) format. The data is then abstracted and projected as an API, which you specify when you're creating your database. Your choices include SQL, MongoDB, Cassandra, Tables, and Gremlin. This level of flexibility means that as you migrate your company's databases to Azure Cosmos DB, your developers can stick with the API that they're the most comfortable with.

## Azure SQL Database

Azure SQL Database is a relational database based on the latest stable version of the Microsoft SQL Server database engine. SQL Database is a high-performance, reliable, fully managed, and se database. You can use it to build data-driven applications and websites in the programming language of your choice, without needing to manage infrastructure.



## Features

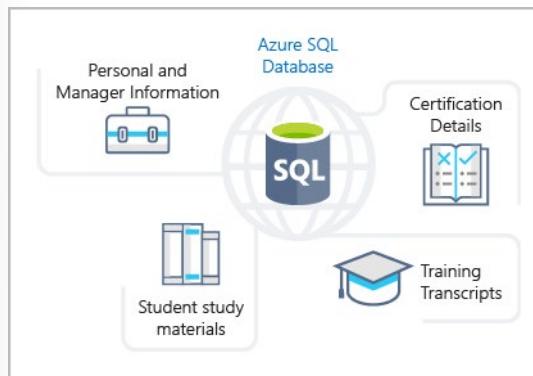
Azure SQL Database is a platform as a service (PaaS) database engine. It handles most of the database management functions, such as upgrading, patching, backups, and monitoring, without user involvement. SQL Database provides 99.99 percent availability. PaaS capabilities that are built into SQL Database enable you to focus on the domain-specific database administration and optimization activities that are critical for your business. SQL Database is a fully managed service that has built-in high availability, backups, and other common maintenance operations. Microsoft handles all updates to the SQL and operating system code. You don't have to manage the underlying infrastructure.

You can create a highly available and high-performance data storage layer for the applications and solutions in Azure. SQL Database can be the right choice for a variety of modern cloud applications because it enables you to process both relational data and non-relational structures, such as graphs, JSON, spatial, and XML.

You can use advanced query processing features, such as high-performance, in-memory technologies and intelligent query processing. In fact, the newest capabilities of SQL Server are released first to SQL Database, and then to SQL Server itself. You get the newest SQL Server capabilities, with no overhead for updates or upgrades, tested across millions of databases.

## Migration

Tailwind Traders currently uses several on-premises servers running SQL Server, which provide data storage for your public-facing website (for example, customer data, order history, and product catalogs). In addition, your on-premises servers running SQL Server also provide data storage for your internal-only training portal website. Tailwind Traders uses the website for new employee training materials (such as study materials, certification details, and training transcripts). The following illustration shows the types of data that your company might store in the Azure SQL Database training portal website.



You can migrate your existing SQL Server databases with minimal downtime by using the Azure Database Migration Service. The Microsoft Data Migration Assistant can generate assessment reports that provide recommendations to help guide you through required changes prior to performing a migration. After you assess and resolve any remediation required, you're ready to begin the migration process. The Azure Database Migration Service performs all of the required steps. You just change the connection string in your apps.

## Azure Database for MySQL

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Tailwind Traders currently manages several websites on-premises that use the LAMP stack (Linux, Apache, MySQL, PHP). As part of your planning for your migration strategy, the different teams at Tailwind Traders have been researching the available service offerings that Azure provides. You've already discovered that the Web Apps feature of Azure App Service provides built-in functionality to create web applications that use PHP on a Linux server running Apache. You've been tasked with investigating whether the data requirements for the web development team will continue to be met after the migration to Azure.

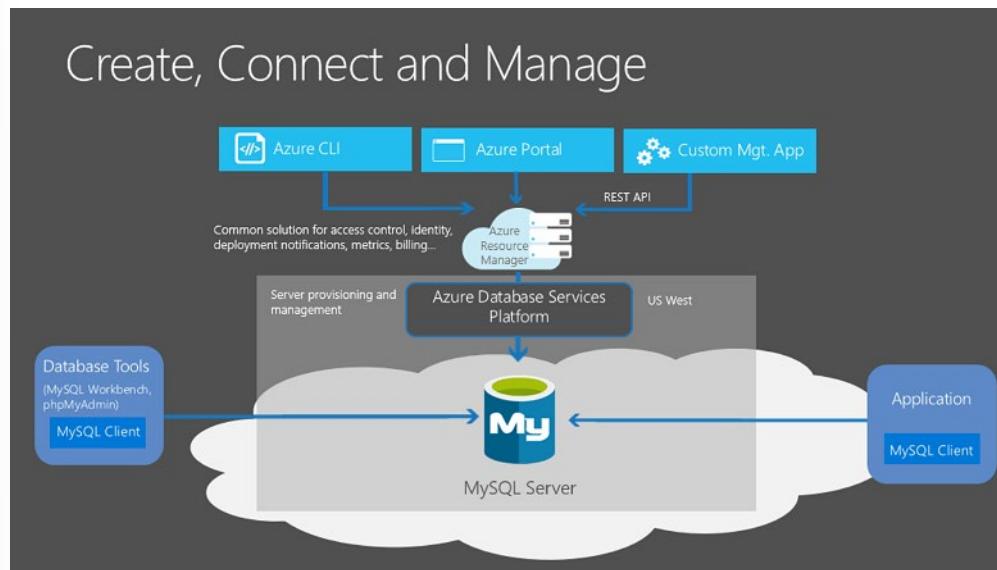


Azure Database for MySQL is a relational database service in the cloud, and it's based on the MySQL Community Edition database engine, versions 5.6, 5.7, and 8.0. With it, you have a 99.99 percent availability service level agreement from Azure, powered by a global network of Microsoft-managed datacenters. This helps keep your app running 24/7. With every Azure Database for MySQL server, you take advantage of built-in security, fault tolerance, and data protection that you would otherwise have to buy or design, build, and manage. With Azure Database for MySQL, you can use point-in-time restore to recover a server to an earlier state, as far back as 35 days.

Azure Database for MySQL delivers:

- Built-in high availability with no additional cost.
- Predictable performance and inclusive, pay-as-you-go pricing.
- Scale as needed, within seconds.
- Ability to protect sensitive data at-rest and in-motion.
- Automatic backups.
- Enterprise-grade security and compliance.

These capabilities require almost no administration, and all are provided at no additional cost. They allow you to focus on rapid app development and accelerating your time-to-market, rather than having to manage virtual machines and infrastructure. In addition, you can migrate your existing MySQL databases with minimal downtime by using the Azure Database Migration Service. After you have completed your migration, you can continue to develop your application with the open-source tools and platform of your choice. You don't have to learn new skills.



Azure Database for MySQL offers several service tiers, and each tier provides different performance and capabilities to support lightweight to heavyweight database workloads. You can build your first app on a small database for a few dollars a month, and then adjust the scale to meet the needs of your solution. Dynamic scalability enables your database to transparently respond to rapidly changing resource requirements. You only pay for the resources you need, and only when you need them.

## Azure Database for PostgreSQL

As part of its overall data strategy, Tailwind Traders have been using PostgreSQL for several years. You and your team probably already know the benefits of PostgreSQL. Part of your migration is to use Azure Database for PostgreSQL, and you want to make sure that you'll have access to the same benefits as your on-premises server before moving to the cloud.



Azure Database for PostgreSQL is a relational database service in the cloud. The server software is based on the community version of the open-source PostgreSQL database engine. Your familiarity with tools and expertise with PostgreSQL is applicable when you're using Azure Database for PostgreSQL.

Moreover, Azure Database for PostgreSQL delivers the following benefits:

- Built-in high availability compared to on-premises resources. There's no additional configuration, replication, or cost required to make sure your applications are always available.
- Simple and flexible pricing. You have predictable performance based on a selected pricing tier choice that includes software patching, automatic backups, monitoring, and security.
- Scale up or down as needed, within seconds. You can scale compute or storage independently as needed, to make sure you adapt your service to match usage.
- Adjustable automatic backups and point-in-time-restore for up to 35 days.
- Enterprise-grade security and compliance to protect sensitive data at-rest and in-motion. This security covers data encryption on disk and SSL encryption between client and server communication.

Azure Database for PostgreSQL is available in two deployment options: **Single Server** and **Hyperscale (Citus)**.

### **Single Server**

The Single Server deployment option delivers:

- Built-in high availability with no additional cost (99.99 percent SLA).
- Predictable performance and inclusive, pay-as-you-go pricing.
- Vertical scale as needed, within seconds.
- Monitoring and alerting to assess your server.
- Enterprise-grade security and compliance.
- Ability to protect sensitive data at-rest and in-motion.
- Automatic backups and point-in-time-restore for up to 35 days.

All those capabilities require almost no administration, and all are provided at no additional cost. You can focus on rapid application development and accelerating your time to market, rather than having to manage virtual machines and infrastructure. You can continue to develop your application with the open-source tools and platform of your choice, without having to learn new skills.

The Single Server deployment option offers three pricing tiers: Basic, General Purpose, and Memory Optimized. Each tier offers different resource capabilities to support your database workloads. You can build your first app on a small database for a few dollars a month, and then adjust the scale to meet the needs of your solution. Dynamic scalability enables your database to transparently respond to rapidly changing resource requirements. You only pay for the resources you need, and only when you need them.

### **Hyperscale (Citus)**

The Hyperscale (Citus) option horizontally scales queries across multiple machines by using sharding. Its query engine parallelizes incoming SQL queries across these servers for faster responses on large datasets. It serves applications that require greater scale and performance, generally workloads that are approaching, or already exceed, 100 GB of data.

The Hyperscale (Citus) deployment option supports multi-tenant applications, real-time operational analytics, and high throughput transactional workloads. Applications built for PostgreSQL can run distributed queries on Hyperscale (Citus) with standard connection libraries and minimal changes.

## Azure SQL Managed Instance

Azure SQL Managed Instance is a scalable cloud data service that provides the broadest SQL Server database engine compatibility with all the benefits of a fully managed platform as a service. Depending on your scenario, Azure SQL Managed Instance might offer more options for your database.



### Features

Like Azure SQL Database, Azure SQL Managed Instance is a platform as a service (PaaS) database engine, which means that your company will be able to take advantage of the best features of moving your data to the cloud in a fully-managed environment. For example, your company will no longer need to purchase and manage expensive hardware, and you won't have to maintain the additional overhead of managing your on-premises infrastructure. On the other hand, your company will benefit from the quick provisioning and service scaling features of Azure, together with automated patching and version upgrades. In addition, you'll be able to rest assured that your data will always be there when you need it through built-in high availability features and a 99.99% uptime service level agreement (SLA). You'll also be able to protect your data with automated backups and a configurable backup retention period.

Azure SQL Database and Azure SQL Managed Instance offer many of the same features; however, Azure SQL Managed Instance provides several options that might not be available to Azure SQL Database. For example, Tailwind Traders currently uses several on-premises servers running SQL Server, and they would like to migrate their existing databases to a SQL database running in the cloud. However, several of their databases use Cyrillic characters for collation. In this scenario, Tailwind Traders should migrate their databases to an Azure SQL Managed Instance, since Azure SQL Database only uses the default `SQL_Latin1_General_CI_AS` server collation.

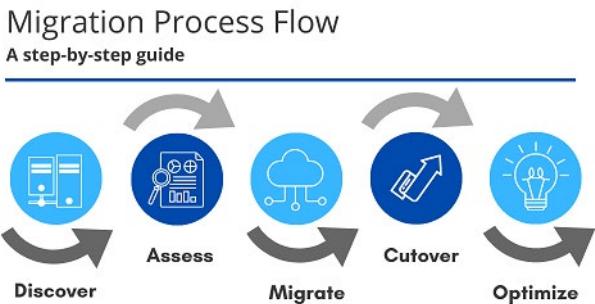
**Note:** For a detailed list of the differences between Azure SQL Database and Azure SQL Managed Instance, see [Features comparison: Azure SQL Database and Azure SQL Managed Instance](#)<sup>5</sup>.

### Migration

Azure SQL Managed Instance makes it easy to migrate your on-premises data on SQL Server to the cloud using the Azure Database Migration Service (DMS) or native backup and restore. After you have discovered all of the features that your company uses, you need to assess which on-premises SQL Server instances you can migrate to Azure SQL Managed Instance to see if you have any blocking issues. Once

<sup>5</sup> <https://docs.microsoft.com/azure/azure-sql/database/features-comparison/?azure-portal=true>

you have resolved any issues, you can migrate your data, then cutover from your on-premises SQL Server to your Azure SQL Managed Instance by changing the connection string in your applications.



**Note:** For a detailed description of the migration process, see [Migration guide: SQL Server to SQL Managed Instance<sup>6</sup>](#)

## Walkthrough - Create a SQL database

### Create a SQL database in Azure and then query the data in that database. (5 min)

1. Create the database.

2. Query the database.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/06-Create%20a%20SQL%20database.html>

## Explore Azure Marketplace

**Azure Marketplace** allows customers to find, try, purchase, and provision applications and services from hundreds of leading service providers, which are all certified to run on Azure.

- Open source container platforms.
- Virtual machine and database images.
- Application build and deployment software.
- Developer tools.
- And much more, with 10,000+ listings!

There is also a Marketplace FAQ available at <https://azure.microsoft.com/en-us/marketplace/faq/>

<sup>6</sup> <https://docs.microsoft.com/azure/azure-sql/migration-guides/managed-instance/sql-server-to-managed-instance-guide>

## Module 2 Review Questions

### Module 02 Review Questions

Choose the best response for each of the questions below. Then select **Check your answers**.

#### Multiple choice

*Tailwind Traders uses the LAMP stack for several of its websites. Which option would be ideal for migration?*

- Azure Database for MySQL
- Azure Cosmos DB
- Azure SQL Database
- Azure Database for PostgreSQL

#### Multiple choice

*Which Azure compute resource can be deployed to manage a set of identical virtual machines?*

- Virtual machine availability sets
- Virtual machine scale sets
- Virtual machine availability zones

#### Multiple choice

*Which of the following services should be used when the primary concern is to perform work in response to an event (often via a REST command) that needs a response in a few seconds?*

- Azure Functions
- Azure App Service
- Azure Container Instances

#### Multiple choice

*Your company has a team of remote workers that need to use Windows-based software to develop your company's applications, but your team members are using various operating systems like MacOS, Linux, and Windows. Which Azure compute service would help resolve this scenario?*

- Azure App Service
- Windows Virtual Desktop
- Azure Container Instances

## Multiple choice

*What is the first step that you would take in order to share an image file as a blob in Azure Storage?*

- Create an Azure Storage container to store the image.
- Upload the image file and create a container.
- Use a Shared Access Signature (SAS) token to restrict access to the image.
- Create an Azure Storage account.

## Multiple choice

*Which Azure Storage option is better for storing data for backup and restore, disaster recovery, and archiving?*

- Azure Blob Storage
- Azure Files Storage
- Azure Disk Storage

## Multiple choice

*Tailwind Traders wants to create a secure communication tunnel between its branch offices. Which of the following technologies can't be used?*

- Point-to-site virtual private network
- Implicit FTP over SSL
- Azure ExpressRoute
- Site-to-site virtual private network

## Multiple choice

*Tailwind Traders wants to use Azure ExpressRoute to connect its on-premises network to the Microsoft cloud. Which of the following choices isn't an ExpressRoute model that Tailwind Traders can use?*

- Site-to-site virtual private network
- Any-to-any connection
- Point-to-point Ethernet connection
- CloudExchange colocation

## Multiple choice

*Which of the following options can you use to link virtual networks?*

- Network address translation
- Multi-chassis link aggregation
- Dynamic Host Control Protocol
- Virtual network peering

## Multiple choice

*Which of the following options isn't a benefit of ExpressRoute?*

- Redundant connectivity
- Consistent network throughput
- Encrypted network communication
- Access to Microsoft cloud services

## Module 02 Summary

# Module 02 Summary

### Core Azure architectural components

In this lesson, you learned the concepts and terminology for several of the core Azure architecture components. Now you have the basic level of understanding for Azure architecture that you'll need to make Tailwind Traders successful as it migrates to the cloud.

You learned how to describe the benefits and usage of:

- Azure subscriptions and management groups.
- Azure resources, resource groups, and Azure Resource Manager.
- Azure regions, region pairs, and availability zones.

### Learn more

- [Build a cloud governance strategy on Azure<sup>7</sup>](#)
- [Azure Resource Manager template documentation<sup>8</sup>](#)
- [Describe core Azure architectural components<sup>9</sup>](#)
- [Control and organize Azure resources with Azure Resource Manager<sup>10</sup>](#)
- [Examine Azure subscriptions<sup>11</sup>](#)
- [Regions and availability zones in Azure<sup>12</sup>](#)
- [What are Azure management groups?<sup>13</sup>](#)

### Core Azure workload products

In this lesson, you learned how you can help Tailwind Traders resolve its application demand challenges through the use of Azure virtualization services like Azure Virtual Machines, Azure Container Instances, and Azure Kubernetes Service. You also learned how you can use:

- Azure App Service to create your website front-ends.
- Azure Functions to create event-driven application logic that only runs when you need it.
- Windows Virtual Desktop to quickly provide a customized operating system and software environment for your remote workers.

### Learn more

- [Azure compute<sup>14</sup>](#)

<sup>7</sup> <https://docs.microsoft.com/learn/modules/build-cloud-governance-strategy-azure/?azure-portal=true>

<sup>8</sup> <https://docs.microsoft.com/azure/azure-resource-manager/templates/?azure-portal=true>

<sup>9</sup> <https://docs.microsoft.com/learn/modules/azure-architecture-fundamentals/?azure-portal=true>

<sup>10</sup> <https://docs.microsoft.com/learn/modules/control-and-organize-with-azure-resource-manager/?azure-portal=true>

<sup>11</sup> <https://docs.microsoft.com/learn/modules/examine-azure-subscriptions/?azure-portal=true>

<sup>12</sup> <https://docs.microsoft.com/azure/availability-zones/az-overview?azure-portal=true>

<sup>13</sup> <https://docs.microsoft.com/azure/governance/management-groups/overview?azure-portal=true>

<sup>14</sup> <https://azure.microsoft.com/product-categories/compute?azure-portal=true>

- **Virtual Machines documentation<sup>15</sup>**
- **Windows virtual machines in Azure<sup>16</sup>**
- **Linux virtual machines in Azure<sup>17</sup>**
- **Azure App Service documentation<sup>18</sup>**
- **Azure Container Instances<sup>19</sup>**
- **Azure Kubernetes Service<sup>20</sup>**
- **Azure Functions documentation<sup>21</sup>**
- **Windows Virtual Desktop documentation<sup>22</sup>**

## Azure networking services

In this lesson, you used the Tailwind Traders scenario to learn about the core networking resources that are available in Azure. You learned about the benefits and usage of Azure Virtual Network, Azure VPN Gateway, and Azure ExpressRoute.

You can now apply this information to help your business use Azure's networking resources to configure its network infrastructure.

### Learn more

- **Azure networking services overview<sup>23</sup>**
- **Virtual Network documentation<sup>24</sup>**
- **ExpressRoute overview<sup>25</sup>**
- **ExpressRoute FAQ<sup>26</sup>**
- **Learning Path: Architect network infrastructure in Azure<sup>27</sup>**
- **Module: Connect your on-premises network to the Microsoft global network by using ExpressRoute<sup>28</sup>**
- **Virtual network peering<sup>29</sup>**

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<sup>15</sup> <https://docs.microsoft.com/azure/virtual-machines/?azure-portal=true>

<sup>16</sup> <https://docs.microsoft.com/azure/virtual-machines/windows/?azure-portal=true>

<sup>17</sup> <https://docs.microsoft.com/azure/virtual-machines/linux/?azure-portal=true>

<sup>18</sup> <https://docs.microsoft.com/azure/app-service/?azure-portal=true>

<sup>19</sup> <https://azure.microsoft.com/services/container-instances?azure-portal=true>

<sup>20</sup> <https://azure.microsoft.com/services/kubernetes-service?azure-portal=true>

<sup>21</sup> <https://docs.microsoft.com/azure/azure-functions/?azure-portal=true>

<sup>22</sup> <https://docs.microsoft.com/azure/virtual-desktop/?azure-portal=true>

<sup>23</sup> <https://docs.microsoft.com/azure/networking/networking-overview?azure-portal=true>

<sup>24</sup> <https://docs.microsoft.com/azure/virtual-network/?azure-portal=true>

<sup>25</sup> <https://docs.microsoft.com/azure/expressroute/?azure-portal=true>

<sup>26</sup> <https://docs.microsoft.com/azure/expressroute/expressroute-faqs?azure-portal=true>

<sup>27</sup> <https://docs.microsoft.com/learn/patterns/architect-network-infrastructure/?azure-portal=true>

<sup>28</sup> <https://docs.microsoft.com/learn/modules/connect-on-premises-network-with-expressroute/?azure-portal=true>

<sup>29</sup> <https://docs.microsoft.com/azure/virtual-network/virtual-network-peering-overview?azure-portal=true>

## Azure storage services

In this lesson, you discovered how Azure Storage can provide your company with a variety of options for storing your data. For example, you learned that your first step when using Azure Storage is to create a storage account. After you've done so, Azure provides you with several options for storing your data:

- Azure Blob Storage
- Azure Disk Storage
- Azure Files Storage

## Azure database services

In this lesson, you learned how to help Tailwind Traders migrate its database workloads to Microsoft Azure. You saw how Azure SQL Database, Azure Database for MySQL, and Azure Database for PostgreSQL will enable your company to migrate its existing SQL Server, MySQL, and PostgreSQL databases to the cloud. You can do this even while preserving your company's development and database administration strengths.

In addition, you saw how Azure Cosmos DB works with a variety of popular APIs, including SQL, MongoDB, Cassandra, Tables, and Gremlin. You can use these to migrate your data to the cloud and retain or enhance your developers' skillsets.

## Learn more

### Azure database documentation

- [Azure Analytics Services<sup>30</sup>](#)
- [Azure Cosmos DB documentation<sup>31</sup>](#)
- [Azure SQL Database documentation<sup>32</sup>](#)
- [Azure SQL Managed Instance documentation<sup>33</sup>](#)
- [Azure Database for MySQL documentation<sup>34</sup>](#)
- [Azure Database for PostgreSQL documentation<sup>35</sup>](#)

### Migrating database workloads to Azure

- [Migrate SQL workloads to Azure<sup>36</sup>](#)
- [Migrate SQL Workloads to Azure SQL Databases<sup>37</sup>](#)
- [Migrate SQL Workloads to Azure Managed Instances<sup>38</sup>](#)

<sup>30</sup> <https://azure.microsoft.com/product-categories/analytics/?azure-portal=true>

<sup>31</sup> <https://docs.microsoft.com/azure/cosmos-db/?azure-portal=true>

<sup>32</sup> <https://docs.microsoft.com/azure/sql-database/?azure-portal=true>

<sup>33</sup> <https://docs.microsoft.com/azure/azure-sql/managed-instance/?azure-portal=true>

<sup>34</sup> <https://docs.microsoft.com/azure/mysql/?azure-portal=true>

<sup>35</sup> <https://docs.microsoft.com/azure/postgresql/?azure-portal=true>

<sup>36</sup> <https://docs.microsoft.com/learn/patterns/migrate-sql-workloads-azure/?azure-portal=true>

<sup>37</sup> <https://docs.microsoft.com/learn/modules/migrate-sql-workloads-azure-sql-databases/?azure-portal=true>

<sup>38</sup> <https://docs.microsoft.com/learn/modules/migrate-sql-workloads-azure-managed-instances/?azure-portal=true>

- **Migrate on-premises MySQL databases to Azure Database for MySQL<sup>39</sup>**

## Working with Azure databases

- **Create an Azure Database for PostgreSQL server<sup>40</sup>**
- **Insert and query data in your Azure Cosmos DB database<sup>41</sup>**
- **Provision an Azure SQL database to store application data<sup>42</sup>**

In addition, Azure provides several access tiers that you can use to balance your storage costs with your business needs.

## Learn more

- **Azure Files documentation<sup>43</sup>**
- **Azure Storage documentation<sup>44</sup>**
- **Choose a data storage approach in Azure<sup>45</sup>**
- **Create an Azure Storage account<sup>46</sup>**
- **Introduction to Azure managed disks<sup>47</sup>**

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<sup>39</sup> <https://docs.microsoft.com/learn/modules/migrate-on-premises-mysql-databases/?azure-portal=true>

<sup>40</sup> <https://docs.microsoft.com/learn/modules/create-azure-db-for-postgresql-server/?azure-portal=true>

<sup>41</sup> <https://docs.microsoft.com/learn/modules/access-data-with-cosmos-db-and-sql-api/?azure-portal=true>

<sup>42</sup> <https://docs.microsoft.com/learn/modules/provision-azure-sql-db/?azure-portal=true>

<sup>43</sup> <https://docs.microsoft.com/azure/storage/files/?azure-portal=true>

<sup>44</sup> <https://docs.microsoft.com/azure/storage/?azure-portal=true>

<sup>45</sup> <https://docs.microsoft.com/learn/modules/choose-storage-approach-in-azure/?azure-portal=true>

<sup>46</sup> <https://docs.microsoft.com/learn/modules/create-azure-storage-account/?azure-portal=true>

<sup>47</sup> <https://docs.microsoft.com/azure/virtual-machines/windows/managed-disks-overview?azure-portal=true>

# Answers

## Multiple choice

Tailwind Traders uses the LAMP stack for several of its websites. Which option would be ideal for migration?

- Azure Database for MySQL
- Azure Cosmos DB
- Azure SQL Database
- Azure Database for PostgreSQL

*Explanation*

*Azure Database for MySQL is the logical choice for existing LAMP stack applications.*

## Multiple choice

Which Azure compute resource can be deployed to manage a set of identical virtual machines?

- Virtual machine availability sets
- Virtual machine scale sets
- Virtual machine availability zones

*Explanation*

*Virtual machine scale sets let you deploy and manage a set of identical virtual machines.*

## Multiple choice

Which of the following services should be used when the primary concern is to perform work in response to an event (often via a REST command) that needs a response in a few seconds?

- Azure Functions
- Azure App Service
- Azure Container Instances

*Explanation*

*Azure Functions is used when you need to perform work in response to an event (often via a REST request), timer, or message from another Azure service, and when that work can be completed quickly, within seconds or less.*

## Multiple choice

Your company has a team of remote workers that need to use Windows-based software to develop your company's applications, but your team members are using various operating systems like MacOS, Linux, and Windows. Which Azure compute service would help resolve this scenario?

- Azure App Service
- Windows Virtual Desktop
- Azure Container Instances

*Explanation*

*That's correct. Windows Virtual Desktop enables your team members to run Windows in the cloud, with access to the required applications for your company's needs.*

**Multiple choice**

What is the first step that you would take in order to share an image file as a blob in Azure Storage?

- Create an Azure Storage container to store the image.
- Upload the image file and create a container.
- Use a Shared Access Signature (SAS) token to restrict access to the image.
- Create an Azure Storage account.

*Explanation*

*You must create an Azure Storage account before you can use any Azure Storage features.*

**Multiple choice**

Which Azure Storage option is better for storing data for backup and restore, disaster recovery, and archiving?

- Azure Blob Storage
- Azure Files Storage
- Azure Disk Storage

*Explanation*

*Azure Blob Storage is your best option for storing disaster recovery files and archives.*

**Multiple choice**

Tailwind Traders wants to create a secure communication tunnel between its branch offices. Which of the following technologies can't be used?

- Point-to-site virtual private network
- Implicit FTP over SSL
- Azure ExpressRoute
- Site-to-site virtual private network

*Explanation*

*FTP over SSL can't be used to create a secure communication tunnel.*

**Multiple choice**

Tailwind Traders wants to use Azure ExpressRoute to connect its on-premises network to the Microsoft cloud. Which of the following choices isn't an ExpressRoute model that Tailwind Traders can use?

- Site-to-site virtual private network
- Any-to-any connection
- Point-to-point Ethernet connection
- CloudExchange colocation

*Explanation*

*A site-to-site virtual private network isn't an ExpressRoute model.*

**Multiple choice**

Which of the following options can you use to link virtual networks?

- Network address translation
- Multi-chassis link aggregation
- Dynamic Host Control Protocol
- Virtual network peering

*Explanation*

*Virtual network peering can be used to link virtual networks.*

**Multiple choice**

Which of the following options isn't a benefit of ExpressRoute?

- Redundant connectivity
- Consistent network throughput
- Encrypted network communication
- Access to Microsoft cloud services

*Explanation*

*Correct. ExpressRoute does provide private connectivity, but it isn't encrypted.*



## Module 3 Core solutions and management tools

### Choose the best Azure IoT service

#### Introduction

IoT bridges the physical and digital worlds by enabling devices with sensors and an internet connection to communicate with cloud-based systems via the internet.



Tailwind Traders sees many opportunities to use Azure IoT services across many different facets of their operations, from new product development to logistics and point-of-sale.

In this module, you'll help Tailwind Traders select the right Azure IoT service offering for its business scenarios. By evaluating the services in relation to a set of decision criteria, you'll learn about what the various services do, how they're different or complementary, and when to use one or the other.

#### Learning objectives

After you've completed this module, you'll be able to:

- Choose the Azure IoT service that best addresses your business scenario.

#### Prerequisites

- Familiarity with basic computing concepts and terminology
- Familiarity with cloud computing is helpful but not necessary

## Identify the product options

IoT enables devices to gather and then relay information for data analysis. Smart devices are equipped with sensors that collect data. A few common sensors that measure attributes of the physical world include:

- Environmental sensors that capture temperature and humidity levels.
- Barcode, QR code, or optical character recognition (OCR) scanners.
- Geo-location and proximity sensors.
- Light, color, and infrared sensors.
- Sound and ultrasonic sensors.
- Motion and touch sensors.
- Accelerometer and tilt sensors.
- Smoke, gas, and alcohol sensors.
- Error sensors to detect when there's a problem with the device.
- Mechanical sensors that detect anomalies or deformations.
- Flow, level, and pressure sensors for measuring gasses and liquids.



<https://www.microsoft.com/videoplayer/embed/RWJvRn>

By using Azure IoT services, devices that are equipped with these kinds of sensors and that can connect to the internet could send their sensor readings to a specific endpoint in Azure via a message. The message's data is then collected and aggregated, and it can be converted into reports and alerts. Alternately, all devices could be updated with new firmware to fix issues or add new functionality by sending software updates from Azure IoT services to each device.

Let's suppose your company manufactures and operates smart refrigerated vending machines. What kinds of information would you want to monitor? You might want to ensure that:

- Each machine is operating without any errors.
- The machines haven't been compromised.
- The machines' refrigeration systems are keeping their contents within a certain temperature range.
- You're notified when products reach a certain inventory level so you can restock the machines.

If the hardware of your vending machines can collect and send this information in a standard message, the messages each machine sends can be received, stored, organized, and displayed by using Azure IoT services.

The data that's collected from these devices could be combined with Azure AI services to help you predict:

- When machines need proactive maintenance.
- When inventories will need to be replenished and new product ordered from vendors.

Many services can assist and drive end-to-end solutions for IoT on Azure.



<https://www.microsoft.com/videoplayer/embed/RWGd57>

## Azure IoT Hub

**Azure IoT Hub**<sup>1</sup> is a managed service that's hosted in the cloud and that acts as a central message hub for bi-directional communication between your IoT application and the devices it manages. You can use Azure IoT Hub to build IoT solutions with reliable and secure communications between millions of IoT devices and a cloud-hosted solution back end. You can connect virtually any device to your IoT hub.

The IoT Hub service supports communications both from the device to the cloud and from the cloud to the device. It also supports multiple messaging patterns, such as device-to-cloud telemetry, file upload from devices, and request-reply methods to control your devices from the cloud. After an IoT hub receives messages from a device, it can route that message to other Azure services.

From a cloud-to-device perspective, IoT Hub allows for *command and control*. That is, you can have either manual or automated remote control of connected devices, so you can instruct the device to open valves, set target temperatures, restart stuck devices, and so on.

IoT Hub monitoring helps you maintain the health of your solution by tracking events such as device creation, device failures, and device connections.

## Azure IoT Central

**Azure IoT Central**<sup>2</sup> builds on top of IoT Hub by adding a dashboard that allows you to connect, monitor, and manage your IoT devices. The visual user interface (UI) makes it easy to quickly connect new devices and watch as they begin sending telemetry or error messages. You can watch the overall performance across all devices in aggregate, and you can set up alerts that send notifications when a specific device needs maintenance. Finally, you can push firmware updates to the device.

To help you get up and running quickly, IoT Central provides starter templates for common scenarios across various industries, such as retail, energy, healthcare, and government. You then customize the design starter templates directly in the UI by choosing from existing themes or creating your own custom theme, setting the logo, and so on. With IoT Central, you can tailor the starter templates for the specific data that's sent from your devices, the reports you want to see, and the alerts you want to send.

<sup>1</sup> <https://azure.microsoft.com/services/iot-hub/?azure-portal=true>

<sup>2</sup> <https://azure.microsoft.com/services/iot-central/?azure-portal=true>

The screenshot shows the Azure IoT Central interface. On the left, there's a sidebar with 'Home', 'Build' (which is selected), and 'My apps'. The main area has a title 'Build your IoT application' and a sub-instruction 'Test drive with a 7 day trial (limited to one per account), or build your own app that scales and grows with you.' Below this is a 'Featured' section with a 'Custom app' card. Underneath are four categories: 'Retail' (selected), 'Energy', 'Government', and 'Healthcare'. Each category has a preview image and a 'Create app' button. The 'Retail' section includes: 'Connected logistics' (Preview, Create app, Learn more), 'Digital distribution center' (Preview, Create app, Learn more), 'In-store analytics' (Preview, Create app, Learn more), and 'Smart inventory management' (Preview, Create app, Learn more).

You can use the UI to control your devices remotely. This feature allows you to push a software update or modify a property of the device. You can adjust the desired temperature for one or all of your refrigerated vending machines from directly inside of IoT Central.

A key part of IoT Central is the use of device templates. By using a device template, you can connect a device without any service-side coding. IoT Central uses the templates to construct the dashboards, alerts, and so on. Device developers still need to create code to run on the devices, and that code must match the device template specification.

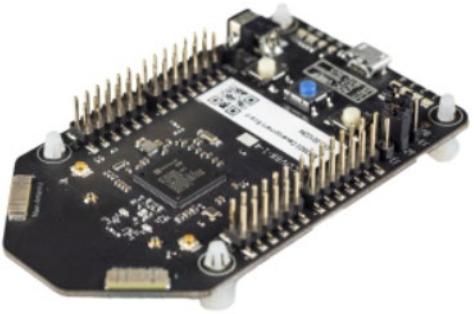
## Azure Sphere

**Azure Sphere**<sup>3</sup> creates an end-to-end, highly secure IoT solution for customers that encompasses everything from the hardware and operating system on the device to the secure method of sending messages from the device to the message hub. Azure Sphere has built-in communication and security features for internet-connected devices.

Azure Sphere comes in three parts:

- The first part is the Azure Sphere micro-controller unit (MCU), which is responsible for processing the operating system and signals from attached sensors. The following image displays the Seeed Azure Sphere MT3620 Development Kit MCU, one of several different starter kits that are available for prototyping and developing Azure Sphere applications.

<sup>3</sup> <https://azure.microsoft.com/services/azure-sphere/?azure-portal=true>



- The second part is a customized Linux operating system (OS) that handles communication with the security service and can run the vendor's software.
- The third part is Azure Sphere Security Service, also known as AS3. Its job is to make sure that the device has not been maliciously compromised. When the device attempts to connect to Azure, it first must authenticate itself, per device, which it does by using certificate-based authentication. If it authenticates successfully, AS3 checks to ensure that the device hasn't been tampered with. After it has established a secure channel of communication, AS3 pushes any OS or approved customer-developed software updates to the device.

After the Azure Sphere system has validated the authenticity of the device and authenticated it, the device can interact with other Azure IoT services by sending telemetry and error information.

## Analyze the decision criteria

In this unit, we'll analyze the criteria that experts employ when they decide which IoT service to use for a given business need. Understanding the criteria can also help you better understand the nuanced differences between each product.

### Is it critical to ensure that the device is not compromised?

No manufacturers or customers want their devices to be maliciously compromised and used for nefarious purposes, but it's more critical to ensure the integrity of an ATM than, say, a washing machine. When security is a critical consideration in your product's design, the best product option is Azure Sphere, which provides a comprehensive end-to-end solution for IoT devices.

As we mentioned in the previous unit, Azure Sphere ensures a secure channel of communication between the device and Azure by controlling everything from the hardware to the operating system and the authentication process. This ensures that the integrity of the device is uncompromised. After a secure channel is established, messages can be received from the device securely, and messages or software updates can be sent to the device remotely.

### Do I need a dashboard for reporting and management?

Your next decision will be the level of services you require from your IoT solution. If you merely want to connect to your remote devices to receive telemetry and occasionally push updates, and you don't need any reporting capabilities, you might prefer to implement Azure IoT Hub by itself. Your programmers can still create a customized set of management tools and reports by using the IoT Hub RESTful API.

However, if you want a pre-built customizable user interface with which you can view and control your devices remotely, you might prefer to start with IoT Central. With this solution, you can control a single device or all devices at once, and you can set up alerts for certain conditions, such as a device failure.

IoT Central integrates with many different Azure products, including IoT Hub, to create a dashboard with reports and management features. The dashboard is based on starter templates for common industry and usage scenarios. You can use the dashboard that's generated by the starter template as is or customize it to suit your needs. You can have multiple dashboards and target them at a variety of users.

## Use IoT Hub

The Tailwind Traders senior leadership team has decided to partner with a leading appliance manufacturer to create an exclusive, high-end brand that promises a preemptive maintenance service agreement. This unique feature would differentiate Tailwind Traders appliances in a crowded, competitive market. The feature also makes the brand lucrative, because a yearly subscription would be required. To build a strong brand reputation, the appliances will send telemetry information to a centralized location, where it can be analyzed and maintenance can be scheduled.

The devices will not require remote control. They will merely be sending their telemetry data for analysis and pro-active maintenance.

Because Tailwind Traders already has software in place for managing appliance maintenance requests, the company wants to integrate all functionality into this existing system.

## Which service should you choose?

Let's apply the decision criteria from the previous unit.

First, is it critical to ensure that the device or, in this case, each appliance, isn't compromised? It's preferable, but not critical, that the devices aren't compromised. The worst that could happen is that a hacker reads the current temperature of the customer's refrigerator or the number of loads of laundry the washing machine has completed.

Even if the customer calls and reports strange behavior with their appliance, a technician could reset or replace the microcontroller. It might not warrant the extra expense or engineering resources that would be required to employ Azure Sphere.

Second decision criterion: do I need a dashboard for reporting and management? In this case, no. Tailwind Traders wants to integrate the telemetry data and all other functionality into an existing maintenance request system. In this case, Azure IoT Central is not required.

So, given the responses to the decision criteria, Azure IoT Hub is the best choice in this scenario.

## Why not use Azure IoT Central?

Azure IoT Central provides a dashboard that allows companies to manage IoT devices individually and an aggregate, view reports, and set up error notifications via a GUI. But, in this scenario, Tailwind Traders wants to integrate the telemetry it collects and other analysis functionality into an existing software application. Furthermore, the company's appliances will be collecting data via sensors only and don't need the ability to update settings or software remotely. Therefore, the company doesn't need Azure IoT Central.

## Why not use Azure Sphere?

Azure Sphere provides a complete solution for scenarios where security is critical. In this scenario, security is preferred but not critical. The appliances can't be updated with new software remotely. The sensors merely report usage data. As a result, Azure Sphere isn't necessary.

## Use IoT Central

Tailwind Traders owns a fleet of delivery vehicles that transport products from warehouses to distribution centers, and from distribution centers to stores and homes. The company is looking for a complete logistics solution that takes data sent from an onboard vehicle computer and turns it into actionable information.

Furthermore, shipments can be outfitted with sensors from a third-party vendor to collect and monitor ambient conditions. These sensors can collect information such as the temperature, humidity, tilt, shock, light, and the location of a shipment.

A few goals of this logistics system include:

- Shipment monitoring with real-time tracing and tracking.
- Shipment integrity with real-time ambient condition monitoring.
- Security from theft, loss, or damage of shipments.
- Geo-fencing, route optimization, fleet management, and vehicle analytics.
- Forecasting for predictable departure and arrival of shipments.

The company would prefer a pre-built solution to collect the sensor and vehicle computer data, and provide a graphical user interface that displays reports about shipments and vehicles.

## Which service should you choose?

Here again, apply the decision criteria that you learned about earlier.

First, is it critical to ensure that the device or, in this case, each appliance, isn't compromised? Ideally, each sensor and vehicle computer would be impervious to interference. However, security was not mentioned as a critical concern at this point. The vehicle computers and sensors are built by a third-party vendor and, unless Tailwind Traders wants to manufacture its own devices (which they don't), the company will be forced to use hardware that's already available.

Second, does Tailwind Traders need a dashboard for reporting and management? Yes, a reporting and management dashboard is a requirement.

Based on these responses to the decision criteria, Azure IoT Central is the best choice in this scenario. The Connected Logistics starter template provides an out-of-box dashboard that will satisfy many of these requirements. This dashboard is preconfigured to showcase the critical logistics device operations activity. Admittedly, the dashboard might need to be reconfigured to remove sea vessel gateways, but the truck gateway functionality would be almost exactly what Tailwind Traders needs.

## Why not use IoT Hub?

If Tailwind Traders uses IoT Central, the company would actually be using an IoT hub that's preconfigured for its specific needs by the Connected Logistics starter template. Otherwise, the company would need to do a lot of custom development to build its own cloud-based dashboards and management systems on top of Azure IoT Hub.

## Why not use Azure Sphere?

Azure Sphere provides a complete solution for scenarios where security is critical. In this scenario, security is ideal, but not a critical priority. Although Azure Sphere provides an end-to-end solution that includes hardware, Tailwind Traders will use hardware from a third-party vendor. So, in this scenario, Azure Sphere is not necessary.

## Use Azure Sphere

Tailwind Traders wants to implement a touchless point-of-sale solution for self-checkout. The self-checkout terminals should be, above all else, secure. Each terminal must be impervious to malicious code that could create fraudulent transactions, force the company to take the systems offline during a heavy shopping period, or send transactional data to a spying organization. The terminals should also report back vital information on the company's health and allow secure updates to its software remotely.

After reviewing many possible solutions during a request for proposal process, Tailwind Traders decides that it needs features that vendors have yet to implement. Instead of using an existing solution, the company decides to work with a leading engineering firm that specializes in IoT solutions. This approach allows the company to build a uniquely secure terminal that gives it a retail platform to build on going forward.

Although most of the company's focus is on the terminal itself, Tailwind Traders realizes that it wants a solution that can help it make sense of all the data that will be generated by these terminals across all of its retail stores. And it wants an easy way to push software updates to its terminals.

## Which service should you choose?

Again, apply the decision criteria as you've been doing.

First, is it critical to ensure that the device or, in this case, each point-of-sale terminal, is not compromised? Absolutely. Device security is the primary requirement.

Next, does Tailwind Traders need a dashboard for reporting and management? Yes, the company requires a reporting and management dashboard.

So, given the responses to the decision criteria, the IoT engineering firm will build a platform on top of both Azure IoT Central and Azure Sphere. Even though no specific starter template is available in Azure IoT Central for this scenario, one can easily be adapted to accommodate the kinds of reports the company wants to see and the management operations it wants to perform.

## Why not choose IoT Hub?

By using IoT Central, Tailwind Traders would actually be using Azure IoT Hub behind the scenes as well.

## Walkthrough - Implement an Azure IoT Hub

**Create an Azure IoT Hub in Azure Portal and configure the hub to authenticate a connection to an IoT device using the Raspberry Pi device simulator. (10 min)**

1. Create an IoT Hub.
2. Add an IoT device.
3. Test the device using the Raspberry Pi Simulator.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/07-Implement%20the%20Azure%20IoT%20Hub.html>

## Big data and analytics

Several years ago, Tailwind Traders rolled out a new GPS tracking system for all of its delivery vehicles. The new system provides real-time tracking data to your primary datacenter. Your CTO wants your team to look at several years of tracking data in order to determine trends. For example, an important trend might be a spike in deliveries around the holidays that would require hiring additional staff. Through an in-depth analysis of the tracking data that you've recorded, your CTO seeks to predict when changes are necessary, and then proactively take the necessary steps to appropriately manage spikes.

Data comes in all types of forms and formats. When we talk about big data, we're referring to large volumes of data. In this Tailwind Traders scenario, data is collected from the GPS sensors, which includes location information, data from weather systems, and many other sources that generate large amounts of data. This amount of data becomes increasingly hard to make sense of and to base decisions on. The volumes are so large that traditional forms of processing and analysis are no longer appropriate.

Open-source cluster technologies have been developed, over time, to try to deal with these large data-sets. Microsoft Azure supports a broad range of technologies and services to provide big data and analytic solutions, including Azure Synapse Analytics, Azure HDInsight, Azure Databricks, and Azure Data Lake Analytics.

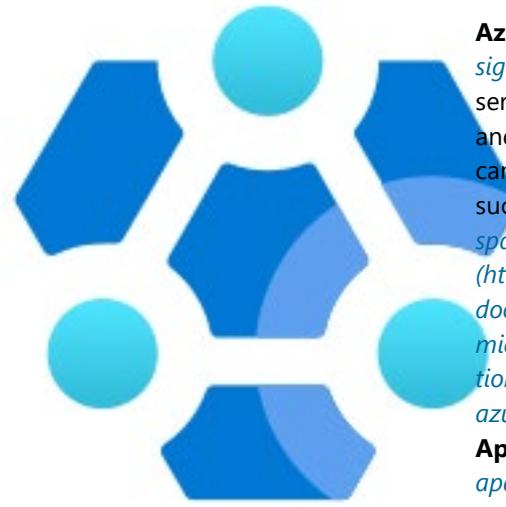
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### Azure Synapse Analytics

**Azure Synapse Analytics** (<https://docs.microsoft.com/azure/sql-data-warehouse/?azure-portal=true>) (formerly Azure SQL Data Warehouse) is a limitless analytics service that brings together enterprise data warehousing and big data analytics. You can query data on your terms by using either serverless or provisioned resources at scale. You have a unified experience to ingest, prep, manage, and serve data for immediate BI and machine learning needs.



### Azure HDInsight



**Azure HDInsight** (<https://azure.microsoft.com/services/hdinsight/?azure-portal=true>) is a fully managed, open-source analytics service for enterprises. It's a cloud service that makes it easier, faster, and more cost-effective to process massive amounts of data. You can run popular open-source frameworks and create cluster types such as **Apache Spark** (<https://docs.microsoft.com/azure/hdinsight/spark/apache-spark-overview?azure-portal=true>), **Apache Hadoop** (<https://docs.microsoft.com/azure/hdinsight/hadoop/apache-hadoop-introduction?azure-portal=true>), **Apache Kafka** (<https://docs.microsoft.com/azure/hdinsight/kafka/apache-kafka-introduction?azure-portal=true>), **Apache HBase** (<https://docs.microsoft.com/azure/hdinsight/hbase/apache-hbase-overview?azure-portal=true>), **Apache Storm** (<https://docs.microsoft.com/azure/hdinsight/storm/apache-storm-overview?azure-portal=true>), and **Machine Learning Services** (<https://docs.microsoft.com/azure/hdinsight/r-server/r-server-overview?azure-portal=true>). HDInsight also supports a broad range of scenarios such as extraction, transformation, and loading (ETL), data warehousing, machine learning, and IoT.

### Azure Databricks

**Azure Databricks** (<https://azure.microsoft.com/services/databricks/?azure-portal=true>) helps you unlock insights from all your data and build artificial intelligence solutions. You can set up your Apache Spark environment in minutes, and then autoscale and collaborate on shared projects in an interactive workspace. Azure Databricks supports Python, Scala, R, Java, and SQL, as well as machine learning frameworks and libraries including TensorFlow, PyTorch, scikit-learn.



### Azure Data Lake Analytics

**Azure Data Lake Analytics** (<https://azure.microsoft.com/services/data-lake-analytics/?azure-portal=true>) is an on-demand analytics job service that simplifies big data. Instead of deploying, configuring, and tuning hardware, you write queries to transform your data and extract valuable insights. The analytics service can handle jobs of any scale instantly by setting the dial for how much power you need. You only pay for your job when it's running, making it more cost-effective.



# Choose the best AI service

## Introduction

Artificial Intelligence (AI) is a category of computing that adapts and improves its decision-making ability over time based on its successes and failures. Microsoft Azure provides several AI solutions to choose from, each one depending on the problem you're trying to solve.



Tailwind Traders, a traditional brick-and-mortar retailer that has experienced explosive online sales growth, faces exciting challenges as it seeks to improve its e-commerce and service operations. Microsoft's AI services might be a good fit for one of the company's new initiatives, but Tailwind Traders needs help to better understand which product option is best for each scenario.

In this module, you'll learn about the various Microsoft AI services, and you'll analyze the decision criteria that experts use to select the right service for a specified scenario.

## Learning objectives

After completing this module, you'll be able to:

- Choose the Azure AI services that best address your company's business challenges.

## Prerequisites

- Familiarity with the concept of *application programming interfaces*, or APIs. Programmers use APIs to interact with the functionality that's contained in code libraries.
- Familiarity with the following additional concepts:
  - *Web API*: An API that's accessible from servers that accept requests via HTTP.
  - *Web API endpoint*: The location of the code library.
  - *REST API*: The design of the URL style that's used to expose the API's functionality.

## Identify the product options

AI is a broad classification of computing that allows a software system to perceive its environment and take action that maximizes its chance of successfully achieving its goals. A goal of AI is to create a software system that's able to adapt, or learn something on its own without being explicitly programmed to do it.

There are two basic approaches to AI. The first is to employ a *deep learning* system that's modeled on the neural network of the human mind, enabling it to discover, learn, and grow through experience.

The second approach is *machine learning*, a data science technique that uses existing data to train a model, test it, and then apply the model to new data to forecast future behaviors, outcomes, and trends.

Forecasts or predictions from machine learning can make apps and devices smarter. For example, when you shop online, machine learning powers product recommendation systems that offer additional

products based on what you've bought and what other shoppers have bought who have purchased similar items in the past.

Machine learning is also used to detect credit card fraud by analyzing each new transaction and using what it has learned from analyzing millions of fraudulent transactions.

Virtually every device or software system that collects textual, visual, and audio data could feed a machine learning model that makes that device or software system smarter about how it functions in the future.

## Azure product options

At a high level, there are three primary product offerings from Microsoft, each of which is designed for a specific audience and use case. Each option provides a diverse set of tools, services, and programmatic APIs. In this module, we'll merely scratch the surface of the options' capabilities.

## Azure Machine Learning

**Azure Machine Learning**<sup>4</sup> is a platform for making predictions. It consists of tools and services that allow you to connect to data to train and test models to find one that will most accurately predict a future result. After you've run experiments to test the model, you can deploy and use it in real time via a web API endpoint.

With Azure Machine Learning, you can:

- Create a process that defines how to obtain data, how to handle missing or bad data, how to split the data into either a training set or test set, and deliver the data to the training process.
- Train and evaluate predictive models by using tools and programming languages familiar to data scientists.
- Create pipelines that define where and when to run the compute-intensive experiments that are required to score the algorithms based on the training and test data.
- Deploy the best-performing algorithm as an API to an endpoint so it can be consumed in real time by other applications.

Choose Azure Machine Learning when your data scientists need complete control over the design and training of an algorithm using your own data. The following video discusses the basic steps required to set up a machine learning system.



<https://www.microsoft.com/videoplayer/embed/RWyJva>

## Azure Cognitive Services

**Azure Cognitive Services**<sup>5</sup> provides prebuilt machine learning models that enable applications to see, hear, speak, understand, and even begin to reason. Use Azure Cognitive Services to solve general problems, such as analyzing text for emotional sentiment or analyzing images to recognize objects or faces.

<sup>4</sup> <https://azure.microsoft.com/services/machine-learning/?azure-portal=true>

<sup>5</sup> <https://azure.microsoft.com/services/cognitive-services/?azure-portal=true>

You don't need special machine learning or data science knowledge to use these services. Developers access Azure Cognitive Services via APIs and can easily include these features in just a few lines of code.

While Azure Machine Learning requires you to bring your own data and train models over that data, Azure Cognitive Services, for the most part, provides pretrained models so that you can bring in your live data to get predictions on.

Azure Cognitive Services can be divided into the following categories:

- **Language** services: Allow your apps to process natural language with prebuilt scripts, evaluate sentiment, and learn how to recognize what users want.
- **Speech** services: Convert speech into text and text into natural-sounding speech. Translate from one language to another and enable speaker verification and recognition.
- **Vision** services: Add recognition and identification capabilities when you're analyzing pictures, videos, and other visual content.
- **Decision** services: Add personalized recommendations for each user that automatically improve each time they're used, moderate content to monitor and remove offensive or risky content, and detect abnormalities in your time series data.

## Azure Bot Service

**Azure Bot Service**<sup>6</sup> and **Bot Framework**<sup>7</sup> are platforms for creating virtual agents that understand and reply to questions just like a human. Azure Bot Service is a bit different from Azure Machine Learning and Azure Cognitive Services in that it has a specific use case. Namely, it creates a virtual agent that can intelligently communicate with humans. Behind the scenes, the bot you build uses other Azure services, such as Azure Cognitive Services, to understand what their human counterparts are asking for.

Bots can be used to shift simple, repetitive tasks, such as taking a dinner reservation or gathering profile information, on to automated systems that might no longer require direct human intervention. Users converse with a bot by using text, interactive cards, and speech. A bot interaction can be a quick question and answer, or it can be a sophisticated conversation that intelligently provides access to services.

## Analyze the decision criteria

In this unit, you'll analyze the criteria that experts employ when they choose an AI service for a specific business need. Understanding the criteria can also help you better understand the nuanced differences among the products.

### Are you building a virtual agent that interfaces with humans via natural language?

Use Azure Bot Service when you need to create a virtual agent to interact with humans by using natural language. Bot Service integrates knowledge sources, natural language processing, and form factors to allow interaction across different channels.

Bot Service solutions usually rely on other AI services for such things as natural language understanding or even translation for localizing replies into a customer's preferred language.

Before you jump in to build a custom chat experience by using Bot Service, it might make sense to search for prebuilt, no-code solutions that cover common scenarios. For example, you can use QnA Maker,

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<sup>6</sup> <https://azure.microsoft.com/services/bot-service/?azure-portal=true>

<sup>7</sup> <https://dev.botframework.com/?azure-portal=true>

which is available from Azure Marketplace, to build, train, and publish a sophisticated bot that uses FAQ pages, support websites, product manuals, SharePoint documents, or editorial content through an easy-to-use UI or via REST APIs.

Likewise, Power Virtual Agents integrates with Microsoft Power Platform so that you can use hundreds of prebuilt connectors for data input. You can extend Power Virtual Agents by building custom workflows with Power Automate, and if you feel that the out-of-the-box experience is too limiting, you can still build more complex interactions with Microsoft Bot Framework.

## **Do you need a service that can understand the content and meaning of images, video, or audio, or that can translate text into a different language?**

Use Azure Cognitive Services when it comes to general purpose tasks, such as performing speech to text, integrating with search, or identifying the objects in an image. Azure Cognitive Services is *general purpose*, meaning that many different kinds of customers can benefit from the work that Microsoft has already done to train and test these models and offer them inexpensively at scale.

## **Do you need to predict user behavior or provide users with personalized recommendations in your app?**

The Azure Cognitive Services Personalizer service watches your users' actions within an application. You can use Personalizer to predict their behavior and provide relevant experiences as it identifies usage patterns. Here again, you could capture and store user behavior and create your own custom Azure Machine Learning solution to do these things, but this approach would require much effort and expense.

## **Will your app predict future outcomes based on private historical data?**

Choose Azure Machine Learning when you need to analyze data to predict future outcomes. For example, suppose you need to analyze years' worth of financial transactions to discover new patterns that could help you create new products and services for your company's clients and then offer those new services during routine customer service calls. When you're working with proprietary data, you'll likely need to build a more custom-tailored machine learning model.

## **Do you need to build a model by using your own data or perform a different task than those listed above?**

Use Azure Machine Learning for maximum flexibility. Data scientists and AI engineers can use the tools they're familiar with and the data you provide to develop deep learning and machine learning models that are tuned for your particular requirements.

## **Use Machine Learning for decision support systems**

The Tailwind Traders e-commerce website allows its customers to browse and purchase items that can be delivered or picked up from a retail store nearest to their location.

The Marketing team is convinced that it can increase sales dramatically by suggesting add-on products that complement the items in a shopper's cart at the point of checkout. The team could hard-code these suggestions, but it feels that a more organic approach would be to use its years' worth of sales data as well as new shopping trends to decide what products to display to the shopper. Additionally, the suggestions could be influenced by product availability, product profitability, and other factors.

The Marketing team's existing data science experts have already done some initial analysis of the problem domain, and have determined that its plan might take months to prototype, and possibly a year to roll out.

## Which service should you choose?

Let's apply the decision criteria you learned about in the preceding unit to find the right option.

First, is Tailwind Traders building a virtual agent that interfaces with humans via natural language? No, it is not, so Azure Bot Service is not a good candidate for this scenario.

Second, does Tailwind Traders need a service that can understand the content and meaning of images, video, audio, or translate text into a different language? No, it doesn't, so the relevant Cognitive Services will not help the company.

Third, does Tailwind Traders need to predict user behavior or provide users with personalized recommendations? Yes, it does. However, creating recommendations based on user behavior is only part of the requirement. Tailwind Traders needs to create a complex model that incorporates historical sales data, trending sales data, inventory, and more. It's possible that the Azure Cognitive Services Personalizer service could play a role, but it couldn't handle the entire breadth of the project alone.

Fourth, will the Tailwind Traders app predict future outcomes based on private historical data? Yes, and that is why in this scenario, Azure Machine Learning is likely the best choice.

The success of this effort would depend primarily on the ability of the model to select precisely the right up-sale products to suggest to the shopper. Because the model would need to be tweaked and tuned over time, an off-the-shelf model would likely not suffice.

Finally, it sounds like the Marketing team already employs some data science experts, and the team is willing to make at least a year-long commitment to building, testing, and tweaking the models to be used.

## Use Cognitive Services for data analysis

The first generation of the Tailwind Traders e-commerce website was available exclusively in English. However, when the Marketing team sponsored a demographics study for the company's brick-and-mortar locations, it found that, on average, only 80 percent of potential customers speak English. In some neighborhoods, that number falls to 50 percent. The team sees the addition of multiple languages as a wonderful opportunity to serve non-English speakers with the same online e-commerce experience as English speakers.

## Which service should you choose?

As in the preceding unit, apply the decision criteria you learned about earlier to find the right option.

First, is Tailwind Traders building a virtual agent that interfaces with humans via natural language? No, it is not, so Azure Bot Service is not a good candidate for this scenario. However, should Tailwind Traders ever implement a customer service agent, it might want to consider using the Translator API to provide real-time translation to help customers who are not English speakers.

Second, does Tailwind Traders need a service that can understand the content and meaning of images, video, audio, or translate text into a different language? Yes, it does. Translating textual content from one language into another is a general purpose task that you can simplify by using the Azure Cognitive Services Translator service. The service is easy to integrate into your applications, websites, tools, and solutions. It allows you to add multilanguage user experiences in more than 60 languages, and you can use it on any hardware platform with any operating system for text-to-text language translation.

Azure Cognitive Services is likely the best option for this scenario, but let's continue applying the decision criteria to make sure.

Third, does Tailwind Traders need to predict user behavior or provide users with personalized recommendations? No, it doesn't, so the Azure Cognitive Services Personalizer is not a good candidate for this scenario.

Finally, will the Tailwind Traders app need to predict future outcomes based on private historical data? No. Although it's possible to create a Machine Learning model for multilanguage translation, it would be expensive and time consuming for Tailwind Traders to attempt to build translation models themselves. The team has neither the deep learning competency nor the linguistic data that's required to train the models.

Now that you've examined all the expert criteria, you can confidently select Cognitive Services as the best product option for this scenario.

## Use Bot Service for interactive chat experiences

The Customer Service team has long asked for a virtual agent to handle the vast majority of questions it gets asked. No matter how prominent it makes the answers to the most frequently asked questions on the website, shoppers are impatient and perceive contact in a chat window as saving them time.

The team wants shoppers to feel as though they're interacting with a real human. When it becomes clear that the virtual agent can't provide an answer, the chat session should be transferred to a human.

Providing a virtual agent would decrease the amount of time it takes for all shoppers to receive answers. The virtual agent could answer most questions, which would free up human customer service agents to provide support for more difficult questions or thorny account-related issues.

## Which service should you choose?

Once again, apply the decision criteria you're now familiar with to find the right product.

First, is Tailwind Traders building a virtual agent that interfaces with humans via natural language? Yes, it is. Azure Bot Service should be used in this scenario to implement a virtual agent chat experience. Bot Service could benefit from the information on the website's Frequently Asked Questions page, along with thousands of chat sessions that have been stored between shoppers and customer service representatives. Customer Service supervisors can test and tweak the answers to continue to refine the chat experience.

Even though you've likely found the best option for this scenario, keep applying the decision criteria to see whether any additional options might work.

Second, does Tailwind Traders need a service that can understand the content and meaning of images, video, audio, or translate text into a different language? Possibly, yes. In this scenario, Azure Cognitive Services could be used along with Bot Service to build the solution. To expedite implementation, the developers could explore using prebuilt solutions, such as QnA Maker (part of Cognitive Services) or Power Virtual Agents. Also, any Azure Bot solution would likely implement several Azure Cognitive Services,

such as Language Understanding (LUIS) and possibly Translator, to translate from the shopper's language to English and back again.

Third, does Tailwind Traders need to predict user behavior or provide users with personalized recommendations? No, it doesn't. Azure Cognitive Services Personalizer is not a good candidate for this scenario.

Finally, will the Tailwind Traders app need to predict future outcomes based on private historical data? No. Although Tailwind Traders *does* have historical data to feed into a model, which would make it possible to use Azure Machine Learning to create a chat solution, another option is already tailored for the chat bot experience.

# Choose the best Azure serverless technology

## Introduction

*Serverless computing* is a term used to describe an execution environment that's set up and managed for you. You merely specify what you want to happen by writing code or connecting and configuring components in a visual editor, and then specify the actions that trigger your functionality, such as a timer or an HTTP request. Best of all, you never have to worry about an outage, your code can scale instantly to meet demand, and you pay based only on the actual usage of your code.



Tailwind Traders, a traditional brick-and-mortar retailer, has found success selling online. The company sees several opportunities to improve its e-commerce website. For example, it wants to provide more accurate real-time inventory information online to customers who want to visit their local store to purchase an item. The company also wants to respond more proactively to customers who've had a negative experience by providing a new customer-retention program.

Tailwind Traders suspects that serverless computing can help it provide these services, but it needs help to understand which Azure solutions are right for its business scenarios.

In this module, you'll learn about two serverless computing solutions on Azure: Azure Functions and Azure Logic Apps. You'll learn what they are, how they differ, and when you should choose one over the other.

## Learning objectives

After completing this module, you'll be able to:

- Choose the serverless computing technology that best addresses your business scenario.

## Prerequisites

- An understanding of the concept of orchestration and workflows
- An understanding of the concept of application programming interface (API)
- High-level familiarity with relevant Microsoft products such as Dynamics 365 and Office 365

## Identify the product options

Watch this video for an overview of serverless computing.



<https://www.microsoft.com/videoplayer/embed/RWAqjM>

As mentioned in the video, serverless computing is a cloud-hosted execution environment that runs your code but abstracts the underlying hosting environment. The term *serverless computing* is a misnomer. After all, there is a server (or a group of servers) that executes your code or desired functionality.

The key idea is that you're not responsible for setting up or maintaining the server. You don't have to worry about scaling it when there's increased demand, and you don't have to worry about outages. The cloud vendor takes care of all maintenance and scaling concerns for you.

You create an instance of the service, and you then add your code. No infrastructure configuration or maintenance is required, or even allowed. You configure your serverless apps to respond to events. An event could be a REST endpoint, a periodic timer, or even a message received from another Azure service. The serverless app runs only when it's triggered by an event. Scaling and performance are handled automatically, and you're billed only for the resources you use. You don't even need to reserve resources.

Serverless computing is ordinarily used to handle *back-end* scenarios. In other words, serverless computing is responsible for sending messages from one system to another, or processing messages that were sent from other systems. It's not used for user-facing systems but, rather, it works in the background.

In this module, we'll cover two Azure serverless computing services: Azure Functions and Azure Logic Apps.

## Azure Functions

With the **Azure Functions**<sup>8</sup> service, you can host a single method or function by using a popular programming language in the cloud that runs in response to an event. An example of an event might be an HTTP request, a new message on a queue, or a message on a timer.

Because of its atomic nature, Azure Functions can serve many purposes in an application's design. Functions can be written in many common programming languages, such as C#, Python, JavaScript, Typescript, Java, and PowerShell.

Azure Functions scales automatically, and charges accrue only when a function is triggered. These qualities make Azure Functions a solid choice when demand is variable. For example, you might be receiving messages from an IoT solution that monitors a fleet of delivery vehicles. You'll likely have more data arriving during business hours. Azure Functions can scale out to accommodate these busier times.

An Azure function is a stateless environment. A function behaves as if it's restarted every time it responds to an event. This feature is ideal for processing incoming data. And if state is required, the function can be connected to an Azure storage account.

Azure Functions can perform orchestration tasks by using an extension called Durable Functions, which allow developers to chain functions together while maintaining state.

The Azure Functions solution is ideal when you're concerned only with the code that's running your service and not the underlying platform or infrastructure. You use Azure Functions most commonly when

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<sup>8</sup> <https://azure.microsoft.com/services/functions/?azure-portal=true>

you need to perform work in response to an event. You do this often via a REST request, timer, or message from another Azure service, and when that work can be completed quickly, within seconds or less.

## Azure Logic Apps

**Logic Apps**<sup>9</sup> is a low-code/no-code development platform hosted as a cloud service. The service helps you automate and orchestrate tasks, business processes, and workflows when you need to integrate apps, data, systems, and services across enterprises or organizations. Logic Apps simplifies how you design and build scalable solutions, whether in the cloud, on-premises, or both. This solution covers app integration, data integration, system integration, enterprise application integration (EAI), and business-to-business (B2B) integration.

Azure Logic Apps is designed in a web-based designer and can execute logic that's triggered by Azure services without writing any code. You build an app by linking triggers to actions with connectors. A trigger is an event (such as a timer) that causes an app to execute, then a new message to be sent to a queue, or an HTTP request. An action is a task or step that can execute. There are logic actions such as those you would find in most programming languages. Examples of actions include working with variables, decision statements and loops, and tasks that parse and modify data.

To build enterprise integration solutions with Azure Logic Apps, you can choose from a growing gallery of over 200 connectors. The gallery includes services such as Salesforce, SAP, Oracle DB, and file shares.

If you can't find the action or connector you need, you can build your own by using custom code.

## What are the differences between these services?

You can call Azure Functions from Azure Logic Apps, and vice versa. The primary difference between the two services is their intent. Azure Functions is a serverless compute service, and Azure Logic Apps is intended to be a serverless orchestration service. Although you can use Azure Functions to orchestrate a long-running business process that involves various connections, this was not its primary use case when it was designed.

Additionally, the two services are priced differently. Azure Functions pricing is based on the number of executions and the running time of each execution. Logic Apps pricing is based on the number of executions and the type of connectors that it utilizes.

## Analyze the decision criteria

With two viable serverless options, it can be difficult to know which is the best one for the job. In this unit, we'll analyze the criteria that experts employ when they're choosing a serverless service to use for a given business need. Understanding the criteria can also help you better understand the nuanced differences between the products.

## Do you need to perform an orchestration across well-known APIs?

As we noted previously, Azure Logic Apps was designed with orchestration in mind, from the web-based visual configurator to the pricing model. Logic Apps excels at connecting a large array of disparate services via their APIs to pass and process data through many steps in a workflow.

<sup>9</sup> <https://azure.microsoft.com/services/logic-apps/?azure-portal=true>

It's possible to create the same workflow by using Azure Functions, but it might take a considerable amount of time to research which APIs to call and how to call them. Azure Logic Apps has already componentized these API calls so that you supply only a few details and the details of calling the necessary APIs is abstracted away.

## **Do you need to execute custom algorithms or perform specialized data parsing and data lookups?**

With Azure Functions, you can use the full expressiveness of a programming language in a compact form. This lets you concisely build complex algorithms, or data lookup and parsing operations. You would be responsible for maintaining the code, handling exceptions resiliently, and so on.

Although Azure Logic Apps can perform logic (loops, decisions, and so on), if you have a logic-intensive orchestration that requires a complex algorithm, implementing that algorithm might be more verbose and visually overwhelming.

## **Do you have existing automated tasks written in an imperative programming language?**

If you already have your orchestration or business logic expressed in C#, Java, Python, or another popular programming language, it might be easier to port your code into the body of an Azure Functions function app than to re-create it by using Azure Logic Apps.

## **Do you prefer a visual (declarative) workflow or writing (imperative) code?**

Ultimately, your choice comes down to whether you prefer to work in a declarative environment or an imperative environment. Developers who have expertise in an imperative programming language might prefer to think about automation and orchestration from an imperative mindset. IT professionals and business analysts might prefer to work in a more visual low-code/no-code (declarative) environment.

## **Use Azure Functions**

Data about each product that's sold at Tailwind Traders is packaged as a JSON message and sent to an event hub. The event hub distributes the JSON message to subscribers, which allows various systems to be notified.

Tailwind Traders wants to upgrade its e-commerce site to include real-time inventory tracking. Currently, the website updates product availability nightly at 2:00 AM. A Windows service that's written in C# contains all of the necessary logic to:

- Retrieve the messages.
- Parse the JSON.
- Perform a lookup across multiple databases to find additional product information.
- Potentially, send notifications to the purchasing department so that they can reorder quantities that fall below certain levels.

The Windows service runs in a virtual machine that's hosted on Azure.

Most of the time, this system works fine. However, some products are in high demand, and some products are kept in low quantities at each store. Several times a day, customers drive to a store to pick up an item only to find that it's no longer in stock.

Instead of running the algorithm nightly, the company wants to run the inventory updater each time a product is purchased.

## Which service should you choose?

Because the Tailwind Traders developers team has already written the logic in C#, it would make sense to copy the relevant C# code from the Windows service and port it to an Azure function. The developers would bind the function to trigger each time a new message appears on a specific queue.

## Why not choose Azure Logic Apps?

It's possible to implement the same logic in Azure Logic Apps. However, because the team has already invested time in building the service in C#, it can use the same code in an Azure function.

## Use Azure Logic Apps

Tailwind Traders sends its customers an invitation to participate in a customer satisfaction survey randomly after a purchase. Currently, the customer satisfaction results are aggregated, averaged, and charted. However, its customer service department sees an opportunity to reach out proactively to customers who provide low scores and leave comments with a negative sentiment.

Ideally, negative customer satisfaction scores would trigger a customer retention workflow. First, a sentiment analysis would be generated based on the free-form comments, an email would be sent to the customer with an apology and a coupon code, and the message would be routed to the Dynamics 365 customer service team so that it could schedule a follow-up email.

Unfortunately, no Tailwind Traders developer resources are available to take on this project. But the customer service team works with several cloud and IT professionals who might be able to construct a solution.

## Which service should you choose?

In this scenario, Azure Logic Apps is likely the best solution. A cloud or IT professional could use existing connectors to perform a sentiment analysis by using the Azure Cognitive Services connector, send an email by using the Office 365 Outlook connector, and create a new record and follow-up email by using the Dynamics 365 customer service connector.

Because Azure Logic Apps is a low-code/no-code service, no developers are needed. A cloud or IT professional should be able to build and support this workflow.

## Why not choose Azure Functions?

Although it's possible to build the entire solution by using Azure Functions, this approach might be a challenge if no software developers can be committed to this project.

This is an ideal scenario for Azure Logic Apps. Connectors already exist for each of the steps outlined in the workflow. It would take quite a bit of research, development, and testing for a developer to build a solution that utilizes all these disparate software systems.

## Walkthrough - Implement Azure Functions

### **Create a Function app with a Webhook to provide a Hello message with your name. (5 min)**

1. Create a Function app.
  
2. Create a HTTP triggered event function and test.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/08-Implement%20Azure%20Functions.html>

# Choose the best tools with DevOps and GitHub

## Introduction

Modern software development practices are supported by tools that encompass virtually every aspect of the software development life cycle. Microsoft has created a comprehensive set of tools that help organizations implement DevOps practices, develop solutions, and save money while doing so. In this module, you'll learn how to choose the right tools to support those practices.



Tailwind Traders has experimented with various software development processes and tools. Until now, however, there has been no organizational commitment to shift to a DevOps mindset. Likewise, there has been no planned, coordinated effort to standardize on a set of core tools and processes. Several new initiatives at the company accentuate the need for agile, repeatable, dependable management and deployment of software systems. Tailwind Traders believes that the adoption of DevOps tooling and practices is critical to the company's future success.

In this module, you'll learn about the various software development process tools that Microsoft offers. You'll explore the criteria that experts use to make their choices.

By the end of this module, you'll be able to choose the software development process tools and services that best align with your organization's goals and practices.

## Learning objectives

After completing this module, you'll be able to:

- Choose the software development process tools and services that best address specific business scenarios.

## Prerequisites

- A development or operations background is valuable but not required.
- Some familiarity with the concept of DevOps and its larger purpose in the organization, goals, outcomes, and so on.
- To help with understanding the value of the tools covered in this module, familiarity with such concepts as:
  - Software development lifecycle
  - Source-code management and version control
  - The various forms of testing
  - Continuous integration and continuous delivery, or CI/CD
  - Continuous deployment
  - Infrastructure as code

## Understand your product options

Software developers and operations professionals strive to create working software systems that satisfy the needs of the organization. However, sometimes their short-term objectives are at cross-purposes, which can result in technical issues, delays, and downtime.

DevOps is a new approach that helps to align technical teams as they work toward common goals. To accomplish this alignment, organizations employ practices and processes that seek to automate the ongoing development, maintenance, and deployment of software systems. Their aim is to expedite the release of software changes, ensure the ongoing deployability of the system, and ensure that all changes meet a high-quality bar.

When done correctly, DevOps practices and processes touch nearly every aspect of the company, not to mention the software development lifecycle, including planning, project management, and the collaboration of software developers with each other and with operations and quality assurance teams. Tooling automates and enforces most of the practices and processes, making it both difficult and unnecessary to work around.

DevOps requires a fundamental mindset change from the top down. Organizations can't merely install software tools or adopt services and hope to get all of the benefits promised by DevOps.

In this module, we'll focus only on the Microsoft tools that can help accomplish some of the DevOps objectives. Alternately, organizations that aren't ready to fully embrace the power of DevOps can support technical teams in their cloud development activities. If you're interested in learning more about DevOps in general, Microsoft Learn has **several learning paths and modules<sup>10</sup>** that can help you.

Microsoft offers tools to enable source-code management, continuous integration and continuous delivery (CI/CD), and automating the creation of testing environments. Sometimes, it seems as though these tools overlap in functionality, so in this module you'll learn about several product options, and when to choose one product over another.

## Product options

At a high-level, there are three primary offerings, each of which is aimed at a specific audience and use case and provides a diverse set of tools, services, programmatic APIs, and more.



<https://www.microsoft.com/videoplayer/embed/RWGT Hv>

## Azure DevOps Services

Azure DevOps Services is a suite of services that address every stage of the software development lifecycle.

- **Azure Repos** is a centralized source-code repository where software development, DevOps engineering, and documentation professionals can publish their code for review and collaboration.

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<sup>10</sup> <https://docs.microsoft.com/learn/browse/?terms=DevOps&azure-portal=true>

- **Azure Boards** is an agile project management suite that includes Kanban boards, reporting, and tracking ideas and work from high-level epics to work items and issues.
- **Azure Pipelines** is a CI/CD pipeline automation tool.
- **Azure Artifacts** is a repository for hosting artifacts, such as compiled source code, which can be fed into testing or deployment pipeline steps.
- **Azure Test Plans** is an automated test tool that can be used in a CI/CD pipeline to ensure quality before a software release.



<https://www.microsoft.com/videoplayer/embed/RWHb6A>

Azure DevOps is a mature tool with a large feature set that began as on-premises server software and evolved into a software as a service (SaaS) offering from Microsoft.

## GitHub and GitHub Actions

GitHub is arguably the world's most popular code repository for open-source software. Git is a decentralized source-code management tool, and GitHub is a hosted version of Git that serves as the primary remote. GitHub builds on top of Git to provide related services for coordinating work, reporting and discussing issues, providing documentation, and more. It offers the following functionality:

- It's a shared source-code repository, including tools that enable developers to perform code reviews by adding comments and questions in a web view of the source code before it can be merged into the main code base.
- It facilitates project management, including Kanban boards.
- It supports issue reporting, discussion, and tracking.
- It features CI/CD pipeline automation tooling.
- It includes a wiki for collaborative documentation.
- It can be run from the cloud or on-premises

Most relevant for this module, GitHub Actions enables workflow automation with triggers for many lifecycle events. One such example would be automating a CI/CD *toolchain*.

A toolchain is a combination of software tools that aid in the delivery, development, and management of software applications throughout a system's development lifecycle. The output of one tool in the tool-chain is the input of the next tool in the toolchain. Typical tool functions range from performing automated dependency updates to building and configuring the software, delivering the build artifacts to various locations, testing, and so on.

With such similarity between many GitHub and Azure DevOps features, you might wonder which product to choose for your organization. Unfortunately, the answer might not be straightforward.

Although both Azure DevOps and GitHub allow public and private code repositories, GitHub has a long history with public repositories and is trusted by tens of thousands of open-source project owners. GitHub is a lighter-weight tool than Azure DevOps, with a focus on individual developers contributing to

the open-source code. Azure DevOps, on the other hand, is more focused on enterprise development, with heavier project-management and planning tools, and finer-grained access control.

**Note:** Your choices are not limited to Azure DevOps Services or GitHub and GitHub Actions. In practice, you can mix and match these services as needed. For example, you can use GitHub repos with Azure Boards for work item tracking.

## Azure DevTest Labs

Azure DevTest Labs provides an automated means of managing the process of building, setting up, and tearing down virtual machines (VMs) that contain builds of your software projects. This way, developers and testers can perform tests across a variety of environments and builds. And this capability isn't limited to VMs. Anything you can deploy in Azure via an ARM template can be provisioned through DevTest Labs. Provisioning pre-created lab environments with their required configurations and tools already installed is a huge time saver for quality assurance professionals and developers.

Suppose you need to test a new feature on an old version of an operating system. Azure DevTest Labs can set up everything automatically upon request. After the testing is complete, DevTest Labs can shut down and deprovision the VM, which saves money when it's not in use. To control costs, the management team can restrict how many labs can be created, how long they run, and so on.

## Analyze the decision criteria

In this unit, you'll analyze the criteria that experts employ when they choose DevOps tools or services to address specific business needs. Understanding the criteria can also help you better understand the nuanced differences between each product.

### Do you need to automate and manage test-lab creation?

If your aim is to automate the creation and management of a test lab environment, consider choosing Azure DevTest Labs. Among the three tools and services we've described, it's the only one that offers this functionality.

However, you can automate the provisioning of new labs as part of a toolchain by using Azure Pipelines or GitHub Actions.

### Are you building open-source software?

Although Azure DevOps can publish public code repositories, GitHub has long been the preferred host for open-source software. If you're building open-source software, you would likely choose GitHub if for no other reasons than its visibility and general acceptance by the open-source development community.

The remaining decision criteria are specific to choosing between either Azure DevOps or GitHub.

**Note:** Your choices aren't limited to Azure DevOps Services or GitHub and GitHub Actions. In practice, you can mix and match these services as needed. For example, you can use GitHub repos with Azure Boards for work-item tracking.

## Regarding source-code management and DevOps tools, what level of granularity do you need for permissions?

GitHub works on a simple model of read/write permissions to every feature. Meanwhile, Azure DevOps has a much more granular set of permissions that allow organizations to refine who is able to perform most operations across the entire toolset.

## Regarding source-code management and DevOps tools, how sophisticated does your project management and reporting need to be?

Although GitHub has work items, issues, and a Kanban board, project management and reporting is the area where Azure DevOps excels. Azure DevOps is highly customizable, which allows an administrator to add custom fields to capture metadata and other information alongside each work item. By contrast, the GitHub Issues feature uses tags as its primary means of helping a team categorize issues.

## Regarding source-code management and DevOps tools, how tightly do you need to integrate with third-party tools?

Although we make no specific recommendations about third-party tools, it's important for you to understand your organization's existing investments in tools and services and to evaluate how these dependencies might affect your choice. It's likely that most vendors that create DevOps tools create hooks or APIs that can be used by both Azure Pipelines and GitHub Actions. Even so, it's probably worth the effort to validate that assumption.

## Use Azure DevOps to manage the application development lifecycle

The software development team at Tailwind Traders works on many different projects, both for internal and external usage. The team needs to give project sponsors and managers executive level reporting, including burndown charts, track progress against epics, and track custom information that's specific to Tailwind Traders in each work item and bug report.

As Tailwind Traders grows and hires contractors and outside vendors for short-term work, the upper management team wants to ensure that these individuals have access only to the information they need to do their work.

## Which services should we choose?

Apply the decision criteria you learned about in the preceding unit to find the right option.

First, does Tailwind Traders need to automate and manage test lab creation? No. So, in this scenario, Azure DevTest Labs is not a candidate, because it isn't intended for this specific use case.

Second, is Tailwind Traders building open-source software? Though it's not stated specifically, Tailwind Traders is building internal and external systems, such as their e-commerce system, which isn't open source. So that isn't a consideration in this scenario.

Third, what level of granularity does Tailwind Traders need for permissions? Earlier, we stated that Tailwind Traders will hire temporary employees and vendors for short-term work, which makes a granular permissions requirement an important consideration for upper management. Based on our description in the

preceding unit, this feature would make Azure DevOps a leading candidate. By using Azure DevOps, Tailwind Traders administrators would also have a more robust set of options for controlling permissions across the entire portfolio of work.

Fourth, does Tailwind Traders require a sophisticated project management and reporting solution? Yes, robust project management and reporting features are one of the primary considerations. Here again, because of the amount of work-item customization and reporting the management team wants, Azure DevOps would likely be a good choice.

Fifth, does Tailwind Traders require tight integration with any third-party DevOps tools? Tool integration was not listed as a primary consideration for this scenario. As you learned in the preceding unit, most third-party DevOps tools integrate with both Azure DevOps and GitHub, which makes it likely that the team will find the tools it needs.

## Use GitHub to contribute to open-source software

Tailwind Traders hopes to publish an API that would allow third parties to integrate their own inventories of new and used items. This approach would allow Tailwind Traders to offer a wider variety of products directly from their e-commerce site.

Although the internal implementation of the API is closed source, Tailwind Traders wants to create a set of examples that call the API to perform various actions. The team needs a platform to share example code, collect feedback on the API, allow contributors to report issues, and build a community around feature requests.

## Which service should you choose?

Apply the decision criteria you learned about earlier to find the right option.

First, does Tailwind Traders need to automate and manage test lab creation? No. In this scenario, Azure DevTest Labs is not a candidate because it isn't designed for this use case.

Second, is Tailwind Traders building open-source software? Yes. As we noted in a previous unit, developers are used to seeing this kind of content available on GitHub. With GitHub, Tailwind Traders developers can publish their code, accept community contributions to improve the code examples, accept feedback and bug reports, and more. Because this scenario involves open-source code, GitHub is a leading candidate.

Third, what level of granularity does the Tailwind Traders team need for assigning permissions? Though it's not stated explicitly, the fact that Tailwind Traders will be accepting community contributions, issuing reports, and generally attempting to build a community of developers around their API examples, the company's permission needs are basic: users can either *view only* or *view and write*. This is another reason why GitHub would be a good candidate for this scenario.

Fourth, does Tailwind Traders require a sophisticated project management and reporting solution? Again, because of the nature of this project, the team doesn't require a sophisticated project management and reporting solution. In this scenario, the strength of Azure DevOps Services isn't required.

Fifth, does Tailwind Traders require tight integration with any third-party DevOps tools? Tool integration wasn't listed as a primary consideration for this scenario and doesn't qualify or disqualify either tool.

GitHub is the best choice for this scenario. Although you could use Azure DevOps to make the repository public, some of the other features that involve the development community, such as feedback or bug reports, would be less accessible.

## Use Azure DevTest Labs to manage testing environments

Tailwind Traders wants to be more methodical and careful when it pushes new versions of its e-commerce website to production. The company will expand its quality assurance (QA) team, and it will use the cloud to create and host virtual machines (VMs). Through this approach, it will create testing environments that match the production environment.

The management team has concerns around the costs of a more automated test environment. For instance, it wants to make sure that the QA professionals are not wasting time configuring the testing environment to match the production environment. The team wants to ensure that the VMs are destroyed when they're no longer in use. It wants to limit the number of VMs that each QA professional is allowed to spin up. Also, the team wants to ensure that each environment is configured correctly and consistent with the production environment.

### Which service should you choose?

Once again, start by applying the decision criteria you learned about previously to find the right product.

First, does Tailwind Traders need to automate and manage test lab creation? Yes. This looks like a job for Azure DevTest Labs, because it can do everything that the team needs to accomplish in this scenario.

We could continue evaluating the decision criteria, but neither Azure DevOps nor GitHub is needed for this scenario. Remember that either Azure DevOps or GitHub could be used to create product releases that can automatically be included in any VMs that you create for testing purposes.

# Choose the best management tools

## Introduction

By using Azure management tools, administrators, developers, and managers can interact with the cloud environment to perform such tasks as:

- Deploying dozens or hundreds of resources at a time.
- Configuring individual services programmatically.
- Viewing rich reports across usage, health, costs, and more.

Microsoft Azure provides a collection of management tooling options to choose from, depending on the situation.



Tailwind Traders, a traditional brick-and-mortar retailer, is now experiencing explosive growth by selling products online. The company owes much of its success to an ability to quickly and efficiently manage its cloud environment. As it began its cloud journey, Tailwind Traders initially had to choose the right management tools for its business needs.

In this module, you'll explore the array of Azure management tools and the decision criteria that experts use to select the right ones for their specific scenarios.

## Learning objectives

After completing this module, you'll be able to:

- Choose the Azure management tools that best address your organization's technical needs and challenges.

## Prerequisites

- Familiarity with basic computing concepts and terminology
- Familiarity with cloud computing is helpful but not necessary

## Identify the product options

At a high level, there are two broad categories of management tools: visual tools and code-based tools.

Visual tools provide full, visually friendly access to all the functionality of Azure. However, visual tools might be less useful when you're trying to set up a large deployment of resources with interdependencies and configuration options.

When you're attempting to quickly set up and configure Azure resources, a code-based tool is usually the better choice. Although it might take time to understand the right commands and parameters at first, after they've been entered, they can be saved into files and used repeatedly as needed. Also, the code that performs setup and configuration can be stored, versioned, and maintained along with application source code in a source code-management tool such as Git. This approach to managing hardware and

cloud resources, which developers use when they write application code, is referred to as *infrastructure as code*.

There are two approaches to infrastructure as code: *imperative* code and *declarative* code. Imperative code details each individual step that should be performed to achieve a desired outcome. By contrast, declarative code details only a desired outcome, and it allows an interpreter to decide how to best achieve that outcome. This distinction is important because tools that are based on declarative code can provide a more robust approach to deploying dozens or hundreds of resources simultaneously and reliably.

## Your product options

Microsoft offers a variety of tools and services to manage your cloud environment, each aimed at different scenarios and users. The following video describes some of these options.



<https://www.microsoft.com/videoplayer/embed/RE4MyIB>

## The Azure portal

By using the Azure portal, a web-based user interface, you can access virtually every feature of Azure. The Azure portal provides a friendly, graphical UI to view all the services you're using, create new services, configure your services, and view reports. The Azure portal is how most users first experience Azure. But, as your Azure usage grows, you'll likely choose a more repeatable code-centric approach to managing your Azure resources.

## The Azure mobile app

The Azure mobile app provides iOS and Android access to your Azure resources when you're away from your computer. With it, you can:

- Monitor the health and status of your Azure resources.
- Check for alerts, quickly diagnose and fix issues, and restart a web app or virtual machine (VM).
- Run the Azure CLI or Azure PowerShell commands to manage your Azure resources.

## Azure PowerShell

Azure PowerShell is a shell with which developers and DevOps and IT professionals can execute commands called cmdlets (pronounced *command-lets*). These commands call the Azure Rest API to perform every possible management task in Azure. Cmdlets can be executed independently or combined into a script file and executed together to orchestrate:

- The routine setup, teardown, and maintenance of a single resource or multiple connected resources.
- The deployment of an entire infrastructure, which might contain dozens or hundreds of resources, from imperative code.

Capturing the commands in a script makes the process repeatable and automatable.

Azure PowerShell is available for Windows, Linux, and Mac, and you can access it in a web browser via Azure Cloud Shell.

Windows PowerShell has helped Windows-centric IT organizations automate many of their on-premises operations for years, and these organizations have built up a large catalog of custom scripts and cmdlets, as well as expertise.

## The Azure CLI

The Azure CLI command-line interface is an executable program with which a developer, DevOps professional, or IT professional can execute commands in Bash. The commands call the Azure Rest API to perform every possible management task in Azure. You can run the commands independently or combined into a script and executed together for the routine setup, teardown, and maintenance of a single resource or an entire environment.

In many respects, the Azure CLI is almost identical to Azure PowerShell in what you can do with it. Both run on Windows, Linux, and Mac, and can be accessed in a web browser via Cloud Shell. The primary difference is the syntax you use. If you're already proficient in PowerShell or Bash, you can use the tool you prefer.

## ARM templates

Although it's possible to write imperative code in Azure PowerShell or the Azure CLI to set up and tear down one Azure resource or orchestrate an infrastructure comprising hundreds of resources, there's a better way to implement this functionality.

By using Azure Resource Manager templates (ARM templates), you can describe the resources you want to use in a declarative JSON format. The benefit is that the entire ARM template is verified before any code is executed to ensure that the resources will be created and connected correctly. The template then orchestrates the creation of those resources in parallel. That is, if you need 50 instances of the same resource, all 50 instances are created at the same time.

Ultimately, the developer, DevOps professional, or IT professional needs only to define the desired state and configuration of each resource in the ARM template, and the template does the rest. Templates can even execute PowerShell and Bash scripts before or after the resource has been set up.

## Analyze the decision criteria

In this unit, you'll analyze the criteria that experts employ to help them decide which Azure management tools to use to address their business needs. Understanding the criteria can help you to better understand the nuanced differences among the products.

## Do you need to perform one-off management, administrative, or reporting actions?

Azure PowerShell and the Azure CLI are Azure management tools that allow you to quickly obtain the IP address of a virtual machine (VM) you've deployed, reboot a VM, or scale an app. You might want to keep custom scripts for both tools handy on your local hard drive for certain operations that you need to perform multiple times.

By contrast to the Azure CLI and PowerShell, Azure Resource Manager templates (ARM templates) define the infrastructure requirements in your application for repeatable deployments. Although ARM templates

aren't intended for one-off scenarios, it's possible to use them for this purpose. However, for one-off scenarios, you may prefer more agile tools like PowerShell, Azure CLI scripts, or the Azure portal.

Keep in mind that ARM templates can include both PowerShell and/or Azure CLI scripts, which will give you the ability to utilize scripts for tasks that may not be possible with the ARM template itself. The ability to combine Azure management tools gives flexibility in choosing the right tool(s) for your particular need.

The Azure portal can perform most, if not all, management and administrative actions. If you're just learning Azure and/or need to set up and manage resources infrequently (or prefer a visual interface for viewing reports), it makes sense to take advantage of the visual presentation that the Azure portal offers.

However, if you're in a cloud management or administrative role, it's less efficient to rely solely on visual scanning and clicking. To quickly find the settings and information you want to work with, the Azure CLI or PowerShell will give you the most flexibility for repeatable tasks.

The last management tool to discuss is the Azure mobile app, which you can access via an iOS or Android phone or tablet. Because it's full featured, it's likely the best choice when a laptop isn't readily available and you need to view and triage issues immediately.

## **Do you need a way to repeatedly set up one or more resources and ensure that all the dependencies are created in the proper order?**

ARM templates define your application's infrastructure requirements for a repeatable deployment that is done in a consistent manner. A validation step ensures that all resources can be created in the proper order based on dependencies, in parallel, and idempotent.

By contrast, it's entirely possible to use either PowerShell or the Azure CLI to set up all the resources for a deployment. However, there's no validation step in these tools. If a script encounters an error, the dependency resources can't be rolled back easily, deployments happen serially, and only some operations are idempotent.

## **When you're scripting, do you come from a Windows administration or Linux administration background?**

If you or your cloud administrators come from a Windows administration background, it's likely you'll prefer PowerShell. If you or your cloud administrators come from a Linux administration background, it's likely you'll prefer the Azure CLI. In practice, either tool can be used to perform most one-off administration tasks.

## **Use the Azure portal to visually understand and manage your cloud environment**

Tailwind Traders uses Azure extensively throughout its entire organization. To make sure that both the technical and executive teams are aware of the company's cloud spend, the director of cloud operations will begin to meet weekly with the chief financial officer (CFO) to talk about their cloud spend.

Conversations might begin at a high level, but the two officers might want to dive deep during the meeting to gain more insight into how Azure resources are being used. Ideally, they would be able to see the data displayed visually, but also be able to run custom reports in real time. Which tool can they use during their meeting?

## Which service should you choose?

Apply the decision criteria you learned about in the preceding unit to find the right option.

First, in this scenario, does Tailwind Traders need to perform one-off management, administrative, or reporting actions? Yes, and given the requirement to view data visually and create custom reports during the meeting, the Azure portal is the best choice. The meeting attendees can quickly find answers to their questions by using a wealth of reporting options.

The next two decision criteria don't apply to this scenario, because the director of cloud operations and the CFO won't be deploying or configuring any resources.

The Azure portal is the correct product option for this scenario.

## Use Azure PowerShell for one-off administrative tasks

Tailwind Traders employs technologists with many different skills. A team of developers and administrators builds and maintains a collection of intranet applications that are vital to the business. The team members have strong backgrounds in Windows development and network administration.

The team moved its applications to the cloud, and it now needs a way to perform one-off testing, management, and administrative tasks in its intranet environment. The team quickly realized that managing Azure from the portal takes too much time and is not repeatable. Which tool should the company use for one-off tasks?

## Which service should you choose?

As you did in the preceding unit, apply the decision criteria you learned about earlier to find the right option.

First, in this scenario, does the Tailwind Traders team need to perform one-off management, administrative, or reporting tasks? Yes. However, the team already knows that it doesn't want to rely on the Azure portal for these one-off actions. Therefore, both Azure PowerShell and the Azure CLI are good options. We'll hone in on which tool the team should use in a moment.

Second, in this scenario, does Tailwind Traders need a repeatable and reliable means of deploying its entire infrastructure? No, not in this scenario. Therefore, Azure Resource Manager templates (ARM templates) are not the right choice.

When the Tailwind Traders team is doing scripting, does it come from a Windows administration or Linux administration background? This team has a Windows administration background. It would likely be most comfortable using Azure PowerShell, because this tool allows it to use the syntax it's most comfortable with to perform one-off administration tasks.

Azure PowerShell is the best choice for this scenario.

## Use the Azure CLI for one-off administrative tasks

As we noted in the preceding unit, Tailwind Traders employs technologists with many different skills. The DevOps team is primarily concerned with keeping external systems, such as the company's e-commerce site, up and running. This team has a Linux administration background. It frequently needs to perform administrative tasks related to the health of the cloud environment. The team quickly realized that

managing Azure from the portal takes too much time and isn't repeatable. Which tool should it use for one-off tasks?

## Which service should you choose?

Once again, apply the decision criteria you learned about earlier to find the right option.

Because this scenario is almost identical to the one in the preceding unit, you can skip over the first two criteria. In other words, you can quickly eliminate Azure Resource Manager templates (ARM templates) and the Azure portal as viable options for this scenario. So, let's go to the third decision criterion.

Choosing the right option in this scenario should be determined by the team's background. Because this team has a Linux administration background, it would likely be most comfortable using the Azure CLI. The Azure CLI allows the team to use the Bash shell and its syntax to perform one-off administration tasks.

The Azure CLI is the best choice for this scenario.

## Use the Azure mobile app to manage Azure on the go

Tailwind Traders experiences surges in e-commerce traffic that coincide with national holidays and weekends. In the company's first few years, managers of critical systems had to convene at the office of the director of cloud operations during these important periods. However, now that Tailwind Traders has successfully operationalized most critical systems, the director wants to relax this requirement and allow employees to spend these dates with their families. Is there a product that can help support this scenario?

## Which service should you choose?

Let's run through our decision criteria again.

First, does Tailwind Traders need to perform one-off management, administrative, reporting actions? Yes. The real question is, how? A phone or tablet solution could help key employees keep an eye on the health of the cloud environment when they're out of the office. The Azure mobile app is likely a good compromise, because it lets employees be away from work and still perform essential, one-off management and administrative tasks.

We can skip the rest of the decision criteria in this unique scenario. The Azure mobile app is the right choice.

## Use ARM templates to deploy an entire cloud infrastructure

Tailwind Traders wants to operationalize their cloud deployments. The company needs a repeatable, reliable way to scale its operations during peak sales periods. Because you'll be choosing a process for scaling your production environment, you need to ensure that your chosen service:

- Is efficient and can potentially create many resources in parallel.
- Creates all dependencies in the correct order.
- Can be used without worrying that it failed in the middle of provisioning the necessary infrastructure.

## Which service should you choose?

Let's run through the decision criteria one more time.

First, in this scenario, does Tailwind Traders need to perform one-off management, administrative, or reporting actions? This time, we're not looking to support one-time or one-off management or administration tasks. We're looking for a technology to automate the deployment of an entire infrastructure, as needed.

Second, does Tailwind Traders need a repeatable and reliable way to deploy its entire infrastructure? Yes, this is exactly what the company needs. Our decision criteria lead us to choose Azure Resource Manager templates (ARM templates) for this scenario.

You could use Azure PowerShell or the Azure CLI, but these scripting technologies have significant limitations when it comes to deploying infrastructure. ARM templates can help overcome these limitations.

The third decision criterion assumes that you need to write a script by using imperative code. However, when you use ARM templates, you define your infrastructure declaratively by using JSON code. In some instances, you still might need imperative code for configuration or clean-up tasks. In these cases, you can trigger the execution of scripts by using either Azure PowerShell or the Azure CLI to perform these tasks.

In this scenario, ARM templates are the correct choice.

## Walkthrough – Create a VM with an ARM Template

### Use the Azure QuickStart gallery to deploy a template that creates a virtual machine. (10 min)

1. Explore the gallery and deploy a template.

2. Verify your virtual machine deployment.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/09-Create%20a%20VM%20with%20a%20Template.html>

## Walkthrough - Create a VM with PowerShell

### Install PowerShell locally, create a resource group and virtual machine, access and use the Cloud Shell, and review Azure Advisor recommendations. (10 min)

Use PowerShell to create a resource group and virtual machine.

1. Execute PowerShell commands in the Cloud Shell.

2. Review Azure Advisor Recommendations.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/10>Create%20a%20VM%20with%20PowerShell.html>

## Walkthrough - Create a VM with the CLI

**Install the Azure CLI locally, create a resource group and virtual machine, use the Cloud Shell, and review Azure Advisor recommendations. (10 min)**

1. Install the CLI locally.
2. Use the CLI to create a resource group and virtual machine.
3. Execute commands in the Cloud Shell.
4. Review Azure Advisor Recommendations.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/11>Create%20a%20VM%20with%20the%20CLI.html>

# Choose the best Azure monitoring service

## Introduction

Modern software systems running in the cloud are complex, and gaining visibility into the health and performance of your application-hosting environment across all of its layers of services is challenging. Fortunately, there are several solutions from Microsoft that can help you react quickly to outages, research intermittent issues, optimize your usage, and be proactive in handling future planned downtime.



Tailwind Traders, a traditional brick-and-mortar retailer, is now experiencing explosive growth by selling products online. The company is seeking to tighten and operationalize control of its cloud environment. It faces several challenges, from needing to optimize its cloud spend and security posture to tracking intermittent issues and planning ahead for upcoming outages. However, the company needs help with choosing the right product option for each of these scenarios.

In this module, you'll learn about the several Microsoft monitoring solutions, and you'll analyze decision criteria that experts use to select the right service for a specific scenario.

## Learning objectives

After completing this module, you'll be able to:

- Choose the cloud monitoring service that best addresses your company's business challenges.

## Prerequisites

- Familiarity with basic computing concepts and terminology
- Familiarity with cloud computing is helpful but not necessary

## Identify your product options

Several basic questions or concerns face all companies that use the cloud.

- Are we using the cloud correctly? Can we squeeze more performance out of our cloud spend?
- Are we spending more than we need to?
- Do we have our systems properly secured?
- How resilient are our resources? If we experience a regional outage, could we fail over to another region?
- How can we diagnose and fix issues that occur intermittently?
- How can we quickly determine the cause of an outage?
- How can we learn about planned downtime?



<https://www.microsoft.com/videoplayer/embed/RWHb7u>

Fortunately, by using a combination of monitoring solutions on Azure, you can:

- Gain answers, insights, and alerts to help ensure that you've optimized your cloud usage.
- Ascertain the root cause of unplanned issues.
- Prepare ahead of time for planned outages.

## The product options

At a high level, there are three primary Azure monitoring offerings, each of which is aimed at a specific audience and use case and provides a diverse set of tools, services, programmatic APIs, and more.



<https://www.microsoft.com/videoplayer/embed/RWGw3I>

## Azure Advisor

**Azure Advisor**<sup>11</sup> evaluates your Azure resources and makes recommendations to help improve reliability, security, and performance, achieve operational excellence, and reduce costs. Advisor is designed to help you save time on cloud optimization. The recommendation service includes suggested actions you can take right away, postpone, or dismiss.

The recommendations are available via the Azure portal and the API, and you can set up notifications to alert you to new recommendations.

When you're in the Azure portal, the Advisor dashboard displays personalized recommendations for all your subscriptions, and you can use filters to select recommendations for specific subscriptions, resource groups, or services. The recommendations are divided into five categories:

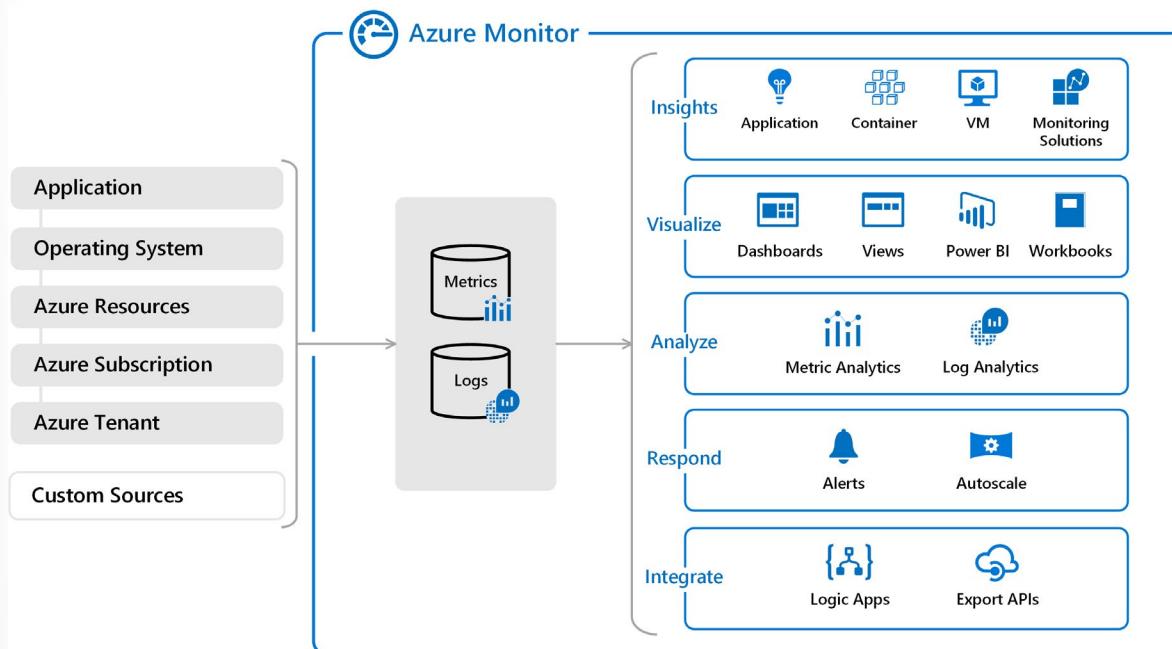
- **Reliability:** Used to ensure and improve the continuity of your business-critical applications.
- **Security:** Used to detect threats and vulnerabilities that might lead to security breaches.
- **Performance:** Used to improve the speed of your applications.
- **Cost:** Used to optimize and reduce your overall Azure spending.
- **Operational Excellence:** Used to help you achieve process and workflow efficiency, resource manageability, and deployment best practices.

<sup>11</sup> <https://azure.microsoft.com/services/advisor/?azure-portal=true>

## Azure Monitor

**Azure Monitor**<sup>12</sup> is a platform for collecting, analyzing, visualizing, and potentially taking action based on the metric and logging data from your entire Azure and on-premises environment.

The following diagram illustrates just how comprehensive Azure Monitor is.



- On the left is a list of the sources of logging and metric data that can be collected at every layer in your application architecture, from application to operating system and network.
- In the center, you can see how the logging and metric data is stored in central repositories.
- On the right, the data is used in a number of ways. You can view real-time and historical performance across each layer of your architecture, or aggregated and detailed information. The data is displayed at different levels for different audiences. You can view high-level reports on the Azure Monitor Dashboard or create custom views by using Power BI and Kusto queries.

Additionally, you can use the data to help you react to critical events in real time, through alerts delivered to teams via SMS, email, and so on. Or you can use thresholds to trigger autoscaling functionality to scale up or down to meet the demand.

Some popular products such as Azure Application Insights, a service for sending telemetry information from application source code to Azure, uses Azure Monitor under the hood. With Application Insights, your application developers can take advantage of the powerful data-analysis platform in Azure Monitor to gain deep insights into an application's operations and diagnose errors without having to wait for users to report them.

## Azure Service Health

**Azure Service Health**<sup>13</sup> provides a personalized view of the health of the Azure services, regions, and resources you rely on. The status.azure.com website, which displays only major issues that broadly affect Azure customers, doesn't provide the full picture. But Azure Service Health displays both major and

<sup>12</sup> <https://azure.microsoft.com/services/monitor/?azure-portal=true>

<sup>13</sup> <https://azure.microsoft.com/features/service-health/?azure-portal=true>

smaller, localized issues that affect you. Service issues are rare, but it's important to be prepared for the unexpected. You can set up alerts that help you triage outages and planned maintenance. After an outage, Service Health provides official incident reports, called root cause analyses (RCAs), which you can share with stakeholders.

Service Health helps you keep an eye on several event types:

- **Service issues** are problems in Azure, such as outages, that affect you right now. You can drill down to the affected services, regions, updates from your engineering teams, and find ways to share and track the latest information.
- **Planned maintenance** events can affect your availability. You can drill down to the affected services, regions, and details to show how an event will affect you and what you need to do. Most of these events occur without any impact to you and aren't shown here. In the rare case that a reboot is required, Service Health allows you to choose when to perform the maintenance to minimize the downtime.
- **Health advisories** are issues that require you to act to avoid service interruption, including service retirements and breaking changes. Health advisories are announced far in advance to allow you to plan.

## Analyze the decision criteria

In this unit, you'll analyze the criteria that experts employ when they choose an Azure monitoring service for a specified business need. By understanding the criteria, you can better assess the nuanced differences among the products.

### **Do you need to analyze how you're using Azure to reduce costs? Improve resilience? Harden your security?**

Choose Azure Advisor when you're looking for an analysis of your deployed resources. Azure Advisor analyzes the configuration and usage of your resources and provides suggestions on how to optimize for reliability, security, performance, costs, and operations based on experts' best practices.

### **Do you want to monitor Azure services or your usage of Azure?**

If you want to keep tabs on Azure itself, especially the services and regions you depend on, you want to choose Azure Service Health. You can view the current status of the Azure services you rely on, upcoming planned outages, and services that will be sunset. You can set up alerts that help you stay on top of incidents and upcoming downtime without having to visit the dashboard regularly.

However, if you want to keep track of the performance or issues related to your specific VM or container instances, databases, your applications, and so on, you want to visit Azure Monitor and create reports and notifications to help you understand how your services are performing or diagnose issues related to your Azure usage.

## Do you want to measure custom events alongside other usage metrics?

Choose Azure Monitor when you want to measure custom events alongside other collected telemetry data. Custom events, such as those added in the source code of your software applications, could help identify and diagnose why your application is behaving a certain way.

## Do you need to set up alerts for outages or when autoscaling is about to deploy new instances?

Here again, you would use Azure Monitor to set up alerts for key events that are related to your specific resources.

## Use Azure Advisor

Tailwind Traders wants to optimize its cloud spend. Also, the organization is concerned about security breaches, because it stores customer data and historical purchase data in cloud-based databases. As the organization ramps up its cloud expertise, it wants to better understand its use of the cloud, better understand best practices, and pinpoint "easy wins" where it can tighten up its cloud spend and security practices.

## Which service should you choose?

Apply the decision criteria you learned about in the preceding unit to find the right option.

First, in this scenario, does Tailwind Traders need to analyze its Azure usage for the sake of optimization? Yes. Tailwind Traders understands that it might be spending too much, is concerned about its security practices, and wants to have its cloud usage analyzed against industry best practices. Therefore, Azure Advisor is the perfect option for this scenario.

Although you might have found the right product option, let's continue evaluating the decision criteria for this scenario.

Second, in this scenario, does Tailwind Traders want to monitor the health of Azure services that affect all customers or the resources that are deployed on Azure? This scenario isn't concerned with operations. However, Azure Advisor does analyze and provide recommendations for achieving operational excellence.

Third, in this scenario, does Tailwind Traders want to measure custom events alongside other usage metrics? No, measuring custom events isn't mentioned as a requirement and isn't a consideration in this scenario.

Fourth, in this scenario, does Tailwind Traders want to set up alerts for outages or when autoscaling is about to deploy new instances? Again, this scenario isn't concerned with operations. However, Azure Advisor does analyze and provide recommendations for achieving operational excellence.

Azure Advisor is the right product option to help Tailwind Traders better understand and optimize both its cloud spend and its cloud security posture. This product might help the organization with other areas of its cloud usage as well.

## Use Azure Monitor

The Tailwind Traders e-commerce website is experiencing intermittent errors, and the team is unsure of the cause. Because of the nature of the errors, the team suspects that it's either a database or caching

issue. What are the circumstances surrounding the errors? Does it happen only during peak usage times? What is the state of the team's Azure SQL instance? What is the state of its Redis caching server? How can it trace the issues to a root cause?

## Which service should you choose?

As in the preceding unit, apply the decision criteria that you learned about earlier to find the right option.

First, in this scenario, does Tailwind Traders need an analysis of its Azure usage for the sake of optimization? No, optimization isn't the team's objective in this scenario, so Azure Advisor isn't a candidate.

Second, in this scenario, does Tailwind Traders want to monitor the health of Azure services that affect all customers or the resources deployed on Azure? Because this issue happens intermittently, it's unlikely to affect an entire Azure region or service. It's more likely that a logic issue exists somewhere in their e-commerce website code, or another issue is causing database failures or caching locks. In this scenario, the team could use Azure Monitor to pinpoint a specific user session and look at the performance of each service that's involved in the issue.

Third, in this scenario, does Tailwind Traders want to measure custom events alongside other usage metrics? Yes. Software developers can send additional information about the state of the web application via Application Insights to help locate the root cause of the issue. Application Insights relies on the Azure Monitor platform to store custom event information.

Fourth, in this scenario, does Tailwind Traders want to set up alerts for outages or for when autoscaling is about to deploy new instances? No, alerting isn't their objective in this scenario.

Azure Monitor is the best option for helping Tailwind Traders track this intermittent issue. The team can use a wealth of tools to help it gain insight into the application's performance at a high level and dive deep into specific issues.

## Use Azure Service Health

Tailwind Traders wants to operationalize its cloud environment. Specifically, its cloud operations team wants to let stakeholders know about upcoming planned downtime in advance. The team also wants its solution architects to be forewarned about any Microsoft plans to sunset services so it can rearchitect its software products accordingly.

When outages do happen, the team wants to quickly ascertain whether the issue is specific to their services or a service interruption that affects many Azure customers. The team also wants to provide key stakeholders with reports that explain how and why the incident occurred, and so on.

## Which service should you choose?

Again, apply the decision criteria you learned about earlier to find the right product.

First, in this scenario, does Tailwind Traders need to analyze its Azure usage for the sake of optimization? No, so Azure Advisor isn't a candidate for this scenario.

Second, does Tailwind Traders want to monitor the health of Azure services that affect all customers or the resources deployed on Azure? In this scenario, the requirement is to stay abreast of upcoming planned downtime. Additionally, the team wants to capture official incident reports. For this reason, Azure Service Health is the strongest candidate to choose for this scenario.

Although it's likely that you would choose Azure Service Health, let's continue evaluating the remaining decision criteria.

Third, in this scenario, does Tailwind Traders want to measure custom events alongside other usage metrics? No, measuring custom events isn't mentioned as a requirement and isn't a consideration in this scenario.

Fourth, in this scenario, does Tailwind Traders want to set up alerts for outages or when autoscaling is about to deploy new instances? Setting up alerts for outages is a requirement in this scenario, but creating alerts for other events such as autoscaling are not in scope. Use Azure Service Health to set up alerts that are specific to Azure outages that affect all Azure customers. Use Azure Monitor to set up alerts for outages and other events that affect only your specific resources.

In this scenario, Azure Service Health is the correct option to choose.

## Module 3 Review Questions

### Module 03 Review Questions

Choose the best response for each of the questions below. Then select **Check your answers**.

#### Multiple choice

*You need to predict future behavior based on previous actions. Which product option should you eliminate as a candidate?*

- Azure Machine Learning
- Azure Bot Service
- Azure Cognitive Services

#### Multiple choice

*You need to create a human-computer interface that uses natural language to answer customer questions. Which product option should you eliminate as a candidate?*

- Azure Machine Learning
- Azure Cognitive Services
- Azure Bot Service

#### Multiple choice

*You need to identify the content of product images to automatically create alt tags for images formatted properly. Which production option is the best candidate?*

- Azure Machine Learning
- Azure Cognitive Services
- Azure Bot Service

#### Multiple choice

*Which of the following choices would not be used to automate a CI/CD process?*

- Azure Pipelines
- GitHub Actions
- Azure Boards

## Multiple choice

*Which service could help you manage the VMs that your developers and testers need to ensure that your new app works across various operating systems?*

- Azure DevTest Labs
- Azure Test Labs
- Azure Repos

## Multiple choice

*Which service lacks features to assign individual developers tasks to work on?*

- Azure Boards
- GitHub
- Azure Pipelines

## Multiple choice

*You want to be alerted when new recommendations to improve your cloud environment are available.*

*Which service will do this?*

- Azure Advisor
- Azure Monitor
- Azure Service Health

## Multiple choice

*Which service provides official outage root cause analyses (RCAs) for Azure incidents?*

- Azure Advisor
- Azure Monitor
- Azure Service Health

## Multiple choice

*Which service is a platform that powers Application Insights, monitoring for VMs, containers, and Kubernetes?*

- Azure Advisor
- Azure Monitor
- Azure Service Health

## Multiple choice

*As an administrator, you need to retrieve the IP address from a particular VM by using Bash. Which of the following tools should you use?*

- ARM templates
- Azure PowerShell
- The Azure portal
- The Azure CLI

## Multiple choice

*You're a developer who needs to set up your first VM to host a process that runs nightly. Which of the following tools is your best choice?*

- ARM templates
- Azure PowerShell
- The Azure portal
- The Azure CLI

## Multiple choice

*What is the best infrastructure-as-code option for quickly and reliably setting up your entire cloud infrastructure declaratively?*

- ARM templates
- Azure PowerShell
- The Azure portal
- The Azure CLI

## Multiple choice

*You need to process messages from a queue, parse them by using some existing imperative logic written in Java, and then send them to a third-party API. Which serverless option should you choose?*

- Azure Functions
- Azure Logic Apps

## Multiple choice

*You want to orchestrate a workflow by using APIs from several well-known services. Which is the best option for this scenario?*

- Azure Functions
- Azure Logic Apps

## Multiple choice

*Your team has limited experience with writing custom code, but it sees tremendous value in automating several important business processes. Which of the following options is your team's best option?*

- Azure Functions
- Azure Logic Apps

## Multiple choice

*A company wants to build a new voting kiosk for sales to governments around the world. Which IoT technologies should the company choose to ensure the highest degree of security?*

- IoT Hub
- IoT Central
- Azure Sphere

## Multiple choice

*A company wants to quickly manage its individual IoT devices by using a web-based user interface. Which IoT technology should it choose?*

- IoT Hub
- IoT Central
- Azure Sphere

## Multiple choice

*You want to send messages from the IoT device to the cloud and vice versa. Which IoT technology can send and receive messages?*

- IoT Hub
- IoT Central
- Azure Sphere

## Module 03 Summary

### Module 03 Summary

#### Choose the best Azure IoT service

The goal in this lesson was to help Tailwind Traders explore various IoT services from Azure and choose the best service for the company's business scenarios.

Tailwind Traders was able to capture telemetry data from appliances, combine it with some machine learning to predict future maintenance, and create a significant value-added service for customers by using Azure IoT Hub. The company was able to implement a complete real-time logistics system to track deliveries and vehicles by using Azure IoT Central and the Connected Logistics starter template. And, finally, it was able to design and build a secure, modern, point-of-sale self-checkout terminal by using Azure Sphere.

Without Azure IoT services, receiving messages from devices might still be possible, but it would likely be much less secure and require custom development to implement a dashboard for reporting and management. It would also be more difficult to push software or firmware updates to each device.

IoT is an exciting evolution in computing that bridges the physical and digital worlds. Azure IoT services provide a significant amount of functionality for organizations that want to build device-driven and sensor-driven solutions.

#### Further reading

Azure Sphere development kits provide everything you need to start prototyping and developing Azure Sphere applications. Order a kit and start taking advantage of the rich development experience in Visual Studio. [Get started with Azure Sphere<sup>14</sup>](#).

#### Choose the best AI service

Our goal in this lesson was to help Tailwind Traders explore several AI service offerings from Azure that it can apply to various business opportunities.

You identified a few product options and their capabilities, including Azure Bot Service, Azure Cognitive Services, and Azure Machine Learning. You analyzed certain decision criteria to help yourself choose one option over another depending on the scenario. Then you applied those decision criteria to three Tailwind Traders initiatives, helping the company find the best service option for each scenario.

Without AI services, Tailwind Traders would spend more time and effort on manual tasks, respond to customers less quickly, offer weak product recommendations, and be unable to fully support customers who speak languages other than English.

AI is one focus that could transform every area of a business. Such transformation is limited only by the creativity and imagination of the organization.

<sup>14</sup> <https://azure.microsoft.com/services/azure-sphere/get-started/>

## Learn more

This module discussed several products and services that you can learn more about:

- For an exhaustive list of services available in Azure Cognitive Services, see **What are Azure Cognitive Services?**<sup>15</sup>.
- The Cognitive Services Personalizer service was mentioned as a possible solution for one of the scenarios. For more information, see **Cognitive Services Personalizer**<sup>16</sup>.
- Azure Language Understanding (LUIS) was mentioned as a way to interact with the Bot Service by using natural language. For more information, see **Azure Language Understanding**<sup>17</sup>.
- QnA Maker was mentioned as a pre-packaged virtual assistant solution available from Azure Marketplace. For more information, see **QnA Maker**<sup>18</sup>.

## Choose the best serverless technology

In this lesson, we wanted to help Tailwind Traders choose the right serverless computing technology for its business scenarios.

When the company needed to build a solution that pulls code logic from an existing C# Windows service, we helped it choose Azure Functions.

When the company needed to orchestrate a workflow to improve customer retention after a negative shopping experience, we helped it choose Azure Logic Apps.

In both cases, we noted how choosing the other serverless computing service would be possible. However, we tried to help the company consider the decision criteria we outlined and choose the right service for the scenario.

Without serverless computing, Tailwind Traders would be forced to set up and manage its own computing infrastructure for these business scenarios. The team would have needed to closely monitor the services to determine whether it needed to scale the service. And it likely would have wasted money in the process, with either too many or too few computing resources dedicated to the solution.

Additionally, it might have had to design, write, test, and maintain custom code to get similar results.

By helping Tailwind Traders select the right serverless computing solutions, we were able to deploy new functionality to help the company improve customer satisfaction with its e-commerce platform.

## Choose the best tools with DevOps and GitHub

The goal in this lesson was to help Tailwind Traders choose the best DevOps solution for a set of requirements across various software development and testing needs.

We identified various product options and capabilities, including Azure DevOps Services, GitHub (including GitHub Actions), and Azure DevTest Labs. We analyzed the criteria for choosing one option over another for each scenario. Then we applied those criteria to three separate challenges at Tailwind Traders, helping the team determine the best service option for the scenarios.

Without software development services and tools from Microsoft, the Tailwind Traders team might have difficulty in realizing the benefits of such DevOps practices as continuous integration and continuous delivery (CI/CD), source-code management, and work-item management.

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<sup>15</sup> <https://docs.microsoft.com/azure/cognitive-services/what-are-cognitive-services?azure-portal=true>

<sup>16</sup> <https://azure.microsoft.com/services/cognitive-services/personalizer/?azure-portal=true>

<sup>17</sup> <https://www.luis.ai/?azure-portal=true>

<sup>18</sup> <https://www.qnamaker.ai/?azure-portal=true>

DevOps practices and processes have changed the software development landscape, helping to accelerate software development and improve the deployability and quality of software systems. Microsoft offers a wealth of tools that can help organizations implement DevOps practices, experience better collaboration among technical teams, and achieve more consistent results from those teams.

## Choose the best management tools

Our goal in this lesson was to help Tailwind Traders choose the right cloud management tools from Microsoft for its various technical needs.

We identified a variety of product options and their capabilities, including the Azure portal, the Azure mobile app, Azure PowerShell, the Azure CLI, and Azure Resource Manager templates (ARM templates).

We analyzed decision criteria for choosing one option over another in specific scenarios.

We then applied those decision criteria to three different Tailwind Traders initiatives, helping the company find the best service option for each scenario.

Without a full suite of management tools, the company would be severely limited in how it interacts with Azure. Fortunately, Azure provides a powerful mix of visual management tools, imperative scripting tools, and declarative infrastructure-as-code tools.

## Choose the best Azure monitoring service

Our goal in this lesson was to help Tailwind Traders explore several monitoring service offerings from Azure to apply to a variety of business scenarios.

We identified three product options and their capabilities: Azure Advisor, Azure Monitor, and Azure Service Health. We analyzed decision criteria for choosing one option over another for certain scenarios. Then we applied those decision criteria to three different challenges faced by Tailwind Traders, helping them find the best service option for the scenario.

Without monitoring services, Tailwind Traders would spend more money on its cloud environment, be unsure about its cloud security posture, have difficulty pinpointing issues in its application logic, and be unable to plan ahead for outages or supply formal outage reports to stakeholders.

Azure monitoring services provide a comprehensive array of features to help improve your cloud operations.

# Answers

## Multiple choice

You need to predict future behavior based on previous actions. Which product option should you eliminate as a candidate?

- Azure Machine Learning
- Azure Bot Service
- Azure Cognitive Services

*Explanation*

*Azure Bot Service will not help with prediction. It should be eliminated as a candidate.*

## Multiple choice

You need to create a human-computer interface that uses natural language to answer customer questions. Which product option should you eliminate as a candidate?

- Azure Machine Learning
- Azure Cognitive Services
- Azure Bot Service

*Explanation*

*Although Azure Machine Learning could be used to create a natural language model, it would likely be cost and time prohibitive. It should be eliminated as a candidate.*

## Multiple choice

You need to identify the content of product images to automatically create alt tags for images formatted properly. Which production option is the best candidate?

- Azure Machine Learning
- Azure Cognitive Services
- Azure Bot Service

*Explanation*

*Azure Cognitive Services includes Vision services that can identify the content of an image. Azure Cognitive Services is the best candidate.*

## Multiple choice

Which of the following choices would not be used to automate a CI/CD process?

- Azure Pipelines
- GitHub Actions
- Azure Boards

*Explanation*

*Azure Boards is an agile project-management tool. It would not be used to automate a CI/CD process.*

**Multiple choice**

Which service could help you manage the VMs that your developers and testers need to ensure that your new app works across various operating systems?

- Azure DevTest Labs
- Azure Test Labs
- Azure Repos

*Explanation*

*Azure DevTest Labs is used to manage VMs for testing, including configuration, provisioning, and automatic de-provisioning.*

**Multiple choice**

Which service lacks features to assign individual developers tasks to work on?

- Azure Boards
- GitHub
- Azure Pipelines

*Explanation*

*Azure Pipelines is a CI/CD tool for building an automated toolchain. It lacks features to assign tasks for individual developers to work on. However, it can automate other tools to assign tasks to users.*

**Multiple choice**

You want to be alerted when new recommendations to improve your cloud environment are available.

Which service will do this?

- Azure Advisor
- Azure Monitor
- Azure Service Health

*Explanation*

*Azure Advisor can alert you when new recommendations are available.*

**Multiple choice**

Which service provides official outage root cause analyses (RCAs) for Azure incidents?

- Azure Advisor
- Azure Monitor
- Azure Service Health

*Explanation*

*Azure Service Health provides incident history and RCAs to share with your stakeholders.*

**Multiple choice**

Which service is a platform that powers Application Insights, monitoring for VMs, containers, and Kubernetes?

- Azure Advisor
- Azure Monitor
- Azure Service Health

*Explanation*

Azure Monitor is the platform used by Application Insights.

**Multiple choice**

As an administrator, you need to retrieve the IP address from a particular VM by using Bash. Which of the following tools should you use?

- ARM templates
- Azure PowerShell
- The Azure portal
- The Azure CLI

*Explanation*

The Azure CLI enables you to use Bash to run one-off tasks on Azure.

**Multiple choice**

You're a developer who needs to set up your first VM to host a process that runs nightly. Which of the following tools is your best choice?

- ARM templates
- Azure PowerShell
- The Azure portal
- The Azure CLI

*Explanation*

The Azure portal is a great place for newcomers to learn about Azure and set up their first resources.

**Multiple choice**

What is the best infrastructure-as-code option for quickly and reliably setting up your entire cloud infrastructure declaratively?

- ARM templates
- Azure PowerShell
- The Azure portal
- The Azure CLI

*Explanation*

ARM templates are the best infrastructure-as-code option for quickly and reliably setting up your entire cloud infrastructure declaratively.

**Multiple choice**

You need to process messages from a queue, parse them by using some existing imperative logic written in Java, and then send them to a third-party API. Which serverless option should you choose?

- Azure Functions
- Azure Logic Apps

*Explanation*

*Azure Functions is the correct choice because you can use existing Java code with minimal modification.*

**Multiple choice**

You want to orchestrate a workflow by using APIs from several well-known services. Which is the best option for this scenario?

- Azure Functions
- Azure Logic Apps

*Explanation*

*Azure Logic Apps makes it easy to create a workflow across well-known services with less effort than writing code and manually orchestrating all the steps yourself.*

**Multiple choice**

Your team has limited experience with writing custom code, but it sees tremendous value in automating several important business processes. Which of the following options is your team's best option?

- Azure Functions
- Azure Logic Apps

*Explanation*

*Azure Logic Apps is best suited for users who are more comfortable in a visual environment that allows them to automate their business processes. Logic Apps is the best option in this scenario.*

**Multiple choice**

A company wants to build a new voting kiosk for sales to governments around the world. Which IoT technologies should the company choose to ensure the highest degree of security?

- IoT Hub
- IoT Central
- Azure Sphere

*Explanation*

*Azure Sphere provides the highest degree of security to ensure the device has not been tampered with.*

**Multiple choice**

A company wants to quickly manage its individual IoT devices by using a web-based user interface. Which IoT technology should it choose?

- IoT Hub
- IoT Central
- Azure Sphere

*Explanation*

*IoT Central quickly creates a web-based management portal to enable reporting and communication with IoT devices.*

**Multiple choice**

You want to send messages from the IoT device to the cloud and vice versa. Which IoT technology can send and receive messages?

- IoT Hub
- IoT Central
- Azure Sphere

*Explanation*

*An IoT hub communicates to IoT devices by sending and receiving messages.*

## Module 4 General security and network security features

### Security tools and features

#### Introduction

In this module, you'll learn about some of the security tools that can help keep your infrastructure and data safe when you work in the cloud.

Security is a small word for a significant concept. There are so many factors to consider in order to protect your applications and your data. How does Azure help you protect workloads that you run in the cloud and in your on-premises datacenter?

#### Meet Tailwind Traders

**Tailwind Traders**<sup>1</sup> is a fictitious home improvement retailer. It operates retail hardware stores across the globe and online.



Tailwind Traders specializes in competitive pricing, fast shipping, and a large range of items. It's looking at cloud technologies to improve business operations and support growth into new markets. By moving to the cloud, the company plans to enhance its shopping experience to further differentiate itself from competitors.

<sup>1</sup> <https://www.tailwindtraders.com/?azure-portal=true>

## How will Tailwind Traders run securely in the cloud and in the datacenter?

Tailwind Traders runs a mix of workloads on Azure and in its datacenter.

The company needs to ensure that all of its systems meet a minimum level of security, and that its information is protected from attacks. The company also needs a way to collect and act on security events from across its digital estate.

Let's explore how Tailwind Traders can use some of the tools and features in Azure as part of its overall security strategy.

### Learning objectives

After completing this module, you'll be able to:

- Strengthen your security posture and protect against threats by using Azure Security Center.
- Collect and act on security data from many different sources by using Azure Sentinel.
- Store and access sensitive information such as passwords and encryption keys securely in Azure Key Vault.
- Manage dedicated physical servers to host your Azure VMs for Windows and Linux by using Azure Dedicated Host.

### Prerequisites

- You should be familiar with basic computing concepts and terminology.
- Familiarity with cloud computing is helpful but isn't necessary.

## Azure Security Center

Tailwind Traders is broadening its use of Azure services. It still has on-premises workloads with current security-related configuration best practices and business procedures. How does the company ensure that all of its systems meet a minimum level of security and that its information is protected from attacks?

Many Azure services include built-in security features. Tools on Azure can also help Tailwind Traders with this requirement. Let's start by looking at Azure Security Center.

### What's Azure Security Center?

**Azure Security Center<sup>2</sup>** is a monitoring service that provides visibility of your security posture across all of your services, both on Azure and on-premises. The term *security posture* refers to cybersecurity policies and controls, as well as how well you can predict, prevent, and respond to security threats.

Security Center can:

- Monitor security settings across on-premises and cloud workloads.
- Automatically apply required security settings to new resources as they come online.
- Provide security recommendations that are based on your current configurations, resources, and networks.

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<sup>2</sup> <https://azure.microsoft.com/services/security-center?azure-portal=true>

- Continuously monitor your resources and perform automatic security assessments to identify potential vulnerabilities before those vulnerabilities can be exploited.
- Use machine learning to detect and block malware from being installed on your virtual machines (VMs) and other resources. You can also use *adaptive application controls* to define rules that list allowed applications to ensure that only applications you allow can run.
- Detect and analyze potential inbound attacks and investigate threats and any post-breach activity that might have occurred.
- Provide just-in-time access control for network ports. Doing so reduces your attack surface by ensuring that the network only allows traffic that you require at the time that you need it to.

This short video explains how Security Center can help harden your networks, secure and monitor your cloud resources, and improve your overall security posture.



<https://www.microsoft.com/videoplayer/embed/RE4MBbV>

## Understand your security posture

Tailwind Traders can use Security Center to get a detailed analysis of different components in its environment. Because the company's resources are analyzed against the security controls of any governance policies it has assigned, it can view its overall regulatory compliance from a security perspective all from one place.

See the following example of what you might see in Azure Security Center.

### Policy & compliance

#### Overall Secure Score



[Review your Secure Score >](#)

#### Regulatory compliance

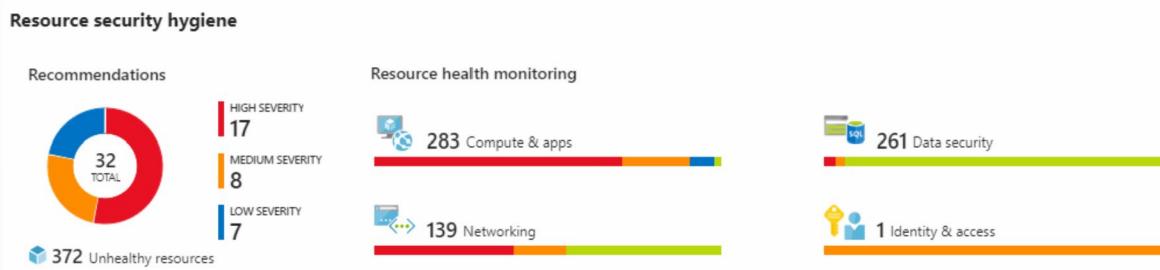
PCI DSS 3.2.1	34 of 45 passed controls
Azure CIS 1.1.0	20 of 24 passed controls
SOC TSP	12 of 13 passed controls

#### Subscription coverage



Let's say that Tailwind Traders must comply with the Payment Card Industry's Data Security Standard (PCI DSS). This report shows that the company has resources that it needs to remediate.

In the **Resource security hygiene** section, Tailwind Traders can see the health of its resources from a security perspective. To help prioritize remediation actions, recommendations are categorized as low, medium, and high. Here's an example.



## What's secure score?

**Secure score**<sup>3</sup> is a measurement of an organization's security posture.

Secure score is based on *security controls*, or groups of related security recommendations. Your score is based on the percentage of security controls that you satisfy. The more security controls you satisfy, the higher the score you receive. Your score improves when you remediate all of the recommendations for a single resource within a control.

Here's an example from the Azure portal showing a score of 57 percent, or 34 out of 60 points.



Following the secure score recommendations can help protect your organization from threats. From a centralized dashboard in Azure Security Center, organizations can monitor and work on the security of their Azure resources like identities, data, apps, devices, and infrastructure.

Secure score helps you:

- Report on the current state of your organization's security posture.
- Improve your security posture by providing discoverability, visibility, guidance, and control.
- Compare with benchmarks and establish key performance indicators (KPIs).

## Protect against threats

Security Center includes advanced cloud defense capabilities for VMs, network security, and file integrity. Let's look at how some of these capabilities apply to Tailwind Traders.

- **Just-in-time VM access** Tailwind Traders will configure just-in-time access to VMs. This access blocks traffic by default to specific network ports of VMs, but allows traffic for a specified time when an admin requests and approves it.
- **Adaptive application controls** Tailwind Traders can control which applications are allowed to run on its VMs. In the background, Security Center uses machine learning to look at the processes running on a VM. It creates exception rules for each resource group that holds the VMs and provides recommen-

<sup>3</sup> <https://docs.microsoft.com/azure/security-center/secure-score-security-controls/?azure-portal=true>

dations. This process provides alerts that inform the company about unauthorized applications that are running on its VMs.

- **Adaptive network hardening** Security Center can monitor the internet traffic patterns of the VMs, and compare those patterns with the company's current network security group (NSG) settings. From there, Security Center can make recommendations about whether the NSGs should be locked down further and provide remediation steps.
- **File integrity monitoring** Tailwind Traders can also configure the monitoring of changes to important files on both Windows and Linux, registry settings, applications, and other aspects that might indicate a security attack.

## Respond to security alerts

Tailwind Traders can use Security Center to get a centralized view of all of its security alerts. From there, the company can dismiss false alerts, investigate them further, remediate alerts manually, or use an automated response with a *workflow automation*.

Workflow automation uses Azure Logic Apps and Security Center connectors. The logic app can be triggered by a threat detection alert or by a Security Center recommendation, filtered by name or by severity. You can then configure the logic app to run an action, such as sending an email, or posting a message to a Microsoft Teams channel.

## Walkthrough - Azure Security Center

### Open Azure Security Center and view some of the common features and configuration options. (5 min)

1. Launch Azure Security Center.
2. View Policy compliance options.
3. Review your Secure Score.
4. Set a Security Alert.
5. Explore Resource Hygiene.

## Azure Sentinel

Security management on a large scale can benefit from a dedicated security information and event management (SIEM) system. A SIEM system aggregates security data from many different sources (as long as those sources support an open-standard logging format). It also provides capabilities for threat detection and response.

**Azure Sentinel**<sup>4</sup> is Microsoft's cloud-based SIEM system. It uses intelligent security analytics and threat analysis.

## Azure Sentinel capabilities

Azure Sentinel enables you to:

- **Collect cloud data at scale** Collect data across all users, devices, applications, and infrastructure, both on-premises and from multiple clouds.
- **Detect previously undetected threats** Minimize false positives by using Microsoft's comprehensive analytics and threat intelligence.
- **Investigate threats with artificial intelligence** Examine suspicious activities at scale, tapping into years of cybersecurity experience from Microsoft.
- **Respond to incidents rapidly** Use built-in orchestration and automation of common tasks.

## Connect your data sources

Tailwind Traders decides to explore the capabilities of Azure Sentinel. First, the company identifies and connects its data sources.

Azure Sentinel supports a number of data sources, which it can analyze for security events. These connections are handled by built-in connectors or industry-standard log formats and APIs.

- **Connect Microsoft solutions** Connectors provide real-time integration for services like Microsoft Threat Protection solutions, Microsoft 365 sources (including Office 365), Azure Active Directory, and Windows Defender Firewall.
- **Connect other services and solutions** Connectors are available for common non-Microsoft services and solutions, including AWS CloudTrail, Citrix Analytics (Security), Sophos XG Firewall, VMware Carbon Black Cloud, and Okta SSO.
- **Connect industry-standard data sources** Azure Sentinel supports data from other sources that use the Common Event Format (CEF) messaging standard, Syslog, or REST API.

## Detect threats

Tailwind Traders needs to be notified when something suspicious occurs. It decides to use both built-in analytics and custom rules to detect threats.

**Built in analytics** use templates designed by Microsoft's team of security experts and analysts based on known threats, common attack vectors, and escalation chains for suspicious activity. These templates can be customized and search across the environment for any activity that looks suspicious. Some templates use machine learning behavioral analytics that are based on Microsoft proprietary algorithms.

**Custom analytics** are rules that you create to search for specific criteria within your environment. You can preview the number of results that the query would generate (based on past log events) and set a schedule for the query to run. You can also set an alert threshold.

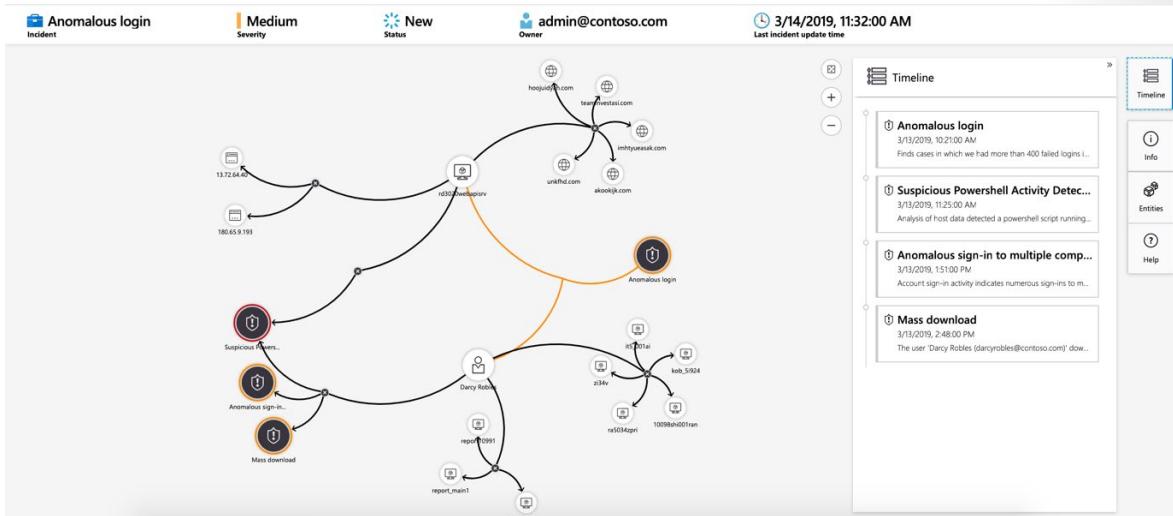
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<sup>4</sup> <https://azure.microsoft.com/services/azure-sentinel/?azure-portal=true>

## Investigate and respond

When Azure Sentinel detects suspicious events, Tailwind Traders can investigate specific alerts or *incidents* (a group of related alerts). With the investigation graph, the company can review information from entities directly connected to the alert, and see common exploration queries to help guide the investigation.

Here's an example that shows what an investigation graph looks like in Azure Sentinel.



The company will also use **Azure Monitor Workbooks**<sup>5</sup> to automate responses to threats. For example, it can set an alert that looks for malicious IP addresses that access the network and create a workbook that does the following steps:

1. When the alert is triggered, open a ticket in the IT ticketing system.
2. Send a message to the security operations channel in Microsoft Teams or Slack to make sure the security analysts are aware of the incident.
3. Send all of the information in the alert to the senior network admin and to the security admin. The email message includes two user option buttons: **Block** or **Ignore**.

When an admin chooses **Block**, the IP address is blocked in the firewall, and the user is disabled in Azure Active Directory. When an admin chooses **Ignore**, the alert is closed in Azure Sentinel, and the incident is closed in the IT ticketing system.

The workbook continues to run after it receives a response from the admins.

Workbooks can be run manually or automatically when a rule triggers an alert.

## Azure Key Vault

As Tailwind Traders builds its workloads in the cloud, it needs to carefully handle sensitive information such as passwords, encryption keys, and certificates. This information needs to be available for an application to function, but it might allow an unauthorized person access to application data.

**Azure Key Vault**<sup>6</sup> is a centralized cloud service for storing an application's secrets in a single, central location. It provides secure access to sensitive information by providing access control and logging capabilities.

<sup>5</sup> <https://docs.microsoft.com/azure/azure-monitor/platform/workbooks-overview/?azure-portal=true>

<sup>6</sup> <https://azure.microsoft.com/services/key-vault?azure-portal=true>

## What can Azure Key Vault do?

Azure Key Vault can help you:

- **Manage secrets** You can use Key Vault to securely store and tightly control access to tokens, passwords, certificates, API keys, and other secrets.
- **Manage encryption keys** You can use Key Vault as a key management solution. Key Vault makes it easier to create and control the encryption keys that are used to encrypt your data.
- **Manage SSL/TLS certificates** Key Vault enables you to provision, manage, and deploy your public and private Secure Sockets Layer/Transport Layer Security (SSL/TLS) certificates for both your Azure resources and your internal resources.
- **Store secrets backed by hardware security modules (HSMs)** These secrets and keys can be protected either by software or by FIPS 140-2 Level 2 validated HSMs.

Here's an example that shows a certificate used for testing in Key Vault.

You'll add a secret to Key Vault later in this module.

## What are the benefits of Azure Key Vault?

The benefits of using Key Vault include:

- **Centralized application secrets** Centralizing the storage for your application secrets enables you to control their distribution, and reduces the chances that secrets are accidentally leaked.
- **Securely stored secrets and keys** Azure uses industry-standard algorithms, key lengths, and HSMs. Access to Key Vault requires proper authentication and authorization.
- **Access monitoring and access control** By using Key Vault, you can monitor and control access to your application secrets.
- **Simplified administration of application secrets** Key Vault makes it easier to enroll and renew certificates from public certificate authorities (CAs). You can also scale up and replicate content within regions and use standard certificate management tools.
- **Integration with other Azure services** You can integrate Key Vault with storage accounts, container registries, event hubs, and many more Azure services. These services can then securely reference the secrets stored in Key Vault.

## Walkthrough - Implement Azure Key Vault

**Create an Azure Key vault and then create a password secret within the key vault. (5 min)**

1. Create an Azure key vault.

2. Add a secret to the Azure key vault.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/12-Implement%20Azure%20Key%20Vault.html>

## Azure Dedicated Host

On Azure, virtual machines (VMs) run on shared hardware that Microsoft manages. Although the underlying hardware is shared, your VM workloads are isolated from workloads that other Azure customers run.

Some organizations must follow regulatory compliance that requires them to be the only customer using the physical machine that hosts their virtual machines. **Azure Dedicated Host**<sup>7</sup> provides dedicated physical servers to host your Azure VMs for Windows and Linux.

Here's a diagram that shows how VMs relate to dedicated hosts and host groups. A *dedicated host* is mapped to a physical server in an Azure datacenter. A *host group* is a collection of dedicated hosts.



## What are the benefits of Azure Dedicated Host?

Azure Dedicated Host:

- Gives you visibility into, and control over, the server infrastructure that's running your Azure VMs.
- Helps address compliance requirements by deploying your workloads on an isolated server.
- Lets you choose the number of processors, server capabilities, VM series, and VM sizes within the same host.

## Availability considerations for Dedicated Host

After a dedicated host is provisioned, Azure assigns it to the physical server in Microsoft's cloud datacenter.

<sup>7</sup> <https://azure.microsoft.com/services/virtual-machines/dedicated-host/?azure-portal=true>

For high availability, you can provision multiple hosts in a *host group*, and deploy your VMs across this group. VMs on dedicated hosts can also take advantage of *maintenance control*. This feature enables you to control when regular maintenance updates occur, within a 35-day rolling window.

## Pricing considerations

You're charged per dedicated host, independent of how many VMs you deploy to it. The host price is based on the VM family, type (hardware size), and region.

Software licensing, storage, and network usage are billed separately from the host and VMs. For more information, see **Azure Dedicated Host pricing<sup>8</sup>**.

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<sup>8</sup> <https://aka.ms/ADHPricing/?azure-portal=true>

# Secure network connectivity

## Introduction

Every application and service, whether on-premises or in the cloud, needs to be designed with security in mind. There's too much at risk. For example, a denial-of-service attack might prevent customers from reaching your website or services and block you from doing business. Or, your website might be defaced, causing damage to your reputation. A data breach would be even worse, because it can ruin hard-earned trust while causing significant personal and financial harm.

## Meet Tailwind Traders

Tailwind Traders<sup>9</sup> is a fictitious home improvement retailer. It operates retail hardware stores across the globe and online.



Tailwind Traders specializes in competitive pricing, fast shipping, and a large range of items. It's looking at cloud technologies to improve business operations and support growth into new markets. By moving to the cloud, the company plans to enhance its shopping experience to further differentiate itself from competitors.

## How will Tailwind Traders secure its networks?

As Tailwind Traders moves to the cloud, it needs to evaluate its security needs before it can deploy a single line of code to production.

Although security must be considered at every layer in the company's applications (all the way from the physical servers to the application data), some factors relate specifically to the network configuration and network traffic of cloud-based workloads.

In this module, you'll focus on the network security capabilities in Azure and review how they help you secure your solutions in the cloud, based on your business needs.

## Learning objectives

After completing this module, you'll be able to:

- Identify the layers that make up a *defense in depth* strategy.
- Explain how Azure Firewall enables you to control what traffic is allowed on the network.
- Configure network security groups to filter network traffic to and from Azure resources within a Microsoft Azure virtual network.
- Explain how Azure DDoS Protection helps protect your Azure resources from DDoS attacks.

<sup>9</sup> <https://www.tailwindtraders.com/?azure-portal=true>

## Prerequisites

- You should be familiar with basic computing concepts and terminology.
- Familiarity with cloud computing is helpful but isn't necessary.

## What is defense in depth

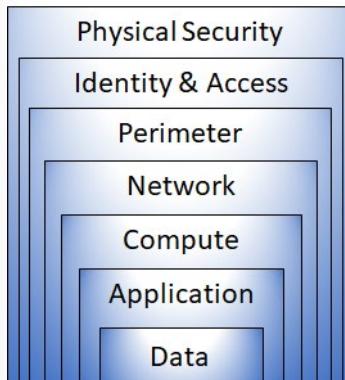
Tailwind Traders currently runs its workloads on-premises, in its datacenter. Running on-premises means that the company is responsible for all aspects of security, from physical access to buildings all the way down to how data travels in and out of the network. The company wants to know how its current defense-in-depth strategy compares to running in the cloud.

The objective of *defense in depth* is to protect information and prevent it from being stolen by those who aren't authorized to access it.

A defense-in-depth strategy uses a series of mechanisms to slow the advance of an attack that aims at acquiring unauthorized access to data.

## Layers of defense in depth

You can visualize defense in depth as a set of layers, with the data to be secured at the center.



Each layer provides protection so that if one layer is breached, a subsequent layer is already in place to prevent further exposure. This approach removes reliance on any single layer of protection. It slows down an attack and provides alert telemetry that security teams can act upon, either automatically or manually.

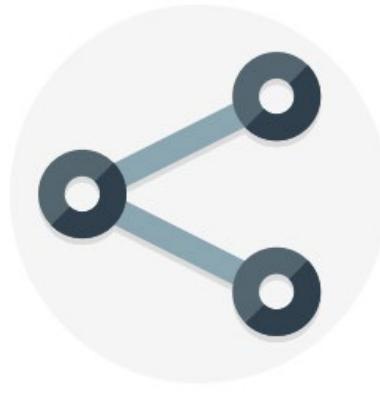
Here's a brief overview of the role of each layer:

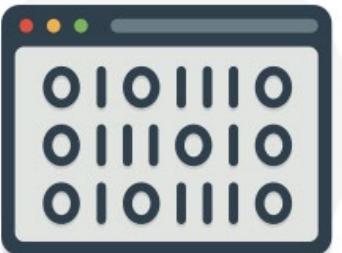
- The *physical security* layer is the first line of defense to protect computing hardware in the datacenter.
- The *identity and access* layer controls access to infrastructure and change control.
- The *perimeter* layer uses distributed denial of service (DDoS) protection to filter large-scale attacks before they can cause a denial of service for users.
- The *network* layer limits communication between resources through segmentation and access controls.
- The *compute* layer secures access to virtual machines.
- The *application* layer helps ensure that applications are secure and free of security vulnerabilities.
- The *data* layer controls access to business and customer data that you need to protect.

These layers provide a guideline for you to help make security configuration decisions in all of the layers of your applications.

Azure provides security tools and features at every level of the defense-in-depth concept. Let's take a closer look at each layer:

	<p><b>Physical security</b></p> <p>Physically securing access to buildings and controlling access to computing hardware within the datacenter are the first line of defense.</p> <p>With physical security, the intent is to provide physical safeguards against access to assets. These safeguards ensure that other layers can't be bypassed, and loss or theft is handled appropriately. Microsoft uses various physical security mechanisms in its cloud datacenters.</p>
	<p><b>Identity and access</b></p> <p>At this layer, it's important to:</p> <ul style="list-style-type: none"><li>• Control access to infrastructure and change control.</li><li>• Use single sign-on (SSO) and multifactor authentication.</li><li>• Audit events and changes.</li></ul> <p>The identity and access layer is all about ensuring that identities are secure, access is granted only to what's needed, and sign-in events and changes are logged.</p>
	<p><b>Perimeter</b></p> <p>At this layer, it's important to:</p> <ul style="list-style-type: none"><li>• Use DDoS protection to filter large-scale attacks before they can affect the availability of a system for users.</li><li>• Use perimeter firewalls to identify and alert on malicious attacks against your network.</li></ul> <p>At the network perimeter, it's about protecting from network-based attacks against your resources. Identifying these attacks, eliminating their impact, and alerting you when they happen are important ways to keep your network secure.</p>

	<p><b>Network</b></p> <p>At this layer, it's important to:</p> <ul style="list-style-type: none"><li>• Limit communication between resources.</li><li>• Deny by default.</li><li>• Restrict inbound internet access and limit outbound access where appropriate.</li><li>• Implement secure connectivity to on-premises networks.</li></ul> <p>At this layer, the focus is on limiting the network connectivity across all your resources to allow only what's required. By limiting this communication, you reduce the risk of an attack spreading to other systems in your network.</p>
	<p><b>Compute</b></p> <p>At this layer, it's important to:</p> <ul style="list-style-type: none"><li>• Secure access to virtual machines.</li><li>• Implement endpoint protection on devices and keep systems patched and current.</li></ul> <p>Malware, unpatched systems, and improperly secured systems open your environment to attacks. The focus in this layer is on making sure that your compute resources are secure and that you have the proper controls in place to minimize security issues.</p>
	<p><b>Application</b></p> <p>At this layer, it's important to:</p> <ul style="list-style-type: none"><li>• Ensure that applications are secure and free of vulnerabilities.</li><li>• Store sensitive application secrets in a secure storage medium.</li><li>• Make security a design requirement for all application development.</li></ul> <p>Integrating security into the application development lifecycle helps reduce the number of vulnerabilities introduced in code. Every development team should ensure that its applications are secure by default.</p>

	<p><b>Data</b></p> <p>In almost all cases, attackers are after data:</p> <ul style="list-style-type: none"><li>• Stored in a database.</li><li>• Stored on disk inside virtual machines.</li><li>• Stored in software as a service (SaaS) applications, such as Office 365.</li><li>• Managed through cloud storage.</li></ul> <p>Those who store and control access to data are responsible for ensuring that it's properly secured. Often, regulatory requirements dictate the controls and processes that must be in place to ensure the confidentiality, integrity, and availability of the data.</p>
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## Security posture

Your *security posture* is your organization's ability to protect from and respond to security threats. The common principles used to define a security posture are *confidentiality*, *integrity*, and *availability*, known collectively as CIA.

- **Confidentiality** The *principle of least privilege* means restricting access to information only to individuals explicitly granted access, at only the level that they need to perform their work. This information includes protection of user passwords, email content, and access levels to applications and underlying infrastructure.
- **Integrity** Prevent unauthorized changes to information:
  - At rest: when it's stored.
  - In transit: when it's being transferred from one place to another, including from a local computer to the cloud.

A common approach used in data transmission is for the sender to create a unique fingerprint of the data by using a one-way hashing algorithm. The hash is sent to the receiver along with the data. The receiver recalculates the data's hash and compares it to the original to ensure that the data wasn't lost or modified in transit.

- **Availability** Ensure that services are functioning and can be accessed only by authorized users. *Denial-of-service attacks* are designed to degrade the availability of a system, affecting its users.

## Network Security Groups (NSGs)

Although Azure Firewall and Azure DDoS Protection can help control what traffic can come from outside sources, Tailwind Traders also wants to understand how to protect its internal networks on Azure. Doing so will give the company an extra layer of defense against attacks.

In this part, you examine network security groups (NSGs).

## What are network security groups?

A **network security group**<sup>10</sup> enables you to filter network traffic to and from Azure resources within an Azure virtual network. You can think of NSGs like an internal firewall. An NSG can contain multiple inbound and outbound security rules that enable you to filter traffic to and from resources by source and destination IP address, port, and protocol.

## How do I specify NSG rules?

A network security group can contain as many rules as you need, within Azure subscription limits. Each rule specifies these properties:

Property	Description
Name	A unique name for the NSG.
Priority	A number between 100 and 4096. Rules are processed in priority order, with lower numbers processed before higher numbers.
Source or Destination	A single IP address or IP address range, service tag, or application security group.
Protocol	<b>TCP, UDP, or Any.</b>
Direction	Whether the rule applies to inbound or outbound traffic.
Port Range	A single port or range of ports.
Action	<b>Allow or Deny.</b>

When you create a network security group, Azure creates a series of default rules to provide a baseline level of security. You can't remove the default rules, but you can override them by creating new rules with higher priorities.

## Azure Firewall

A *firewall* is a network security device that monitors incoming and outgoing network traffic and decides whether to allow or block specific traffic based on a defined set of security rules. You can create firewall rules that specify ranges of IP addresses. Only clients granted IP addresses from within those ranges are allowed to access the destination server. Firewall rules can also include specific network protocol and port information.

Tailwind Traders currently runs firewall appliances, which combine hardware and software, to protect its on-premises network. These firewall appliances require a monthly licensing fee to operate, and they require IT staff to perform routine maintenance. As Tailwind Traders moves to the cloud, the IT manager wants to know what Azure services can protect both the company's cloud networks and its on-premises networks.

In this part, you explore Azure Firewall.

## What's Azure Firewall?

**Azure Firewall**<sup>11</sup> is a managed, cloud-based network security service that helps protect resources in your Azure virtual networks. A virtual network is similar to a traditional network that you'd operate in your own

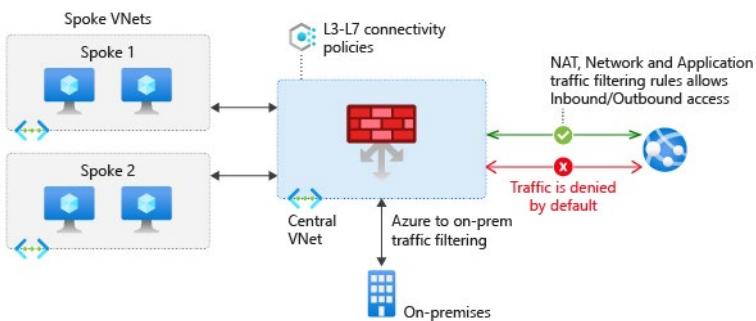
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<sup>10</sup> <https://docs.microsoft.com/azure/virtual-network/security-overview#network-security-groups?azure-portal=true>

<sup>11</sup> <https://azure.microsoft.com/services/azure-firewall?azure-portal=true>

datacenter. It's a fundamental building block for your private network that enables virtual machines and other compute resources to securely communicate with each other, the internet, and on-premises networks.

Here's a diagram that shows a basic Azure Firewall implementation:



Azure Firewall is a *stateful* firewall. A stateful firewall analyzes the complete context of a network connection, not just an individual packet of network traffic. Azure Firewall features high availability and unrestricted cloud scalability.

Azure Firewall provides a central location to create, enforce, and log application and network connectivity policies across subscriptions and virtual networks. Azure Firewall uses a static (unchanging) public IP address for your virtual network resources, which enables outside firewalls to identify traffic coming from your virtual network. The service is integrated with Azure Monitor to enable logging and analytics.

Azure Firewall provides many features, including:

- Built-in high availability.
- Unrestricted cloud scalability.
- Inbound and outbound filtering rules.
- Inbound Destination Network Address Translation (DNAT) support.
- Azure Monitor logging.

You typically deploy Azure Firewall on a central virtual network to control general network access.

This short video explains how Azure Firewall monitors incoming and outgoing network traffic based a defined set of security rules. The video also explains how Azure Firewall compares to traditional firewall appliances



<https://www.microsoft.com/videoplayer/embed/RWyFpp>

## What can I configure with Azure Firewall?

With Azure Firewall, you can configure:

- Application rules that define fully qualified domain names (FQDNs) that can be accessed from a subnet.

- Network rules that define source address, protocol, destination port, and destination address.
- Network Address Translation (NAT) rules that define destination IP addresses and ports to translate inbound requests.

**Azure Application Gateway**<sup>12</sup> also provides a firewall that's called the *web application firewall* (WAF). WAF provides centralized, inbound protection for your web applications against common exploits and vulnerabilities. **Azure Front Door**<sup>13</sup> and **Azure Content Delivery Network**<sup>14</sup> also provide WAF services.

## Azure Distributed Denial of Service (DDoS) protection

Any large company can be the target of a large-scale network attack. Tailwind Traders is no exception. Attackers might flood your network to make a statement or simply for the challenge. As Tailwind Traders moves to the cloud, it wants to understand how Azure can help prevent distributed denial of service (DDoS) and other attacks.

In this part, you learn how Azure DDoS Protection (Standard service tier) helps protect your Azure resources from DDoS attacks. First, let's define what a DDoS attack is.

### What are DDoS attacks?

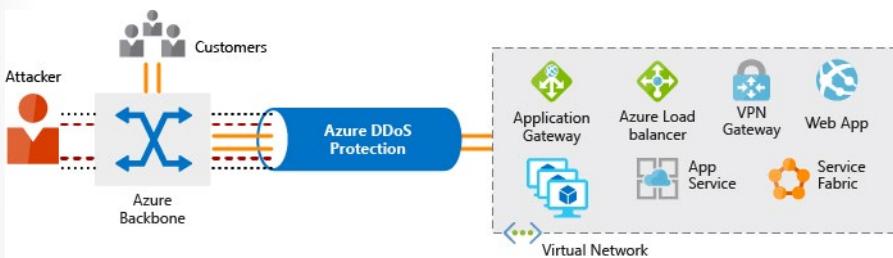
A **distributed denial of service**<sup>15</sup> attack attempts to overwhelm and exhaust an application's resources, making the application slow or unresponsive to legitimate users. DDoS attacks can target any resource that's publicly reachable through the internet, including websites.

### What is Azure DDoS Protection?

**Azure DDoS Protection**<sup>16</sup> (Standard) helps protect your Azure resources from DDoS attacks.

When you combine DDoS Protection with recommended application design practices, you help provide a defense against DDoS attacks. DDoS Protection uses the scale and elasticity of Microsoft's global network to bring DDoS mitigation capacity to every Azure region. The DDoS Protection service helps protect your Azure applications by analyzing and discarding DDoS traffic at the Azure network edge, before it can affect your service's availability.

This diagram shows network traffic flowing into Azure from both customers and an attacker:



<sup>12</sup> <https://azure.microsoft.com/services/application-gateway?azure-portal=true>

<sup>13</sup> <https://azure.microsoft.com/services/frontdoor/?azure-portal=true>

<sup>14</sup> <https://azure.microsoft.com/services/cdn/?azure-portal=true>

<sup>15</sup> <https://azure.microsoft.com/services/ddos-protection?azure-portal=true>

<sup>16</sup> <https://azure.microsoft.com/services/ddos-protection/?azure-portal=true>

DDoS Protection identifies the attacker's attempt to overwhelm the network and blocks further traffic from them, ensuring that traffic never reaches Azure resources. Legitimate traffic from customers still flows into Azure without any interruption of service.

DDoS Protection can also help you manage your cloud consumption. When you run on-premises, you have a fixed number of compute resources. But in the cloud, elastic computing means that you can automatically scale out your deployment to meet demand. A cleverly designed DDoS attack can cause you to increase your resource allocation, which incurs unneeded expense. DDoS Protection Standard helps ensure that the network load you process reflects customer usage. You can also receive credit for any costs accrued for scaled-out resources during a DDoS attack.

## What service tiers are available to DDoS Protection?

DDoS Protection provides these service tiers:

- **Basic** The Basic service tier is automatically enabled for free as part of your Azure subscription. Always-on traffic monitoring and real-time mitigation of common network-level attacks provide the same defenses that Microsoft's online services use. The Basic service tier ensures that Azure infrastructure itself is not affected during a large-scale DDoS attack. The Azure global network is used to distribute and mitigate attack traffic across Azure regions.
- **Standard** The Standard service tier provides additional mitigation capabilities that are tuned specifically to Azure Virtual Network resources. DDoS Protection Standard is relatively easy to enable and requires no changes to your applications. The Standard tier provides always-on traffic monitoring and real-time mitigation of common network-level attacks. It provides the same defenses that Microsoft's online services use. Protection policies are tuned through dedicated traffic monitoring and machine learning algorithms. Policies are applied to public IP addresses, which are associated with resources deployed in virtual networks such as Azure Load Balancer and Application Gateway. The Azure global network is used to distribute and mitigate attack traffic across Azure regions.

## What kinds of attacks can DDoS Protection help prevent?

The Standard service tier can help prevent:

- **Volumetric attacks** The goal of this attack is to flood the network layer with a substantial amount of seemingly legitimate traffic.
- **Protocol attacks** These attacks render a target inaccessible by exploiting a weakness in the layer 3 and layer 4 protocol stack.
- **Resource-layer (application-layer) attacks (only with web application firewall)** These attacks target web application packets to disrupt the transmission of data between hosts. You need a web application firewall (WAF) to protect against L7 attacks. DDoS Protection Standard protects the WAF from volumetric and protocol attacks.

## Combine Azure services to create a complete network security solution

When you're considering an Azure security solution, consider all the elements of defense in depth.

Here are some recommendations on how to combine Azure services to create a complete network security solution.

## Secure the perimeter layer

The perimeter layer is about protecting your organization's resources from network-based attacks. Identifying these attacks, alerting the appropriate security teams, and eliminating their impact are important to keeping your network secure. To do this:

- Use Azure DDoS Protection to filter large-scale attacks before they can cause a denial of service for users.
- Use perimeter firewalls with Azure Firewall to identify and alert on malicious attacks against your network.

## Secure the network layer

At this layer, the focus is on limiting network connectivity across all of your resources to allow only what's required. Segment your resources and use network-level controls to restrict communication to only what's needed.

By restricting connectivity, you reduce the risk of lateral movement throughout your network from an attack. Use network security groups to create rules that define allowed inbound and outbound communication at this layer. Here are some recommended practices:

- Limit communication between resources by segmenting your network and configuring access controls.
- Deny by default.
- Restrict inbound internet access and limit outbound where appropriate.
- Implement secure connectivity to on-premises networks.

## Combine services

You can combine Azure networking and security services to manage your network security and provide increased layered protection. Here are two ways you can combine services:

- **Network security groups and Azure Firewall** Azure Firewall complements the functionality of network security groups. Together, they provide better defense-in-depth network security. Network security groups provide distributed network-layer traffic filtering to limit traffic to resources within virtual networks in each subscription. Azure Firewall is a fully stateful, centralized network firewall as a service. It provides network-level and application-level protection across different subscriptions and virtual networks.
- **Azure Application Gateway web application firewall and Azure Firewall** Web application firewall (WAF) is a feature of Azure Application Gateway that provides your web applications with centralized, inbound protection against common exploits and vulnerabilities. Azure Firewall provides:
  - Inbound protection for non-HTTP/S protocols (for example, RDP, SSH, and FTP).
  - Outbound network-level protection for all ports and protocols.
  - Application-level protection for outbound HTTP/S.

Combining them provides more layers of protection.

## Walkthrough - Secure network traffic

### **Create and configure inbound & outbound security port rules. (10 min)**

1. Deploy a custom template to create a virtual machine.
2. Create a network security group.
3. Create an inbound security port rule to allow RDP.
4. Configure an outbound security port rule to deny Internet access.

**<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/13-Secure%20network%20traffic.html>**

## Module 4 Review Questions

### Module 04 Review Questions

Consider the following scenario.

Tailwind Traders is moving its online payment system from its datacenter to the cloud. The payment system consists of virtual machines (VMs) and SQL Server databases.

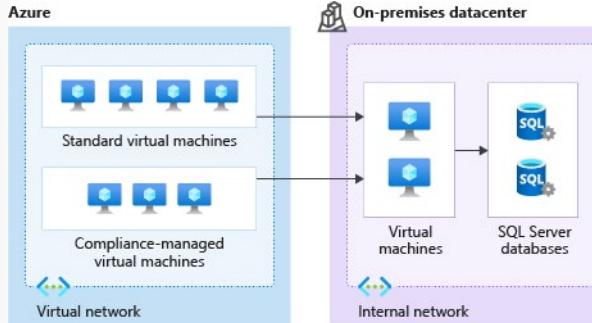
Here are a few security requirements that the company identifies as it plans the migration:

- It wants to ensure a good security posture across all of its systems, both on Azure and on-premises.
- In the datacenter, access to VMs requires a TLS certificate. The company needs a place to safely store and manage its certificates.

Here are some additional requirements that relate to regulatory compliance:

- Tailwind Traders must store certain customer data on-premises, in its datacenter.
- For certain workloads, the company must be the only customer running VMs on the physical hardware.
- The company must only run approved business applications on each VM.

See the following diagram that shows the proposed architecture.



On Azure, Tailwind Traders will use both standard VMs and VMs that run on dedicated physical hardware. In the datacenter, the company will run VMs that can connect to databases within its internal network.

Choose the best response for each of the questions below. Then select **Check your answers**.

#### Multiple choice

*How can Tailwind Traders enforce having only certain applications run on its VMs?*

- Connect your VMs to Azure Sentinel.
- Create an application control rule in Azure Security Center.
- Periodically run a script that lists the running processes on each VM. The IT manager can then shut down any applications that shouldn't be running.

## Multiple choice

*What's the easiest way for Tailwind Traders to combine security data from all of its monitoring tools into a single report that it can take action on?*

- Collect security data in Azure Sentinel.
- Build a custom tool that collects security data and displays a report through a web application.
- Look through each security log daily and email a summary to your team.

## Multiple choice

*Which is the best way for Tailwind Traders to safely store its certificates so that they're accessible to cloud VMs?*

- Place the certificates on a network share.
- Store them on a VM that's protected by a password.
- Store the certificates in Azure Key Vault.

## Multiple choice

*How can Tailwind Traders ensure that certain VM workloads are physically isolated from workloads being run by other Azure customers?*

- Configure the network to ensure that VMs on the same physical host are isolated.
- This is not possible. These workloads need to be run on-premises.
- Run the VMs on Azure Dedicated Host.

## Multiple choice

*An attacker can bring down your website by sending a large volume of network traffic to your servers. Which Azure service can help companies protect its App Service instance from this kind of attack?*

- Azure Firewall
- Network security groups
- Azure DDoS Protection

## Multiple choice

*What's the best way for companies to limit all outbound traffic from VMs to known hosts?*

- Configure Azure DDoS Protection to limit network access to trusted ports and hosts.
- Create application rules in Azure Firewall.
- Ensure that all running applications communicate with only trusted ports and hosts.

## Multiple choice

*How can companies most easily implement a deny by default policy so that VMs can't connect to each other?*

- Allocate each VM on its own virtual network.
- Create a network security group rule that prevents access from another VM on the same network.
- Configure Azure DDoS Protection to limit network access within the virtual network.

## Module 04 Summary

### Module 04 Summary

#### Security tools and features

Tailwind Traders faces a number of security challenges. In today's digital world, its needs aren't unique.

Azure provides tools and services that can help you detect and act on important security events. It also provides ways to help keep your data safe, which can prevent security incidents from happening to begin with.

In this lesson, you learned about Azure services that relate to security. Here's a brief summary:

- Azure Security Center provides visibility of your security posture across all of your services, both on Azure and on-premises.
- Azure Sentinel aggregates security data from many different sources, and provides additional capabilities for threat detection and response.
- Azure Key Vault stores your applications' secrets, such as passwords, encryption keys, and certificates, in a single, central location.
- Azure Dedicated Host provides dedicated physical servers to host your Azure VMs for Windows and Linux.

#### Learn more

Here are more resources to help you go further.

#### Azure Security Center

Take the **Resolve security threats with Azure Security Center<sup>17</sup>** module to use the alert capabilities of Azure Security Center to watch for and respond to threats.

Then review the **planning and operations guide<sup>18</sup>** to optimize your use of Security Center based on your organization's security requirements and cloud management model.

#### Azure Sentinel

**Design a holistic monitoring strategy on Azure<sup>19</sup>** goes into greater depth on how Azure Sentinel can help monitor and respond to security threats across your organization.

Also learn how to **connect data sources<sup>20</sup>** to Azure Sentinel.

<sup>17</sup> <https://docs.microsoft.com/learn/modules/resolve-threats-with-azure-security-center/?azure-portal=true>

<sup>18</sup> <https://docs.microsoft.com/azure/security-center/security-center-planning-and-operations-guide?azure-portal=true>

<sup>19</sup> <https://docs.microsoft.com/learn/modules/design-monitoring-strategy-on-azure/?azure-portal=true>

<sup>20</sup> <https://docs.microsoft.com/azure/sentinel/connect-data-sources?azure-portal=true>

## Azure Key Vault

Gain additional hands-on experience with Azure Key Vault in [Manage secrets in your server apps with Azure Key Vault<sup>21</sup>](#) and [Configure and manage secrets in Azure Key Vault<sup>22</sup>](#).

## Secure network connectivity

In this lesson, you learned about some of the ways you can secure network traffic both on Azure and in your on-premises datacenter.

*Defense in depth* is the overriding theme. Think about security as a multiple-layer, multiple-vector concern. Threats come from places we don't expect, and they can come with surprising strength.

Tailwind Traders now has a few tools and services that it can use to secure its networks. Here's a brief summary:

- Azure Firewall is a managed, cloud-based network security service that helps protect resources in Azure virtual networks.
- An Azure virtual network is similar to a traditional network that you'd operate in your own datacenter. It enables virtual machines and other compute resources to securely communicate with each other, the internet, and on-premises networks.
- A network security group (NSG) enables you to filter network traffic to and from Azure resources within a virtual network.
- Azure DDoS Protection helps protect Azure resources from DDoS attacks.

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<sup>21</sup> <https://docs.microsoft.com/learn/modules/manage-secrets-with-azure-key-vault/?azure-portal=true>

<sup>22</sup> <https://docs.microsoft.com/learn/modules/configure-and-manage-azure-key-vault?azure-portal=true>

# Answers

## Multiple choice

How can Tailwind Traders enforce having only certain applications run on its VMs?

- Connect your VMs to Azure Sentinel.
- Create an application control rule in Azure Security Center.
- Periodically run a script that lists the running processes on each VM. The IT manager can then shut down any applications that shouldn't be running.

### Explanation

*With Azure Security Center, you can define a list of allowed applications to ensure that only applications you allow can run. Azure Security Center can also detect and block malware from being installed on your VMs.*

## Multiple choice

What's the easiest way for Tailwind Traders to combine security data from all of its monitoring tools into a single report that it can take action on?

- Collect security data in Azure Sentinel.
- Build a custom tool that collects security data and displays a report through a web application.
- Look through each security log daily and email a summary to your team.

### Explanation

*Azure Sentinel is Microsoft's cloud-based SIEM. A SIEM aggregates security data from many different sources to provide additional capabilities for threat detection and responding to threats.*

## Multiple choice

Which is the best way for Tailwind Traders to safely store its certificates so that they're accessible to cloud VMs?

- Place the certificates on a network share.
- Store them on a VM that's protected by a password.
- Store the certificates in Azure Key Vault.

### Explanation

*Azure Key Vault enables you to store your secrets in a single, central location. Key Vault also makes it easier to enroll and renew certificates from public certificate authorities (CAs).*

## Multiple choice

How can Tailwind Traders ensure that certain VM workloads are physically isolated from workloads being run by other Azure customers?

- Configure the network to ensure that VMs on the same physical host are isolated.
- This is not possible. These workloads need to be run on-premises.
- Run the VMs on Azure Dedicated Host.

### Explanation

*Azure Dedicated Host provides dedicated physical servers to host your Azure VMs for Windows and Linux.*

**Multiple choice**

An attacker can bring down your website by sending a large volume of network traffic to your servers. Which Azure service can help companies protect its App Service instance from this kind of attack?

- Azure Firewall
- Network security groups
- Azure DDoS Protection

*Explanation*

*DDoS Protection helps protect your Azure resources from DDoS attacks. A DDoS attack attempts to overwhelm and exhaust an application's resources, making the application slow or unresponsive to legitimate users.*

**Multiple choice**

What's the best way for companies to limit all outbound traffic from VMs to known hosts?

- Configure Azure DDoS Protection to limit network access to trusted ports and hosts.
- Create application rules in Azure Firewall.
- Ensure that all running applications communicate with only trusted ports and hosts.

*Explanation*

*Azure Firewall enables you to limit outbound HTTP/S traffic to a specified list of fully qualified domain names (FQDNs).*

**Multiple choice**

How can companies most easily implement a deny by default policy so that VMs can't connect to each other?

- Allocate each VM on its own virtual network.
- Create a network security group rule that prevents access from another VM on the same network.
- Configure Azure DDoS Protection to limit network access within the virtual network.

*Explanation*

*A network security group rule enables you to filter traffic to and from resources by source and destination IP address, port, and protocol.*

## Module 5 Identity, governance, privacy, and compliance features

### Core Azure identity services

#### Introduction

Traditionally, protecting access to systems and data involved the on-premises network perimeter and physical access controls.

With people increasingly able to work from anywhere, plus the rise of bring your own device (BYOD) strategies, mobile applications, and cloud applications, many of those access points are now outside the company's physical networks.

*Identity* has become the new primary security boundary. Accurately proving that someone is a valid user of your system, with an appropriate level of access, is critical to maintaining control of your data. This identity layer is now more often the target of attack than the network is.

#### Meet Tailwind Traders

**Tailwind Traders**<sup>1</sup> is a fictitious home improvement retailer. It operates retail hardware stores across the globe and online.



Tailwind Traders specializes in competitive pricing, fast shipping, and a large range of items. It's looking at cloud technologies to improve business operations and support growth into new markets. By moving to the cloud, the company plans to enhance its shopping experience to further differentiate itself from competitors.

<sup>1</sup> <https://www.tailwindtraders.com/?azure-portal=true>

## How will Tailwind Traders secure access to its cloud applications?

The mobile workforce of Tailwind Traders is increasing, as are the number of applications that the company runs in the cloud.

Retail employees located around the world are issued tablet devices from which they can create orders for customers, track delivery schedules, and plan their work schedules.

Delivery drivers can use their own mobile devices to access scheduling and logistics applications. Some delivery drivers are permanent employees of Tailwind Traders. Others work on short-term contract.

Tailwind Traders uses Active Directory to secure its on-premises environment. It needs to ensure that only employees can sign in and access the company's business applications. It also needs to ensure that short-term staff can access these applications only when they're under active contract.

How can Azure Active Directory (Azure AD) help Tailwind Traders consistently secure all of its applications accessed from the intranet and from public networks?

### Learning objectives

After completing this module, you'll be able to:

- Explain the difference between authentication and authorization.
- Describe how Azure AD provides identity and access management.
- Explain the role that single sign-on (SSO), multifactor authentication, and Conditional Access play in managing user identity.

### Prerequisites

- You should be familiar with basic computing concepts and terminology.
- Familiarity with cloud computing is helpful but isn't necessary.

## Compare Authentication and Authorization

Recall that Tailwind Traders must ensure that only employees can sign in and access its business applications.

Tailwind Traders also needs to ensure that employees can access only authorized applications. For example, all employees can access inventory and pricing software, but only store managers can access payroll and certain accounting software.

Two fundamental concepts that you need to understand when talking about identity and access are *authentication* (AuthN) and *authorization* (AuthZ).

Authentication and authorization both support everything else that happens. They occur sequentially in the identity and access process.

Let's take a brief look at each.

## What is authentication?

Authentication is the process of establishing the identity of a person or service that wants to access a resource. It involves the act of challenging a party for legitimate credentials and provides the basis for creating a security principal for identity and access control. It establishes whether the user is who they say they are.

## What is authorization?

Authentication establishes the user's identity, but authorization is the process of establishing what level of access an authenticated person or service has. It specifies what data they're allowed to access and what they can do with it.

## How are authentication and authorization related?

Here's a diagram that shows the relationship between authentication and authorization:



The identification card represents credentials that the user has to prove their identity (you'll learn more about the types of credentials later in this module.) Once authenticated, authorization defines what kinds of applications, resources, and data that user can access.

## Multifactor Authentication and Conditional Access

Tailwind Traders allows delivery drivers to use their own mobile devices to access scheduling and logistics applications. Some delivery drivers are permanent employees of Tailwind Traders. Others work on short-term contract. How can the IT department ensure that an access attempt is really from a valid Tailwind Traders worker?

In this part, you'll learn about two processes that enable secure authentication: Azure AD Multi-Factor Authentication and Conditional Access. Let's start with a brief look at what multifactor authentication is in general.

## What's multifactor authentication?

*Multifactor authentication* is a process where a user is prompted during the sign-in process for an additional form of identification. Examples include a code on their mobile phone or a fingerprint scan.

Think about how you sign in to websites, email, or online gaming services. In addition to your username and password, have you ever needed to enter a code that was sent to your phone? If so, you've used multifactor authentication to sign in.

Multifactor authentication provides additional security for your identities by requiring two or more elements to fully authenticate.

These elements fall into three categories:

- **Something the user knows** This might be an email address and password.
- **Something the user has** This might be a code that's sent to the user's mobile phone.
- **Something the user is** This is typically some sort of biometric property, such as a fingerprint or face scan that's used on many mobile devices.



Multifactor authentication increases identity security by limiting the impact of credential exposure (for example, stolen usernames and passwords). With multifactor authentication enabled, an attacker who has a user's password would also need to have possession of their phone or their fingerprint to fully authenticate.

Compare multifactor authentication with single-factor authentication. Under single-factor authentication, an attacker would need only a username and password to authenticate. Multifactor authentication should be enabled wherever possible because it adds enormous benefits to security.

## What's Azure AD Multi-Factor Authentication?

Azure AD Multi-Factor Authentication is a Microsoft service that provides multifactor authentication capabilities. Azure AD Multi-Factor Authentication enables users to choose an additional form of authentication during sign-in, such as a phone call or mobile app notification.

These services provide Azure AD Multi-Factor Authentication capabilities:

- **Azure Active Directory** The Azure Active Directory free edition enables Azure AD Multi-Factor Authentication for administrators with the *global admin* level of access, via the Microsoft Authenticator app, phone call, or SMS code. You can also enforce Azure AD Multi-Factor Authentication for all users via the Microsoft Authenticator app only, by enabling *security defaults* in your Azure AD tenant. Azure Active Directory Premium (P1 or P2 licenses) allows for comprehensive and granular configuration of Azure AD Multi-Factor Authentication through Conditional Access policies (explained shortly).
- **Multifactor authentication for Office 365** A subset of Azure AD Multi-Factor Authentication capabilities is part of your Office 365 subscription.

For more information on licenses and Azure AD Multi-Factor Authentication capabilities, see **Available versions of Azure AD Multi-Factor Authentication<sup>2</sup>**.

## What's Conditional Access?

Conditional Access is a tool that Azure Active Directory uses to allow (or deny) access to resources based on identity *signals*. These signals include who the user is, where the user is, and what device the user is requesting access from.

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<sup>2</sup> <https://docs.microsoft.com/azure/active-directory/authentication/concept-mfa-licensing#available-versions-of-azure-multi-factor-authentication?azure-portal=true>

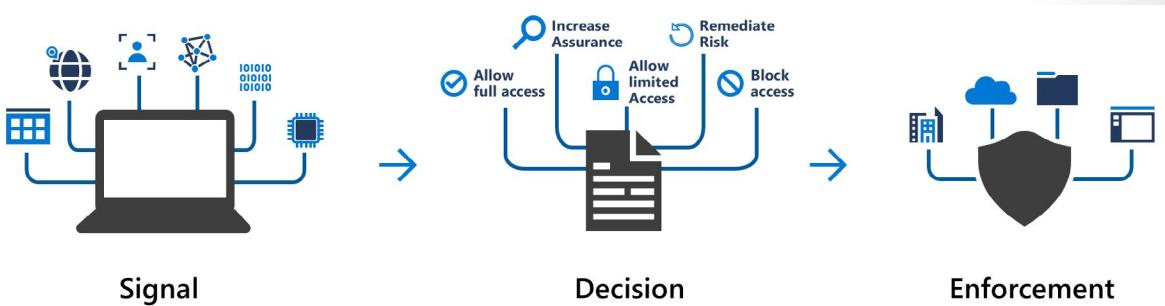
Conditional Access helps IT administrators:

- Empower users to be productive wherever and whenever.
- Protect the organization's assets.

Conditional Access also provides a more granular multifactor authentication experience for users. For example, a user might not be challenged for second authentication factor if they're at a known location. However, they might be challenged for a second authentication factor if their sign-in signals are unusual or they're at an unexpected location.

During sign-in, Conditional Access collects signals from the user, makes decisions based on those signals, and then enforces that decision by allowing or denying the access request or challenging for a multifactor authentication response.

Here's a diagram that illustrates this flow:



Here, the signal might be the user's location, the user's device, or the application that the user is trying to access.

Based on these signals, the decision might be to allow full access if the user is signing in from their usual location. If the user is signing in from an unusual location or a location that's marked as high risk, then access might be blocked entirely or possibly granted after the user provides a second form of authentication.

Enforcement is the action that carries out the decision. For example, the action is to allow access or require the user to provide a second form of authentication.

## When can I use Conditional Access?

Conditional Access is useful when you need to:

- Require multifactor authentication to access an application. You can configure whether all users require multifactor authentication or only certain users, such as administrators. You can also configure whether multifactor authentication applies to access from all networks or only untrusted networks.
- Require access to services only through approved client applications. For example, you might want to allow users to access Office 365 services from a mobile device as long as they use approved client apps, like the Outlook mobile app.
- Require users to access your application only from managed devices. A *managed device* is a device that meets your standards for security and compliance.
- Block access from untrusted sources, such as access from unknown or unexpected locations.

Conditional Access comes with a *What If* tool, which helps you plan and troubleshoot your Conditional Access policies. You can use this tool to model your proposed Conditional Access policies across recent sign-in attempts from your users to see what the impact would have been if those policies had been

enabled. The What If tool enables you to test your proposed Conditional Access policies before you implement them.

## Where is Conditional Access available?

To use Conditional Access, you need an Azure AD Premium P1 or P2 license. If you have a Microsoft 365 Business Premium license, you also have access to Conditional Access features.

## Azure Active Directory (AAD)

In this part, you learn how Azure Active Directory (Azure AD) provides identity services that enable your users to sign in and access both Microsoft cloud applications and cloud applications that you develop. You also learn how Azure AD supports single sign-on (SSO).

Tailwind Traders already uses Active Directory to secure its on-premises environments. The company doesn't want its users to have a different username and password to remember for accessing applications and data in the cloud. Can the company integrate its existing Active Directory instance with cloud identity services to create a seamless experience for its users?

Let's start with how Azure AD compares to Active Directory.

## How does Azure AD compare to Active Directory?

Active Directory is related to Azure AD, but they have some key differences.

Microsoft introduced Active Directory in Windows 2000 to give organizations the ability to manage multiple on-premises infrastructure components and systems by using a single identity per user.

For on-premises environments, Active Directory running on Windows Server provides an identity and access management service that's managed by your own organization. Azure AD is Microsoft's cloud-based identity and access management service. With Azure AD, you control the identity accounts, but Microsoft ensures that the service is available globally. If you've worked with Active Directory, Azure AD will be familiar to you.

When you secure identities on-premises with Active Directory, Microsoft doesn't monitor sign-in attempts. When you connect Active Directory with Azure AD, Microsoft can help protect you by detecting suspicious sign-in attempts at no extra cost. For example, Azure AD can detect sign-in attempts from unexpected locations or unknown devices.

## Who uses Azure AD?

Azure AD is for:

- **IT administrators** Administrators can use Azure AD to control access to applications and resources based on their business requirements.
- **App developers** Developers can use Azure AD to provide a standards-based approach for adding functionality to applications that they build, such as adding SSO functionality to an app or enabling an app to work with a user's existing credentials.
- **Users** Users can manage their identities. For example, self-service password reset enables users to change or reset their password with no involvement from an IT administrator or help desk.
- **Online service subscribers** Microsoft 365, Microsoft Office 365, Azure, and Microsoft Dynamics CRM Online subscribers are already using Azure AD. A *tenant* is a representation of an organization. A

tenant is typically separated from other tenants and has its own identity. Each Microsoft 365, Office 365, Azure, and Dynamics CRM Online tenant is automatically an Azure AD tenant.

Here's a screenshot of what an IT administrator might see in the Azure portal when working with Active Directory:

The screenshot shows the Azure Active Directory Overview page for the 'Tailwind Traders' tenant. The left sidebar includes links for Overview, Getting started, Preview hub, Diagnose and solve problems, Manage (Users, Groups, External Identities, Roles and administrators, Administrative units, Enterprise applications, Devices), and a back arrow. The main content area has a search bar and two sections: 'Tenant information' (Your role: User, License: Azure AD Premium P2, Tenant ID: 00000000-0000-0000-0000-000000000000, Primary domain: tailwindtraders.onmicrosoft.com) and 'Azure AD Connect' (Status: Enabled, Last sync: Less than 1 hour ago).

## What services does Azure AD provide?

Azure AD provides services such as:

- **Authentication** This includes verifying identity to access applications and resources. It also includes providing functionality such as self-service password reset, multifactor authentication, a custom list of banned passwords, and smart lockout services.
- **Single sign-on** SSO enables you to remember only one username and one password to access multiple applications. A single identity is tied to a user, which simplifies the security model. As users change roles or leave an organization, access modifications are tied to that identity, which greatly reduces the effort needed to change or disable accounts.
- **Application management** You can manage your cloud and on-premises apps by using Azure AD. Features like Application Proxy, SaaS apps, the My Apps portal (also called the *access panel*), and single-sign on provide a better user experience.
- **Device management** Along with accounts for individual people, Azure AD supports the registration of devices. Registration enables devices to be managed through tools like Microsoft Intune. It also allows for device-based conditional access policies to restrict access attempts to only those coming from known devices, regardless of the requesting user account.

## What kinds of resources can Azure AD help secure?

Azure AD helps users access both external and internal resources.

External resources might include Microsoft Office 365, the Azure portal, and thousands of other software as a service (SaaS) applications.

Internal resources might include apps on your corporate network and intranet, along with any cloud applications developed within your organization.

## What's single sign-on?

Single sign-on enables a user to sign in one time and use that credential to access multiple resources and applications from different providers.

More identities mean more passwords to remember and change. Password policies can vary among applications. As complexity requirements increase, it becomes increasingly difficult for users to remember them. The more passwords a user has to manage, the greater the risk of a credential-related security incident.

Consider the process of managing all those identities. Additional strain is placed on help desks as they deal with account lockouts and password reset requests. If a user leaves an organization, tracking down all those identities and ensuring they are disabled can be challenging. If an identity is overlooked, this might allow access when it should have been eliminated.

With SSO, you need to remember only one ID and one password. Access across applications is granted to a single identity that's tied to the user, which simplifies the security model. As users change roles or leave an organization, access is tied to a single identity. This change greatly reduces the effort needed to change or disable accounts. Using SSO for accounts makes it easier for users to manage their identities and increases your security capabilities.

You'll find resources at the end of this module about how to enable SSO through Azure AD.

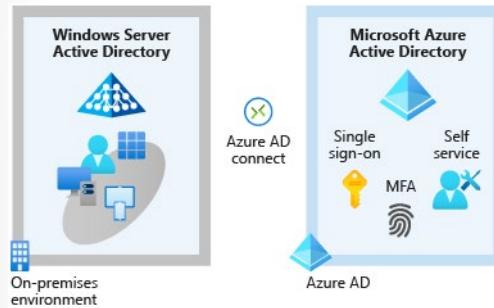
## How can I connect Active Directory with Azure AD?

Connecting Active Directory with Azure AD enables you to provide a consistent identity experience to your users.

There are a few ways to connect your existing Active Directory installation with Azure AD. Perhaps the most popular method is to use Azure AD Connect.

Azure AD Connect synchronizes user identities between on-premises Active Directory and Azure AD. Azure AD Connect synchronizes changes between both identity systems, so you can use features like SSO, multifactor authentication, and self-service password reset under both systems. Self-service password reset prevents users from using known compromised passwords.

Here's a diagram that shows how Azure AD Connect fits between on-premises Active Directory and Azure AD:



As Tailwind Traders integrates its existing Active Directory instance with Azure AD, it creates a consistent access model across its organization. Doing so greatly simplifies its ability to sign in to different applications, manage changes to user identities and control, and monitor and block unusual access attempts.

## Walkthrough - Manage access with RBAC

### Assign roles and view activity logs. (5 min)

1. View and assign roles.
  
2. View the activity log and remove a role assignment.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/14-Manage%20access%20with%20RBAC.html>

# Azure Governance Methodologies

## Introduction

The term *governance* describes the general process of establishing rules and policies and ensuring that those rules and policies are enforced.

When running in the cloud, a good governance strategy helps you maintain control over the applications and resources that you manage in the cloud. Maintaining control over your environment ensures that you stay compliant with:

- Industry standards, like **PCI DSS<sup>3</sup>**.
- Corporate or organizational standards, such as ensuring that network data is encrypted.

Governance is most beneficial when you have:

- Multiple engineering teams working in Azure.
- Multiple subscriptions to manage.
- Regulatory requirements that must be enforced.
- Standards that must be followed for all cloud resources.

## Meet Tailwind Traders

**Tailwind Traders<sup>4</sup>** is a fictitious home improvement retailer. It operates retail hardware stores across the globe and online.



Tailwind Traders specializes in competitive pricing, fast shipping, and a large range of items. It's looking at cloud technologies to improve business operations and support growth into new markets. By moving to the cloud, the company plans to enhance its shopping experience to further differentiate itself from competitors.

## How will Tailwind Traders improve agility while maintaining control?

Tailwind Traders is continuing its migration to the cloud. For its existing datacenter, development and test teams must submit support tickets to request access to virtual machines, storage, and networking components. It can take IT staff anywhere from two weeks to two months to purchase, provision, and configure these components.

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<sup>3</sup> <https://docs.microsoft.com/microsoft-365/compliance/offering-pci-dss?azure-portal=true>

<sup>4</sup> <https://www.tailwindtraders.com/?azure-portal=true>

By working in the cloud, you essentially have immediate access to compute, storage, and networking components. Many kinds of groups and users, including people from development, test, operations, and security teams, can potentially have direct access to cloud resources.

Going forward, Tailwind Traders could enforce similar processes that prevent teams from directly creating or configuring resources on Azure, similar to its existing approach where central IT provisions infrastructure. But the company knows that these restrictions reduce team agility and the ability to innovate. How can they enable innovation while still maintaining control?

In this module, you'll help the company explore ways it can enforce standards while still enabling teams to create and manage the cloud resources they need.

## Learning objectives

After completing this module, you'll be able to:

- Make organizational decisions about your cloud environment by using the Cloud Adoption Framework for Azure.
- Define who can access cloud resources by using Azure role-based access control.
- Apply a resource lock to prevent accidental deletion of your Azure resources.
- Apply tags to your Azure resources to help describe their purpose.
- Control and audit how your resources are created by using Azure Policy.
- Enable governance at scale across multiple Azure subscriptions by using Azure Blueprints.

## Explore Role-based access control (RBAC)

When you have multiple IT and engineering teams, how can you control what access they have to the resources in your cloud environment? It's a good security practice to grant users only the rights they need to perform their job, and only to the relevant resources.

Instead of defining the detailed access requirements for each individual, and then updating access requirements when new resources are created, Azure enables you to control access through **Azure role-based access control<sup>5</sup>** (Azure RBAC).

Azure provides built-in roles that describe common access rules for cloud resources. You can also define your own roles. Each role has an associated set of access permissions that relate to that role. When you assign individuals or groups to one or more roles, they receive all of the associated access permissions.

## How is role-based access control applied to resources?

Role-based access control is applied to a *scope*, which is a resource or set of resources that this access applies to.

Here's a diagram that shows the relationship between roles and scopes.

<sup>5</sup> <https://docs.microsoft.com/azure/role-based-access-control/overview?azure-portal=true>

	Reader	Resource-specific	Custom	Contributor	Owner
Scope	Management group	Subscription	Resource group	Resource	
Observers					
					Users managing resources
					Admins
					Automated processes

Scopes include:

- A management group (a collection of multiple subscriptions).
- A single subscription.
- A resource group.
- A single resource.

*Observers, Users managing resources, Admins, and Automated processes* illustrate the kinds of users or accounts that would typically be assigned each of the various roles.

When you grant access at a parent scope, those permissions are inherited by all child scopes. For example:

- When you assign the **Owner**<sup>6</sup> role to a user at the management group scope, that user can manage everything in all subscriptions within the management group.
- When you assign the **Reader**<sup>7</sup> role to a group at the subscription scope, the members of that group can view every resource group and resource within the subscription.
- When you assign the **Contributor**<sup>8</sup> role to an application at the resource group scope, the application can manage resources of all types within that resource group, but not other resource groups within the subscription.

## When should I use Azure RBAC?

Use Azure RBAC when you need to:

- Allow one user to manage VMs in a subscription and another user to manage virtual networks.
- Allow a database administrator group to manage SQL databases in a subscription.
- Allow a user to manage all resources in a resource group, such as virtual machines, websites, and subnets.
- Allow an application to access all resources in a resource group.

These are just a few examples. You'll find the complete list of built-in roles at the end of this module.

<sup>6</sup> <https://docs.microsoft.com/azure/role-based-access-control/built-in-roles?azure-portal=true#owner>

<sup>7</sup> <https://docs.microsoft.com/azure/role-based-access-control/built-in-roles?azure-portal=true#reader>

<sup>8</sup> <https://docs.microsoft.com/azure/role-based-access-control/built-in-roles?azure-portal=true#contributor>

## How is Azure RBAC enforced?

Azure RBAC is enforced on any action that's initiated against an Azure resource that passes through Azure Resource Manager. Resource Manager is a management service that provides a way to organize and secure your cloud resources.

You typically access Resource Manager from the Azure portal, Azure Cloud Shell, Azure PowerShell, and the Azure CLI. Azure RBAC doesn't enforce access permissions at the application or data level. Application security must be handled by your application.

RBAC uses an *allow model*. When you're assigned a role, RBAC *allows* you to perform certain actions, such as read, write, or delete. If one role assignment grants you read permissions to a resource group and a different role assignment grants you write permissions to the same resource group, you have both read and write permissions on that resource group.

## Who does Azure RBAC apply to?

You can apply Azure RBAC to an individual person or to a group. You can also apply Azure RBAC to other special identity types, such as service principals and managed identities. These identity types are used by applications and services to automate access to Azure resources.

Tailwind Traders has the following teams with an interest in some part of their overall IT environment:

- **IT Administrators** This team has ultimate ownership of technology assets, both on-premises and in the cloud. The team requires full control of all resources.
- **Backup and Disaster Recovery** This team is responsible for managing the health of regular backups and invoking any data or system recoveries.
- **Cost and Billing** People in this team track and report on technology-related spend. They also manage the organization's internal budgets.
- **Security Operations** This team monitors and responds to any technology-related security incidents. The team requires ongoing access to log files and security alerts.

## How do I manage Azure RBAC permissions?

You manage access permissions on the **Access control (IAM)** pane in the Azure portal. This pane shows who has access to what scope and what roles apply. You can also grant or remove access from this pane.

The following screenshot shows an example of the **Access control (IAM)** pane for a resource group. In this example, Alain Charon has been assigned the **Backup Operator** role for this resource group.

The screenshot shows the 'Access Control - Role assignment' page in the Azure portal. The URL is 'Home > Resource groups > sales-projectforecast > Access Control - Role assignment'. The left sidebar shows 'Overview', 'Activity log', 'Access control (IAM)' (which is highlighted with a red box), 'Tags', 'Events', 'Settings', and 'Quickstart'. The main area has a search bar and buttons for '+ Add', 'Remove', 'Roles', 'Refresh', and 'Help'. It displays a table with columns: NAME, TYPE, ROLE, and SCOPE. The table shows 8 items (5 Users, 1 Groups, 2 Service Principals). One row is highlighted with a red box, showing 'NAME: Alain Charon', 'TYPE: User', 'ROLE: Backup Operator', and 'SCOPE: This resource'. There is also a small circular icon with 'AC' initials next to the name.

## Resource locks

A **resource lock**<sup>9</sup> prevents resources from being accidentally deleted or changed.

Even with Azure role-based access control (Azure RBAC) policies in place, there's still a risk that people with the right level of access could delete critical cloud resources. Think of a resource lock as a warning system that reminds you that a resource should not be deleted or changed.

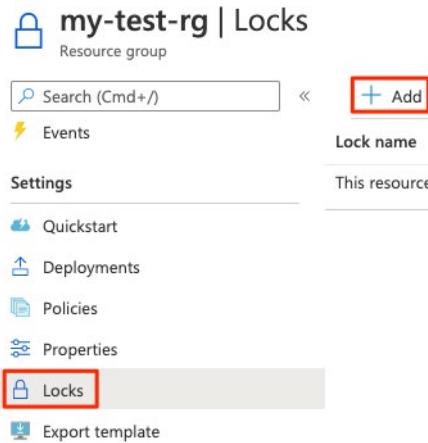
For example, at Tailwind Traders, an IT administrator was performing routine cleanup of unused resources in Azure. The admin accidentally deleted resources that appeared to be unused. But these resources were critical to an application that's used for seasonal promotions. How can resource locks help prevent this kind of incident from happening in the future?

## How do I manage resource locks?

You can manage resource locks from the Azure portal, PowerShell, the Azure CLI, or from an Azure Resource Manager template.

To view, add, or delete locks in the Azure portal, go to the **Settings** section of any resource's **Settings** pane in the Azure portal.

Here's an example that shows how to add a resource lock from the Azure portal. You'll apply a similar resource lock in the next part.



## What levels of locking are available?

You can apply locks to a subscription, a resource group, or an individual resource. You can set the lock level to **CanNotDelete** or **ReadOnly**.

- **CanNotDelete** means authorized people can still read and modify a resource, but they can't delete the resource without first removing the lock.
- **ReadOnly** means authorized people can read a resource, but they can't delete or change the resource. Applying this lock is like restricting all authorized users to the permissions granted by the **Reader** role in Azure RBAC.

<sup>9</sup> <https://docs.microsoft.com/azure/azure-resource-manager/management/lock-resources?azure-portal=true>

## How do I delete or change a locked resource?

Although locking helps prevent accidental changes, you can still make changes by following a two-step process.

To modify a locked resource, you must first remove the lock. After you remove the lock, you can apply any action you have permissions to perform. This additional step allows the action to be taken, but it helps protect your administrators from doing something they might not have intended to do.

Resource locks apply regardless of RBAC permissions. Even if you're an owner of the resource, you must still remove the lock before you can perform the blocked activity.

## Combine resource locks with Azure Blueprints

What if a cloud administrator accidentally deletes a resource lock? If the resource lock is removed, its associated resources can be changed or deleted.

To make the protection process more robust, you can combine resource locks with Azure Blueprints. Azure Blueprints enables you to define the set of standard Azure resources that your organization requires. For example, you can define a blueprint that specifies that a certain resource lock must exist. Azure Blueprints can automatically replace the resource lock if that lock is removed.

You'll learn more about Azure Blueprints later in this module.

## Walkthrough - Manage Resource Locks

### Create a resource group add a lock and test deletion, test deleting a resource in the resource group. (5 min)

1. Create a resource group.
2. Add a resource lock to prevent deletion of a resource group.
3. Test deleting a member of the resource group.
4. Remove the resource lock.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/15-Manage%20resource%20locks.html>

## Tags

As your cloud usage grows, it's increasingly important to stay organized. A good organization strategy helps you understand your cloud usage and can help you manage costs.

For example, as Tailwind Traders prototypes new ways to deploy its applications on Azure, it needs a way to mark its test environments so that it can easily identify and delete resources in these environments when they're no longer needed.

One way to organize related resources is to place them in their own subscriptions. You can also use resource groups to manage related resources. Resource *tags* are another way to organize resources. Tags provide extra information, or metadata, about your resources. This metadata is useful for:

- **Resource management** Tags enable you to locate and act on resources that are associated with specific workloads, environments, business units, and owners.
- **Cost management and optimization** Tags enable you to group resources so that you can report on costs, allocate internal cost centers, track budgets, and forecast estimated cost.
- **Operations management** Tags enable you to group resources according to how critical their availability is to your business. This grouping helps you formulate service-level agreements (SLAs). An SLA is an uptime or performance guarantee between you and your users.
- **Security** Tags enable you to classify data by its security level, such as *public* or *confidential*.
- **Governance and regulatory compliance** Tags enable you to identify resources that align with governance or regulatory compliance requirements, such as ISO 27001. Tags can also be part of your standards enforcement efforts. For example, you might require that all resources be tagged with an owner or department name.
- **Workload optimization and automation** Tags can help you visualize all of the resources that participate in complex deployments. For example, you might tag a resource with its associated workload or application name and use software such as Azure DevOps to perform automated tasks on those resources.

## How do I manage resource tags?

You can add, modify, or delete resource tags through PowerShell, the Azure CLI, Azure Resource Manager templates, the REST API, or the Azure portal.

You can also manage tags by using Azure Policy. For example, you can apply tags to a resource group, but those tags aren't automatically applied to the resources within that resource group. You can use Azure Policy to ensure that a resource inherits the same tags as its parent resource group. You'll learn more about Azure Policy later in this module.

You can also use Azure Policy to enforce tagging rules and conventions. For example, you can require that certain tags be added to new resources as they're provisioned. You can also define rules that reapply tags that have been removed.

## An example tagging structure

A resource tag consists of a name and a value. You can assign one or more tags to each Azure resource.

After reviewing its business requirements, Tailwind Traders decides on the following tags.

Name	Value
<b>AppName</b>	The name of the application that the resource is part of.
<b>CostCenter</b>	The internal cost center code.
<b>Owner</b>	The name of the business owner who's responsible for the resource.
<b>Environment</b>	An environment name, such as "Prod," "Dev," or "Test."

<b>Impact</b>	How important the resource is to business operations, such as "Mission-critical," "High-impact," or "Low-impact."
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Here's an example that shows these tags as they're applied to a virtual machine during provisioning.

Name ⓘ	Value ⓘ	Resource
AppName	: SpecialOrders	Virtual machine
CostCenter	: 0224 - Infrastructure R&D	Virtual machine
Owner	: tim@tailwindtraders.com	Virtual machine
Environment	: Test	Virtual machine
Impact	: High-impact	Virtual machine

The Tailwind Traders team can run queries, for example, from PowerShell or the Azure CLI, to list all resources that contain these tags.

Keep in mind that you don't need to enforce that a specific tag is present on all of your resources. For example, you might decide that only mission-critical resources have the **Impact** tag. All non-tagged resources would then not be considered as mission-critical.

## Walkthrough – Implement resource tagging

### Create a policy assignment that requires tagging, then create a storage account and test the tagging. (5 min)

1. Create a policy assignment to require tagging.
2. Create a storage account to test required tagging.
3. View all resources with a specific tag.
4. Delete the policy assignment.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/16-Implement%20resource%20tagging.html>

## Azure Policy

Now that you've identified your governance and business requirements, how do you ensure that your resources *stay* compliant? How can you be alerted if a resource's configuration has changed?

**Azure Policy**<sup>10</sup> is a service in Azure that enables you to create, assign, and manage policies that control or audit your resources. These policies enforce different rules and effects over your resource configurations so that those configurations stay compliant with corporate standards.

<sup>10</sup> <https://azure.microsoft.com/services/azure-policy?azure-portal=true>

## How does Azure Policy define policies?

Azure Policy enables you to define both individual policies and groups of related policies, known as *initiatives*. Azure Policy evaluates your resources and highlights resources that aren't compliant with the policies you've created. Azure Policy can also prevent noncompliant resources from being created.

Azure Policy comes with a number of built-in policy and initiative definitions that you can use, under categories such as Storage, Networking, Compute, Security Center, and Monitoring.

For example, say you define a policy that allows only a certain stock-keeping unit (SKU) size of virtual machines (VMs) to be used in your environment. After you enable this policy, that policy is applied when you create new VMs or resize existing VMs. Azure Policy also evaluates any current VMs in your environment.

In some cases, Azure Policy can automatically remediate noncompliant resources and configurations to ensure the integrity of the state of the resources. For example, if all resources in a certain resource group should be tagged with the **AppName** tag and a value of "SpecialOrders," Azure Policy can automatically reapply that tag if it has been removed.

Azure Policy also integrates with Azure DevOps by applying any continuous integration and delivery pipeline policies that apply to the pre-deployment and post-deployment phases of your applications.

## Azure Policy in action

Implementing a policy in Azure Policy involves these three steps:

1. Create a policy definition.
2. Assign the definition to resources.
3. Review the evaluation results.

Let's examine each step in more detail.

### 1. Create a policy definition

A policy definition expresses what to evaluate and what action to take. For example, you could prevent VMs from being deployed in certain Azure regions. You also could audit your storage accounts to verify that they only accept connections from allowed networks.

Every policy definition has conditions under which it's enforced. A policy definition also has an accompanying effect that takes place when the conditions are met. Here are some example policy definitions:

- **Allowed virtual machine SKUs** This policy enables you to specify a set of VM SKUs that your organization can deploy.
- **Allowed locations** This policy enables you to restrict the locations that your organization can specify when it deploys resources. Its effect is used to enforce your geographic compliance requirements.
- **MFA should be enabled on accounts with write permissions on your subscription** This policy requires that multifactor authentication (MFA) be enabled for all subscription accounts with write privileges to prevent a breach of accounts or resources.
- **CORS should not allow every resource to access your web applications** Cross-origin resource sharing (CORS) is an HTTP feature that enables a web application running under one domain to access resources in another domain. For security reasons, modern web browsers restrict cross-site scripting by default. This policy allows only required domains to interact with your web app.

- **System updates should be installed on your machines** This policy enables Azure Security Center to recommend missing security system updates on your servers.

## 2. Assign the definition to resources

To implement your policy definitions, you assign definitions to resources. A *policy assignment* is a policy definition that takes place within a specific scope. This scope could be a management group (a collection of multiple subscriptions), a single subscription, or a resource group.

Policy assignments are inherited by all child resources within that scope. If a policy is applied to a resource group, that policy is applied to all resources within that resource group. You can exclude a subscope from the policy assignment if there are specific child resources you need to be exempt from the policy assignment.

## 3. Review the evaluation results

When a condition is evaluated against your existing resources, each resource is marked as compliant or noncompliant. You can review the noncompliant policy results and take any action that's needed.

Policy evaluation happens about once per hour. If you make changes to your policy definition and create a policy assignment, that policy is evaluated over your resources within the hour.

## What are Azure Policy initiatives?

An Azure Policy initiative is a way of grouping related policies into one set. The initiative definition contains all of the policy definitions to help track your compliance state for a larger goal.

For example, Azure Policy includes an initiative named **Enable Monitoring in Azure Security Center**. Its goal is to monitor all of the available security recommendations for all Azure resource types in Azure Security Center.

Under this initiative, the following policy definitions are included:

- **Monitor unencrypted SQL Database in Security Center** This policy monitors for unencrypted SQL databases and servers.
- **Monitor OS vulnerabilities in Security Center** This policy monitors servers that don't satisfy the configured OS vulnerability baseline.
- **Monitor missing Endpoint Protection in Security Center** This policy monitors for servers that don't have an installed endpoint protection agent.

In fact, the **Enable Monitoring in Azure Security Center** initiative contains over 100 separate policy definitions.

Azure Policy also includes initiatives that support regulatory compliance standards such as HIPAA and ISO 27001.

## How do I define an initiative?

You define initiatives by using the Azure portal or by using command-line tools. From the Azure portal, you can search the list of built-in initiatives that are already provided by Azure. You also can create your own custom policy definition.

The following image shows a few example Azure Policy initiatives in the Azure portal.

Name	Definition locati...	Policies	Type
azuresecuritypack...	Non Production	3	Custom
azuresecuritypack...	Non Production	3	Custom
audit ssh auth_1.3	Non Production	4	Custom
audit ssh auth_1.1	Non Production	2	Custom
azuresecuritypack...	5e116433-8b65-49e...	3	Custom
azuresecuritypack...	5e116433-8b65-49e...	3	Custom
audit ssh auth_1.1	5e116433-8b65-49e...	2	Custom
audit ssh auth_1.1	Demonstration	2	Custom
Audit Windows V...		2	Built-in

## How do I assign an initiative?

Like a policy assignment, an initiative assignment is an initiative definition that's assigned to a specific scope of a management group, a subscription, or a resource group.

Even if you have only a single policy, an initiative enables you to increase the number of policies over time. Because the associated initiative remains assigned, it's easier to add and remove policies without the need to change the policy assignment for your resources.

## Walkthrough - Create an Azure Policy

### Create an Azure Policy to restrict deployment of Azure resources to a specific location. (10 min)

1. Create a policy assignment.

2. Test the allowed location policy.

3. Delete the policy assignment.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/17-Create%20an%20Azure%20Policy.html>

## Azure Blueprints

So far, you've explored a number of Azure features that can help you implement your governance decisions, monitor the compliance of your cloud resources, and control access and protect critical resources from accidental deletion.

What happens when your cloud environment starts to grow beyond just one subscription? How can you scale the configuration of these features, knowing they need to be enforced for resources in new subscriptions?

Instead of having to configure features like Azure Policy for each new subscription, with **Azure Blueprints**<sup>11</sup> you can define a repeatable set of governance tools and standard Azure resources that your organization requires. In this way, development teams can rapidly build and deploy new environments with the knowledge that they're building within organizational compliance with a set of built-in components that speed the development and deployment phases.

Azure Blueprints orchestrates the deployment of various resource templates and other artifacts, such as:

- Role assignments
- Policy assignments
- Azure Resource Manager templates
- Resource groups

## Azure Blueprints in action

When you form a cloud center of excellence team or a cloud custodian team, that team can use Azure Blueprints to scale their governance practices throughout the organization.

Implementing a blueprint in Azure Blueprints involves these three steps:

1. Create an Azure blueprint.
2. Assign the blueprint.
3. Track the blueprint assignments.

With Azure Blueprints, the relationship between the blueprint definition (what should be deployed) and the blueprint assignment (what was deployed) is preserved. In other words, Azure creates a record that associates a resource with the blueprint that defines it. This connection helps you track and audit your deployments.

Blueprints are also versioned. Versioning enables you to track and comment on changes to your blueprint.

## What are blueprint artifacts?

Each component in the blueprint definition is known as an *artifact*.

It is possible for artifacts to have no additional parameters (configurations). An example is the **Deploy threat detection on SQL servers** policy, which requires no additional configuration.

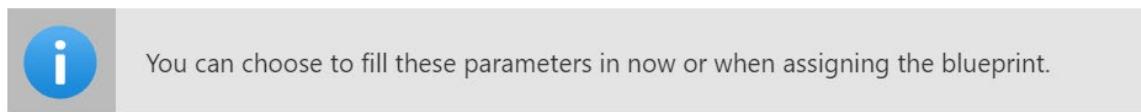
Artifacts can also contain one or more parameters that you can configure. The following screenshot shows the **Allowed locations** policy. This policy includes a parameter that specifies the allowed locations.

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<sup>11</sup> <https://azure.microsoft.com/services/blueprints?azure-portal=true>

## Allowed locations

This policy enables you to restrict the locations your organization can specify when deploying resources. Use to enforce your geo-compliance requirements. Excludes resource groups, Microsoft.AzureActiveDirectory/b2cDirectories, and resources that use the 'global' region.



### Allowed locations

0 selected 

This value should be specified when the blueprint is assigned

You can specify a parameter's value when you create the blueprint definition or when you assign the blueprint definition to a scope. In this way, you can maintain one standard blueprint but have the flexibility to specify the relevant configuration parameters at each scope where the definition is assigned.

## How will Tailwind Traders use Azure Blueprints for ISO 27001 compliance?

**ISO 27001**<sup>12</sup> is a standard that applies to the security of IT systems, published by the International Organization for Standardization. As part of its quality process, Tailwind Traders wants to certify that it complies with this standard. Azure Blueprints has several built-in blueprint definitions that relate to ISO 27001.

As an IT administrator, you decide to investigate the **ISO 27001: Shared Services Blueprint** definition. Here's an outline of your plan.

1. Define a management group that's named **PROD-MG**. Recall that a management group manages access, policies, and compliance across multiple Azure subscriptions. Every new Azure subscription is added to this management group when the subscription is created.
2. Create a blueprint definition that's based on the **ISO 27001: Shared Services Blueprint** template. Then publish the blueprint.
3. Assign the blueprint to your **PROD-MG** management group.

The following image shows artifacts that are created when you run an ISO 27001 blueprint from a template.

<sup>12</sup> <https://www.iso.org/isoiec-27001-information-security.html?azure-portal=true>

## Create blueprint

<input checked="" type="checkbox"/> Enforce encryption on Data Lake Store accounts	Policy assignment	None
<input checked="" type="checkbox"/> Require blob encryption for storage accounts	Policy assignment	None
+ Add artifact...		
✓ [?] Log Analytics resource group	Resource group	2 out of 2 parameters populated
Log Analytics template	Azure Resource Manager te...	0 out of 4 parameters populated
+ Add artifact...		
✓ [?] Network resource group	Resource group	2 out of 2 parameters populated
Azure Firewall template	Azure Resource Manager te...	0 out of 3 parameters populated
Virtual Network and Route Table template	Azure Resource Manager te...	0 out of 9 parameters populated

You see that the blueprint template contains policy assignments, Resource Manager templates, and resource groups. The blueprint deploys these artifacts to any existing subscriptions within the **PROD-MG** management group. The blueprint also deploys these artifacts to any new subscriptions as they're created and added to the management group.

## Cloud Adoption Framework for Azure

The **Cloud Adoption Framework for Azure**<sup>13</sup> provides you with proven guidance to help with your cloud adoption journey. The Cloud Adoption Framework helps you create and implement the business and technology strategies needed to succeed in the cloud.

Tailwind Traders needs to control its cloud environment so that it complies with several industry standards, but it's not sure where to start. It has existing business requirements, and it understands how these requirements relate to its on-premises workloads. These requirements also must be met by any workloads it runs in the cloud.

You've been tasked with investigating what's available on Azure and to define and implement the governance strategy for Tailwind Traders. You decide to start with the Cloud Adoption Framework.

## What's in the Cloud Adoption Framework?



<https://www.microsoft.com/videoplayer/embed/RWEA1P>

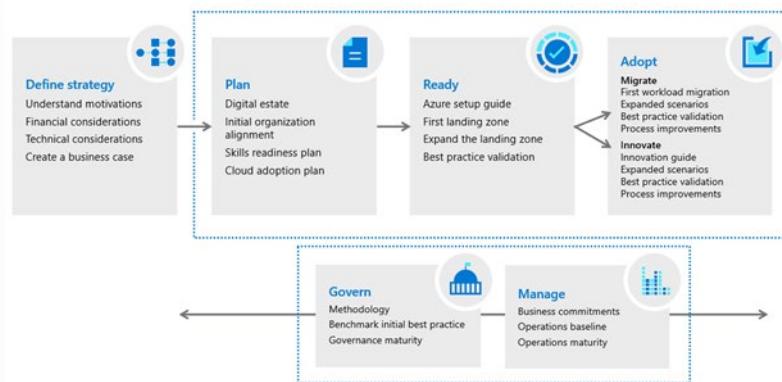
As mentioned in the video, Cloud Adoption Framework consists of tools, documentation, and proven practices. The Cloud Adoption Framework includes these stages:

1. Define your strategy.
2. Make a plan.
3. Ready your organization.

<sup>13</sup> <https://docs.microsoft.com/azure/cloud-adoption-framework/?azure-portal=true>

4. Adopt the cloud.
5. Govern and manage your cloud environments.

### Microsoft Cloud Adoption Framework for Azure



The govern stage focuses on cloud governance. You can refer back to the Cloud Adoption Framework for recommended guidance as you build your cloud governance strategy.

To help build your adoption strategy, the Cloud Adoption Framework breaks out each stage into further exercises and steps. Let's take a brief look at each stage.

## Define your strategy

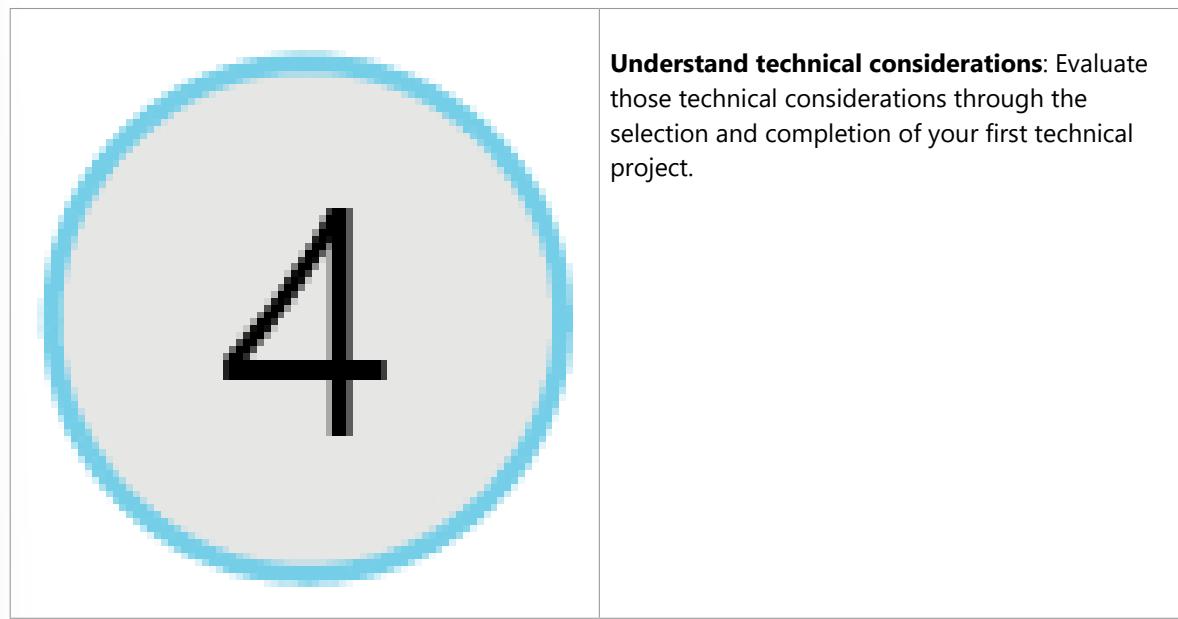
Here, you answer why you're moving to the cloud and what you want to get out of cloud migration. Do you need to scale to meet demand or reach new markets? Will it reduce costs or increase business agility? When you define your cloud business strategy, you should understand **cloud economics**<sup>14</sup> and consider business impact, turnaround time, global reach, performance, and more.

Here are the steps in this stage.

	<p><b>Define and document your motivations:</b> Meeting with stakeholders and leadership can help you answer why you're moving to the cloud.</p>
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<sup>14</sup> <https://azure.microsoft.com/overview/cloud-economics?azure-portal=true>

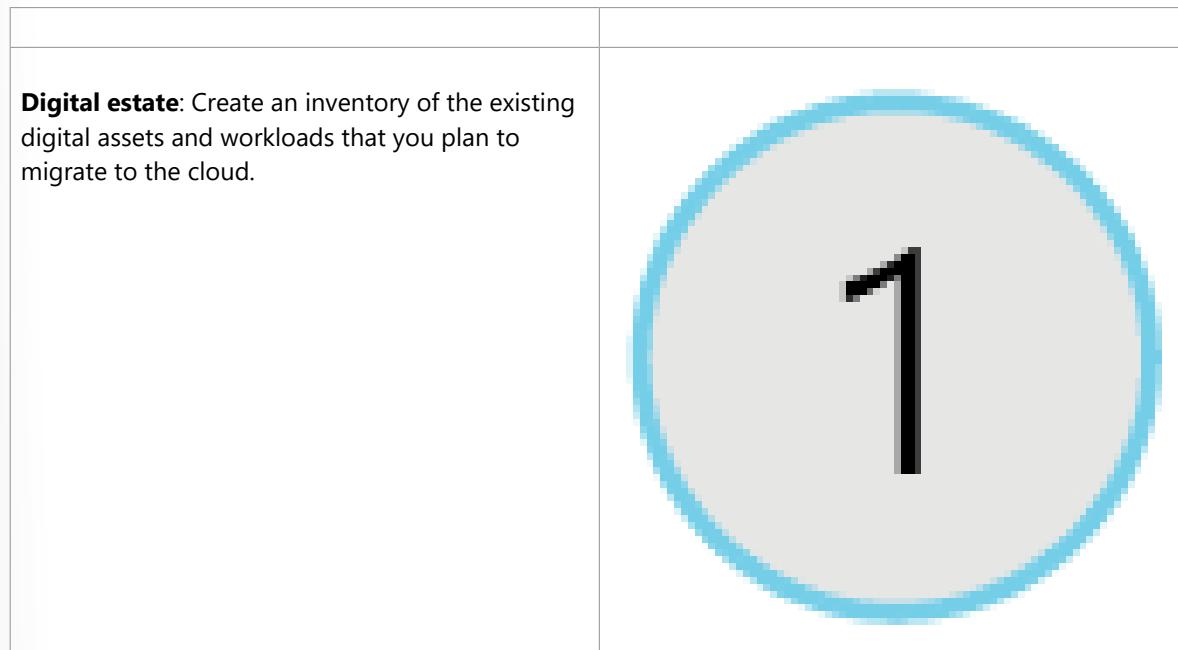
	<p><b>Document business outcomes:</b> Meet with leadership from your finance, marketing, sales, and human resource groups to help you document your goals.</p>
	<p><b>Evaluate financial considerations:</b> Measure objectives and identify the return expected from a specific investment.</p>



## Make a plan

Here, you build a plan that maps your aspirational goals to specific actions. A good plan helps ensure that your efforts map to the desired business outcomes.

Here are the steps in this stage.



**Initial organizational alignment:** Ensure that the right people are involved in your migration efforts, both from a technical standpoint as well as from a cloud governance standpoint.



2

**Skills readiness plan:** Build a plan that helps individuals build the skills they need to operate in the cloud.



3

**Cloud adoption plan:** Build a comprehensive plan that brings together the development, operations, and business teams toward a shared cloud adoption goal.



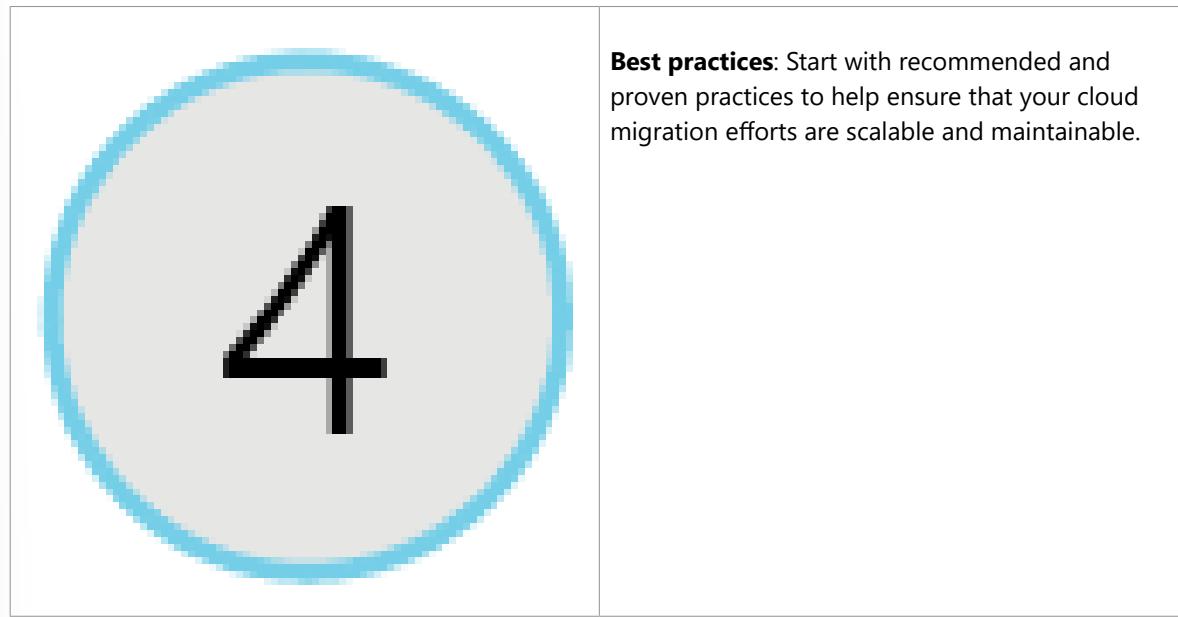
## Ready your organization

Here, you create a *landing zone*, or an environment in the cloud to begin hosting your workloads.

Here are the steps in this stage.

A large, light blue circle with a thick outline, containing the black number '1' in the center.	<b>Azure setup guide:</b> Review the Azure setup guide to become familiar with the tools and approaches you need to use to create a landing zone.
---	---

	<p><b>Azure landing zone:</b> Begin to build out the Azure subscriptions that support each of the major areas of your business. A landing zone includes cloud infrastructure as well as governance, accounting, and security capabilities.</p>
	<p><b>Expand the landing zone:</b> Refine your landing zone to ensure that it meets your operations, governance, and security needs.</p>

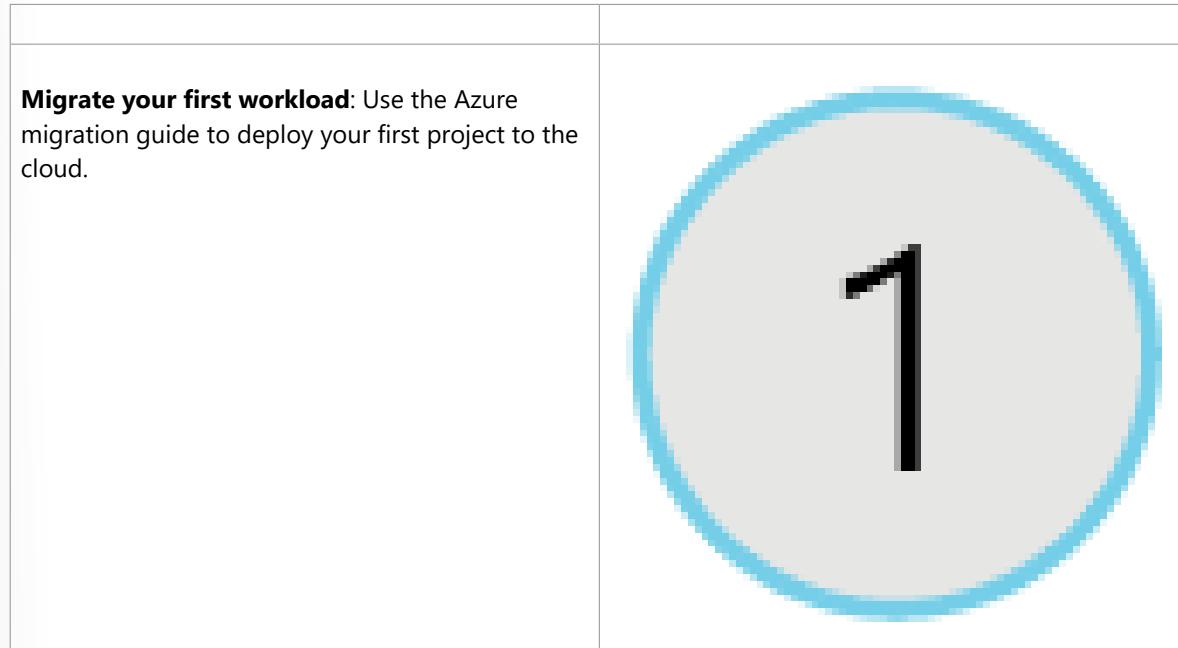


## Adopt the cloud

Here, you begin to migrate your applications to the cloud. Along the way, you might find ways to modernize your applications and build innovative solutions that use cloud services.

The Cloud Adoption Framework breaks this stage into two parts: migrate and innovate.

**Migrate:** Here are the steps in the migrate part of this stage.



**Migration scenarios:** Use additional in-depth guides to explore more complex migration scenarios.



2

**Best practices:** Check in with the Azure cloud migration best practices checklist to verify that you're following recommended practices.



3

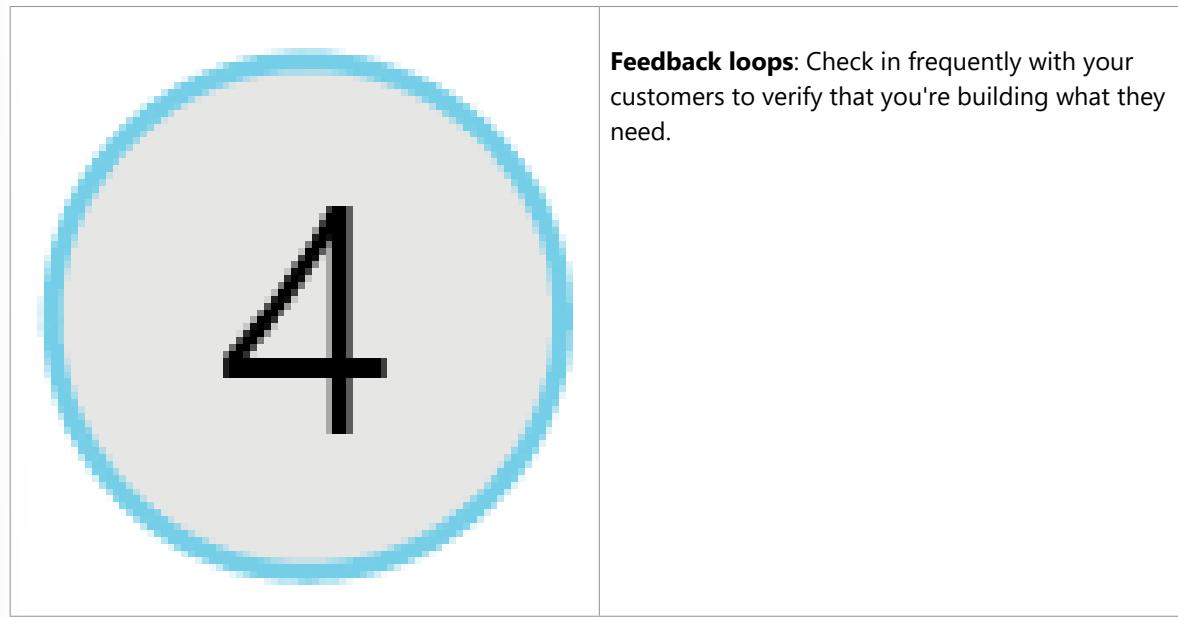
**Process improvements:** Identify ways to make the migration process scale while requiring less effort.



**Innovate:** Here are the steps in the innovate part of this stage.

A large, light blue circle with a thick black outline. Inside the circle is a large, bold black number '1'.	<b>Business value consensus:</b> Verify that investments in new innovations add value to the business and meet customer needs.
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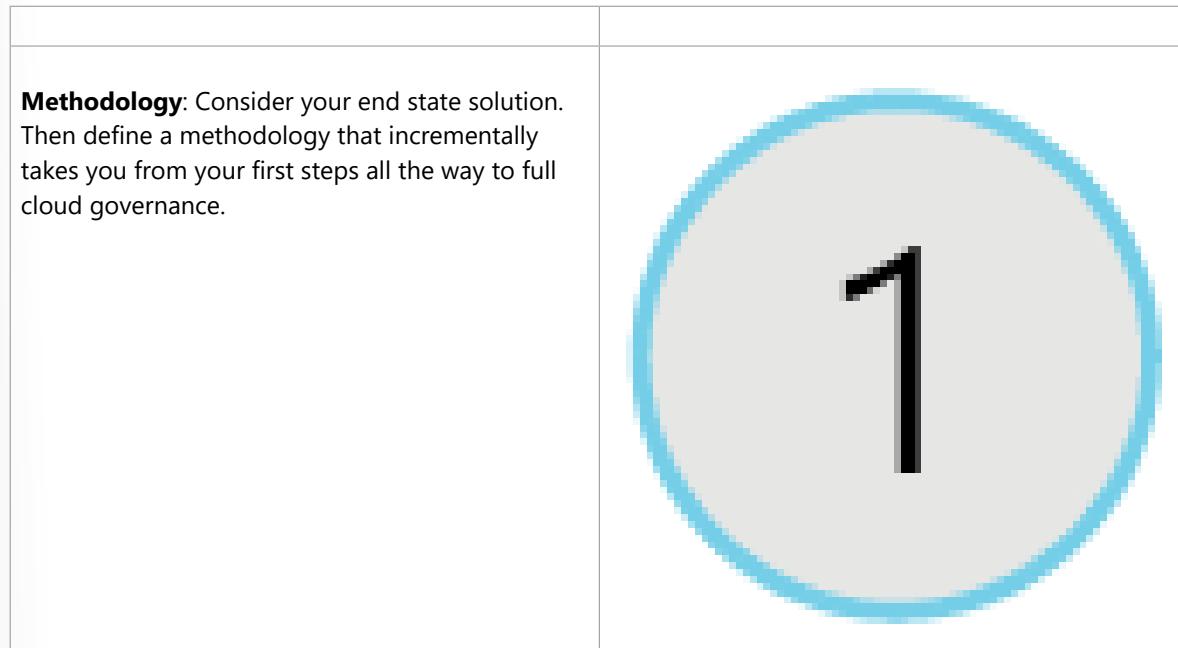
	<p><b>Azure innovation guide:</b> Use this guide to accelerate development and build a minimum viable product (MVP) for your idea.</p>
	<p><b>Best practices:</b> Verify that your progress maps to recommended practices before you move forward.</p>



## Govern and manage your cloud environments

Here, you begin to form your cloud governance and cloud management strategies. As the cloud estate changes over time, so do cloud governance processes and policies. You need to create resilient solutions that are constantly optimized.

**Govern:** Here are the steps in the govern part of this stage.



**Benchmark:** Use the **governance benchmark tool** (<https://cafbaseline.com/?azure-portal=true>) to assess your current state and future state to establish a vision for applying the framework.



2

**Initial governance foundation:** Create an MVP that captures the first steps of your governance plan.



3

**Improve the initial governance foundation:**

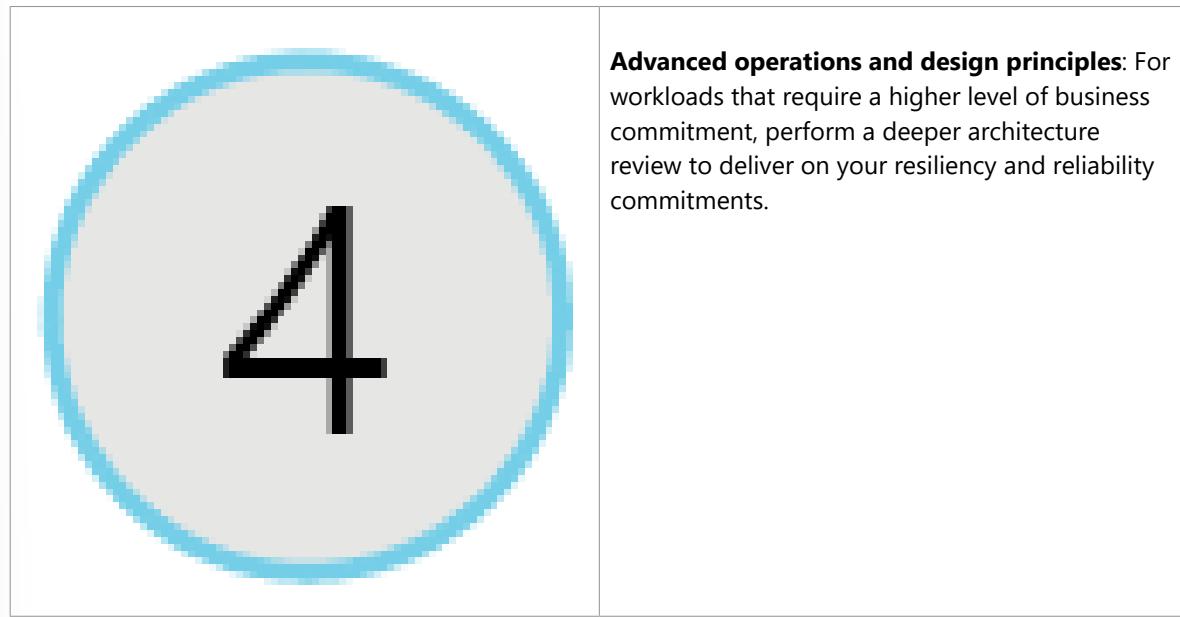
Iteratively add governance controls that address tangible risks as you progress toward your end state solution.



**Manage:** Here are the steps in the manage part of this stage.

A large blue circle with a thick blue outline. Inside the circle is a black number '1'.	<b>Establish a management baseline:</b> Define your minimum commitment to operations management. A management baseline is the minimum set of tools and processes that should be applied to every asset in an environment.
---	---

	<p><b>Define business commitments:</b> Document supported workloads to establish operational commitments with the business and agree on cloud management investments for each workload.</p>
	<p><b>Expand the management baseline:</b> Apply recommended best practices to iterate on your initial management baseline.</p>



## Create a subscription governance strategy

At the beginning of any cloud governance implementation, you identify a cloud organization structure that meets your business needs. This step often involves forming a *cloud center of excellence team* (also called a *cloud enablement team* or a *cloud custodian team*). This team is empowered to implement governance practices from a centralized location for the entire organization.

Teams often start their Azure governance strategy at the subscription level. There are three main aspects to consider when you create and manage subscriptions: billing, access control, and subscription limits.

Let's look at each of these aspects in more detail.

### Billing

You can create one billing report per subscription. If you have multiple departments and need to do a "chargeback" of cloud costs, one possible solution is to organize subscriptions by department or by project.

Resource tags can also help. You'll explore tags later in this module. When you define how many subscriptions you need and what to name them, take into account your internal billing requirements.

### Access control

A subscription is a deployment boundary for Azure resources. Every subscription is associated with an Azure Active Directory tenant. Each tenant provides administrators the ability to set granular access through defined roles by using Azure role-based access control.

When you design your subscription architecture, consider the deployment boundary factor. For example, do you need separate subscriptions for development and for production environments? With separate subscriptions, you can control access to each one separately and isolate their resources from one another.

## Subscription limits

Subscriptions also have some resource limitations. For example, the maximum number of network Azure ExpressRoute circuits per subscription is 10. Those limits should be considered during your design phase. If you'll need to exceed those limits, you might need to add more subscriptions. If you hit a hard limit maximum, there's no flexibility to increase it.

Management groups are also available to assist with managing subscriptions. A management group manages access, policies, and compliance across multiple Azure subscriptions. You'll learn more about management groups later in this module.

# Privacy, compliance, and data protection standards

## Introduction

In this module, you'll learn about Microsoft's commitment to privacy and how Azure adheres to common regulatory and compliance standards.

If your organization is a government department or agency, or you need to deploy to regions of China, you'll also learn about some considerations that don't apply to other Azure users.

In general, *compliance* means to adhere to a law, standard, or set of guidelines. *Regulatory compliance* refers to the discipline and process of ensuring that a company follows the laws that governing bodies enforce.

## Meet Tailwind Traders

**Tailwind Traders**<sup>15</sup> is a fictitious home improvement retailer. It operates retail hardware stores across the globe and online.



Tailwind Traders specializes in competitive pricing, fast shipping, and a large range of items. It's looking at cloud technologies to improve business operations and support growth into new markets. By moving to the cloud, the company plans to enhance its shopping experience to further differentiate itself from competitors.

## How will Tailwind Traders protect its data in the cloud and stay compliant?

Tailwind Traders is planning its migration to the cloud. It's used to having full control of all of its application data, which is stored on servers that it manages in its datacenter.

Tailwind Traders knows that moving an application to the cloud means that data is now outside of its own walls. The company also understands that the cloud provider has access to the server hardware and infrastructure. How is the privacy of its application data protected?

Tailwind Traders must also adhere to multiple regulatory and compliance frameworks. For example, it must follow certain rules to ensure that it properly handles credit card data. It will still need to ensure that its applications comply with applicable regulations and standards. How does infrastructure on Azure already adhere to these same standards?

To answer these questions, you'll start by learning about the types of compliance offerings that are available on Azure.

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<sup>15</sup> <https://www.tailwindtraders.com/?azure-portal=true>

## Learning objectives

After completing this module, you'll be able to:

- Explain the types of compliance offerings that are available on Azure.
- Access the Microsoft Privacy Statement, the Online Services Terms, and the Data Protection Addendum to learn what personal data Microsoft collects, how Microsoft uses it, and for what purposes.
- Gain insight into regulatory standards and compliance on Azure from the Trust Center and from the Azure compliance documentation.
- Explain Azure capabilities that are specific to government agencies.

## Prerequisites

- You should be familiar with basic computing concepts and terminology.
- Familiarity with cloud computing is helpful but isn't necessary.

## Compliance terms and requirements

In this unit, you learn about the types of compliance offerings that are available on Azure.

As Tailwind Traders moves to running its applications in the cloud, it wants to know how Azure adheres to applicable regulatory compliance frameworks. The company asks:

- How compliant is Azure when it comes to handling personal data?
- How compliant are each of Azure's individual services?

Microsoft's online services build upon a common set of regulatory and compliance controls. Think of a *control* as a known good standard that you can compare your solution against to ensure security. These controls address today's regulations and adapt as regulations evolve.

## Which compliance categories are available on Azure?

Although there are many more, the following image shows some of the more popular compliance offerings that are available on Azure. These offerings are grouped under four categories: Global, US Government, Industry, and Regional.

<b>Global</b>	<input checked="" type="checkbox"/> ISO 27001:2013 <input checked="" type="checkbox"/> ISO 27017:2015 <input checked="" type="checkbox"/> ISO 27018:2014	<input checked="" type="checkbox"/> ISO 22301:2012 <input checked="" type="checkbox"/> ISO 9001:2015 <input checked="" type="checkbox"/> ISO 20000-1:2011	<input checked="" type="checkbox"/> SOC 1 Type 2 <input checked="" type="checkbox"/> SOC 2 Type 2 <input checked="" type="checkbox"/> SOC 3	<input checked="" type="checkbox"/> CSA STAR Certification <input checked="" type="checkbox"/> CSA STAR Attestation <input checked="" type="checkbox"/> CSA STAR Self-Assessment <input checked="" type="checkbox"/> WCAG 2.0 (ISO 40500:2012)
<b>US Gov</b>	<input checked="" type="checkbox"/> FedRAMP High <input checked="" type="checkbox"/> FedRAMP Moderate <input checked="" type="checkbox"/> EAR	<input checked="" type="checkbox"/> DFARS <input checked="" type="checkbox"/> DoD DISA SRG Level 5 <input checked="" type="checkbox"/> DoD DISA SRG Level 4 <input checked="" type="checkbox"/> DoD DISA SRG Level 2	<input checked="" type="checkbox"/> DoE 10 CFR Part 810 <input checked="" type="checkbox"/> NIST SP 800-171 <input checked="" type="checkbox"/> NIST CSF <input checked="" type="checkbox"/> Section 508 VPATs	<input checked="" type="checkbox"/> FIPS 140-2 <input checked="" type="checkbox"/> ITAR <input checked="" type="checkbox"/> CJIS <input checked="" type="checkbox"/> IRS 1075
<b>Industry</b>	<input checked="" type="checkbox"/> PCI DSS Level 1 <input checked="" type="checkbox"/> GLBA <input checked="" type="checkbox"/> FFIEC <input checked="" type="checkbox"/> Shared Assessments <input checked="" type="checkbox"/> FISC (Japan) <input checked="" type="checkbox"/> APRA (Australia)	<input checked="" type="checkbox"/> FCA (UK) <input checked="" type="checkbox"/> MAS + ABS (Singapore) <input checked="" type="checkbox"/> 23 NYCCR 500 <input checked="" type="checkbox"/> HIPAA BAA <input checked="" type="checkbox"/> HITRUST	<input checked="" type="checkbox"/> 21 CFR Part 11 (GxP) <input checked="" type="checkbox"/> MARS-E <input checked="" type="checkbox"/> NHS IG Toolkit (UK) <input checked="" type="checkbox"/> NEN 7510:2011 (Netherlands) <input checked="" type="checkbox"/> FERPA	<input checked="" type="checkbox"/> CDSA <input checked="" type="checkbox"/> MPAA <input checked="" type="checkbox"/> DPP (UK) <input checked="" type="checkbox"/> FACT (UK) <input checked="" type="checkbox"/> SOX
<b>Regional</b>	<input checked="" type="checkbox"/> Argentina PDPA <input checked="" type="checkbox"/> Australia IRAP Unclassified <input checked="" type="checkbox"/> Australia IRAP PROTECTED <input checked="" type="checkbox"/> Canada Privacy Laws <input checked="" type="checkbox"/> China GB 18030:2005 <input checked="" type="checkbox"/> China DJCP (MLPS) Level 3	<input checked="" type="checkbox"/> China TRUCS / CCCPPF <input checked="" type="checkbox"/> EN 301 549 <input checked="" type="checkbox"/> EU ENISA IAF <input checked="" type="checkbox"/> EU Model Clauses <input checked="" type="checkbox"/> EU – US Privacy Shield <input checked="" type="checkbox"/> Germany CS	<input checked="" type="checkbox"/> Germany IT-Grundschutz <input checked="" type="checkbox"/> India MeitY <input checked="" type="checkbox"/> Japan CS Mark Gold <input checked="" type="checkbox"/> Japan My Number Act <input checked="" type="checkbox"/> Netherlands BIR 2012 <input checked="" type="checkbox"/> New Zealand Gov CC	<input checked="" type="checkbox"/> Singapore MTCS Level 3 <input checked="" type="checkbox"/> Spain ENS <input checked="" type="checkbox"/> Spain DPA <input checked="" type="checkbox"/> UK Cyber Essentials Plus <input checked="" type="checkbox"/> UK G-Cloud <input checked="" type="checkbox"/> UK PASF

To get a sense of the variety of the compliance offerings available on Azure, let's take a closer look at a few of them.

While not all of these compliance offerings will be relevant to you or your team, they show that Microsoft's commitment to compliance is comprehensive, ongoing, and independently tested and verified.

## Criminal Justice Information Service

Any US state or local agency that wants to access the FBI's Criminal Justice Information Services (CJIS) database is required to adhere to the CJIS Security Policy.

Azure is the only major cloud provider that contractually commits to conformance with the CJIS Security Policy. Microsoft adheres to the same requirements that law enforcement and public safety entities must meet.

## Cloud Security Alliance STAR Certification

Azure, Intune, and Microsoft Power BI have obtained Cloud Security Alliance (CSA) STAR Certification, which involves a rigorous independent third-party assessment of a cloud provider's security posture.

STAR Certification is based on achieving International Organization of Standards/International Electrotechnical Commission (ISO/IEC) 27001 certification and meeting criteria specified in the Cloud Controls Matrix (CCM). This certification demonstrates that a cloud service provider:

- Conforms to the applicable requirements of ISO/IEC 27001.
- Has addressed issues critical to cloud security as outlined in the CCM.
- Has been assessed against the STAR Capability Maturity Model for the management of activities in CCM control areas.

## European Union Model Clauses

Microsoft offers customers European Union (EU) Standard Contractual Clauses that provide contractual guarantees around transfers of personal data outside of the EU.

Microsoft is the first company to receive joint approval from the EU's Article 29 Working Party that the contractual privacy protections Azure delivers to its enterprise cloud customers meet current EU standards for international transfers of data. Meeting this standard ensures that Azure customers can use Microsoft services to move data freely through Microsoft's cloud, from Europe to the rest of the world.

## Health Insurance Portability and Accountability Act

The Health Insurance Portability and Accountability Act (HIPAA) is a US federal law that regulates patient Protected Health Information (PHI).

Azure offers customers a HIPAA Business Associate Agreement (BAA), which stipulates adherence to certain security and privacy provisions in HIPAA and the HITECH Act. To assist customers in their individual compliance efforts, Microsoft offers a BAA to Azure customers as a contract addendum.

## International Organization of Standards/International Electrotechnical Commission 27018

Microsoft is the first cloud provider to have adopted the ISO/IEC 27018 code of practice, which covers the processing of personal information by cloud service providers.

## Multi-Tier Cloud Security Singapore

After rigorous assessments conducted by the Multi-Tier Cloud Security (MTCS) Certification Body, Microsoft cloud services received MTCS 584:2013 Certification across all three service classifications:

- Infrastructure as a service (IaaS)
- Platform as a service (PaaS)
- Software as a service (SaaS)

Microsoft is the first global cloud solution provider to receive this certification across all three classifications.

## Service Organization Controls 1, 2, and 3

Microsoft-covered cloud services are audited at least annually against the Service Organization Controls (SOC) report framework by independent third-party auditors.

The Microsoft cloud services audit covers controls for data security, availability, processing integrity, and confidentiality as applicable to in-scope trust principles for each service.

## National Institute of Standards and Technology Cybersecurity Framework

National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) is a voluntary framework that consists of standards, guidelines, and best practices to manage cybersecurity-related risks.

Microsoft cloud services have undergone independent, third-party Federal Risk and Authorization Management Program (FedRAMP) Moderate and High Baseline audits. Microsoft cloud services certified according to the FedRAMP standards.

Additionally, through a validated assessment performed by the Health Information Trust Alliance (HITRUST), a leading security and privacy standards development and accreditation organization, Office 365 is certified to the objectives specified in the NIST CSF.

## United Kingdom Government G-Cloud

The United Kingdom (UK) Government G-Cloud is a cloud computing certification for services used by government entities in the United Kingdom. Azure has received official accreditation from the UK government.

# Microsoft Privacy Statement, the Online Services Terms, and the Data Protection Addendum

In this part, you learn how the Microsoft Privacy Statement, the Online Services Terms, and the Data Protection Addendum explain the personal data Microsoft collects, how Microsoft uses it, and for what purposes.

For Tailwind Traders, understanding Microsoft's commitment to privacy helps ensure that their customer and application data will be protected.

Watch the following video to see an overview on how Microsoft runs on trust.



<https://www.microsoft.com/videoplayer/embed/RWAaTE>

Let's continue with a brief look at the Microsoft Privacy Statement and where to find it.

## What's in the Microsoft Privacy Statement?

The [Microsoft Privacy Statement<sup>16</sup>](#) explains what personal data Microsoft collects, how Microsoft uses it, and for what purposes.

The privacy statement covers all of Microsoft's services, websites, apps, software, servers, and devices. This list ranges from enterprise and server products to devices that you use in your home to software that students use at school.

Microsoft's privacy statement also provides information that's relevant to specific products such as Windows and Xbox.

## What's in the Online Services Terms?

The [Online Services Terms<sup>17</sup>](#) (OST) is a legal agreement between Microsoft and the customer. The OST details the obligations by both parties with respect to the processing and security of customer data and personal data. The OST applies specifically to Microsoft's online services that you license through a subscription, including Azure, Dynamics 365, Office 365, and Bing Maps.

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<sup>16</sup> <https://privacy.microsoft.com/privacystatement?azure-portal=true>

<sup>17</sup> <https://www.microsoft.com/licensing/terms/product/ForAllOnlineServices?azure-portal=true>

## What is the Data Protection Addendum?

The Data Protection Addendum (DPA) further defines the data processing and security terms for online services. These terms include:

- Compliance with laws.
- Disclosure of processed data.
- Data Security, which includes security practices and policies, data encryption, data access, customer responsibilities, and compliance with auditing.
- Data transfer, retention, and deletion.

To access the DPA:

1. Go to the **Licensing Terms and Documentation**<sup>18</sup>.
2. In the search bar, enter **DPA**.
3. From the search results, locate the link to the DPA in your preferred language. Alternatively, in the search bar that appears, enter your preferred language to filter the results. Here's an example that retrieves the English version of the DPA.

Search for Documents:

Note: This page does not include any signed Volume Licensing agreements, enrollments or Microsoft Business and Services Agreement, and is intended solely for reference purposes.

Title	Language	Sectors	Regions
MicrosoftOnlineServicesDPA(WW)(English) (July212020)	English	Commercial, Public Sector, Third Party, Common Document, Academic, Government, Nonprofit	North America, EU-EFTA (European Union and EFTA), MEA-EE (Middle East, Africa - Eastern Europe, Asia , WW (World

Transparency is important when it comes to how a cloud provider communicates its privacy policies and how it treats your data. The Microsoft Privacy Statement, the OST, and the DPA detail Microsoft's commitment to protecting data and privacy in the cloud.

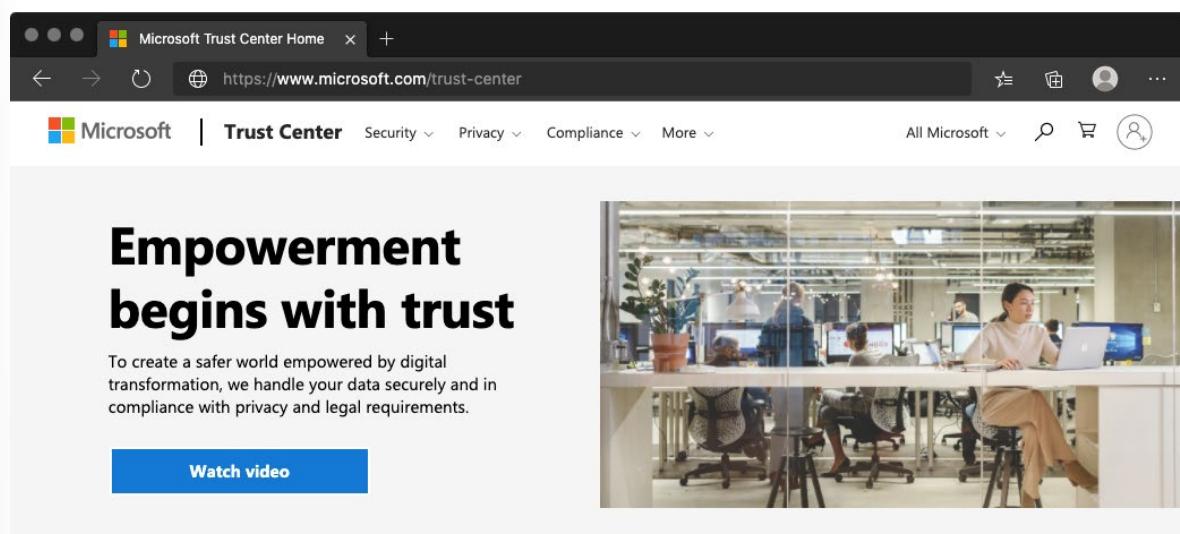
## Trust Center

Tailwind Traders needs to stay up to date on the latest security standards for protecting its data. Today, the security team needs to verify whether Azure meets ISO 27001, a commonly used information security standard. Where can the company access this information?

The **Trust Center**<sup>19</sup> showcases Microsoft's principles for maintaining data integrity in the cloud and how Microsoft implements and supports security, privacy, compliance, and transparency in all Microsoft cloud products and services. The Trust Center is an important part of the Microsoft Trusted Cloud Initiative and provides support and resources for the legal and compliance community.

<sup>18</sup> <https://www.microsoftvolumelicensing.com/DocumentSearch.aspx?azure-portal=true>

<sup>19</sup> <https://www.microsoft.com/trust-center?rtc=1?azure-portal=true>



**Empowerment begins with trust**

To create a safer world empowered by digital transformation, we handle your data securely and in compliance with privacy and legal requirements.

[Watch video](#)

## **"If we can't protect people, then we don't deserve their trust."**

—Brad Smith, President and Chief Legal Officer

The Trust Center provides:

- In-depth information about security, privacy, compliance offerings, policies, features, and practices across Microsoft cloud products.
- Additional resources for each topic.
- Links to the security, privacy, and compliance blogs and upcoming events.

The Trust Center is a great resource for other people in your organization who might play a role in security, privacy, and compliance. These people include business managers, risk assessment and privacy officers, and legal compliance teams.

## **Explore the Trust Center**

As an optional exercise, let's take a brief look at the Trust Center's entry for ISO 27001.

Access to the Trust Center doesn't require an Azure subscription or a Microsoft account.

1. Go to the [Trust Center<sup>20</sup>](#).
2. Locate the **Additional resources** section on the page. Under **Compliance offerings**, select **Learn more**.

<sup>20</sup> <https://www.microsoft.com/trust-center?rtc=1?azure-portal=true>



### Compliance offerings

Maintain compliance in the cloud with help from a comprehensive set of over 90 offerings.

[Learn more >](#)

You're taken to **Microsoft compliance offerings<sup>21</sup>**.

The offerings are grouped into four categories: **Global**, **US Government**, **Industry**, and **Regional**.

3. Under **Global**, select **ISO 27001**.

**Global**

CIS Benchmark

CSA-STAR attestation

CSA-STAR certification

CSA-STAR self assessment

ISO 20000-1:2011

ISO 22301

**ISO 27001**

ISO 27017

ISO 27018

ISO 27701

ISO 9001

SOC

WCAG

The ISO 27001 Information Security Management Standards page is typical of the type of compliance information we provide.

4. Briefly review the documentation for ISO/IEC 27001.

You see:

- An overview of the standard.
- Which cloud services are in scope.
- An overview of the audit cycle and links to audit reports.
- Answers to frequently asked questions.
- Additional resources and white papers.

The areas of documentation for other compliance offerings will vary, but this format is the typical one that you'll find.

<sup>21</sup> <https://docs.microsoft.com/microsoft-365/compliance/offering-home?azure-portal=true>

## Walkthrough – Explore the Trust Center

### Access the Trust Center, Service Trust Portal (STP), and Compliance Manager. (5 min)

1. Access the Trust Center.
  
2. Access the Service Trust Portal.
  
3. Access the Compliance Manager.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/18-Explore%20the%20Trust%20Center.html>

## Azure compliance documentation

Here, you learn how to access detailed documentation about legal and regulatory standards and compliance on Azure.

E-commerce is an important part of Tailwind Traders' sales strategy. Its **online retail store<sup>22</sup>** enables customers to easily browse and order products. Customers typically pay by credit card, so Tailwind Traders has a responsibility under the Payment Card Industry (PCI) Data Security Standard (DSS). This global standard, known as PCI DSS, seeks to prevent fraud through increased control of credit card data. The standard applies to any organization that stores, processes, or transmits payment and cardholder data.

You've been tasked with investigating whether hosting the company's e-commerce application on Azure would be compliant with PCI DSS. You start with the Azure compliance documentation.

## What is the Azure compliance documentation?

The **Azure compliance documentation<sup>23</sup>** provides you with detailed documentation about legal and regulatory standards and compliance on Azure.

Here you find compliance offerings across these categories:

- Global
- US government
- Financial services
- Health
- Media and manufacturing
- Regional

There are also additional compliance resources, such as audit reports, privacy information, compliance implementations and mappings, and white papers and analyst reports. Country and region privacy and

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<sup>22</sup> <https://www.tailwindtraders.com/?azure-portal=true>

<sup>23</sup> <https://docs.microsoft.com/azure/compliance/?azure-portal=true>

compliance guidelines are also included. Some resources might require you to be signed in to your cloud service to access them.

## Examine PCI DSS compliance

The legal team at Tailwind Traders wants to learn more about how PCI DSS relates to the company's e-commerce application on Azure.

As an optional exercise, here you follow along.

1. Go to the [Azure compliance documentation<sup>24</sup>](#).
2. Under **Financial services**, select **PCI DSS**.

### Financial services

- ( GLBA (US)
- ( KNF (Poland)
- ( MAS and ABS (Singapore)
- ( NBB and FSMA (Belgium)
- ( OSFI (Canada)
- ( PCI DSS
- ( RBI and IRDAI (India)
- ( SEC 17a-4 (US)
- ( SEC Regulation SCI (US)
- ( Shared Assessments
- ( SOX (US)
- ( TruSight

There you see:

- An overview of the PCI DSS standard.
- How PCI DSS applies to Microsoft.
- Which cloud services are in scope.
- An overview of the audit cycle.
- Answers to frequently asked questions.
- Additional resources and white papers.

## Access additional compliance resources

From the [Azure compliance documentation<sup>25</sup>](#), you can access additional compliance resources.

For example, from the **Audit reports** section, you find a link to audit reports for **PCI DSS<sup>26</sup>**.

<sup>24</sup> <https://docs.microsoft.com/azure/compliance/?azure-portal=true>

<sup>25</sup> <https://docs.microsoft.com/azure/compliance/?azure-portal=true>

<sup>26</sup> [https://servicetrust.microsoft.com/ViewPage/MSComplianceGuideV3?docTab=7027ead0-3d6b-11e9-b9e1-290b1eb4cdeb\\_PCI\\_DSS?azure-portal=true](https://servicetrust.microsoft.com/ViewPage/MSComplianceGuideV3?docTab=7027ead0-3d6b-11e9-b9e1-290b1eb4cdeb_PCI_DSS?azure-portal=true)

### Audit reports

[CCSL/IRAP](#)

[CDSA](#)

[ENS](#)

[ISO 27001](#)

[FedRAMP](#)

[PCI DSS](#)

[SOC 1, 2, 3](#)

From there, you can access several different files, including the Attestation of Compliance reports and the PCI DSS Shared Responsibility Matrix.

Under **Compliance blueprints**, you find reference blueprints, or policy definitions, for common standards that you can apply to your Azure subscription. The [PCI DSS<sup>27</sup>](#) blueprint deploys a core set of policies that map to PCI DSS compliance and help you govern your Azure workloads against this standard.

### Compliance blueprints

[Azure Security Benchmark](#)

[Canada Federal PBMM](#)

[CIS benchmarks](#)

[FedRAMP Moderate](#)

[FedRAMP High](#)

[HIPAA HITRUST](#)

[IRS 1075](#)

[ISO 27001](#)

[NIST SP 800-53 R4](#)

[PCI-DSS v3.2.1](#)

[SWIFT CSP-CSCF v2020](#)

[UK NHS and UK OFFICIAL \(G-Cloud\)](#)

You can then see if the Azure resources in your application architecture have been configured correctly for PCI DSS compliance, or which resources you need to remediate.

Because standards evolve, the Tailwind Traders team might check the audit report periodically to ensure that Azure has any recent changes.

## Azure Sovereign Regions (US Government services)

**Azure Government<sup>28</sup>** is a separate instance of the Microsoft Azure service. It addresses the security and compliance needs of US federal agencies, state and local governments, and their solution providers.

Azure Government offers physical isolation from non-US government deployments and provides screened US personnel.

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<sup>27</sup> <https://docs.microsoft.com/azure/governance/blueprints/samples/pci-dss-3.2.1/?azure-portal=true>

<sup>28</sup> <https://azure.microsoft.com/global-infrastructure/government?azure-portal=true>

Azure Government services handle data that is subject to certain government regulations and requirements:

- Federal Risk and Authorization Management Program (FedRAMP)
- National Institute of Standards and Technology (NIST) 800.171 Defense Industrial Base (DIB)
- International Traffic in Arms Regulations (ITAR)
- Internal Revenue Service (IRS) 1075
- Department of Defense (DoD) L4
- Criminal Justice Information Service (CJIS)

To provide the highest level of security and compliance, Azure Government uses physically isolated datacenters and networks located only in the US. Azure Government customers, such as the US federal, state, and local government or their partners, are subject to validation of eligibility.

Azure Government provides the broadest compliance and Level 5 DoD approval. Azure Government is **available in eight geographies<sup>29</sup>** and offers the most compliance certifications of any cloud provider.

## Azure Sovereign Regions (Azure China)

**Azure China 21Vianet<sup>30</sup>** is operated by 21Vianet. It's a physically separated instance of cloud services located in China. Azure China 21Vianet is independently operated and transacted by Shanghai Blue Cloud Technology Co., Ltd. ("21Vianet"), a wholly owned subsidiary of Beijing 21Vianet Broadband Data Center Co., Ltd.

According to the China Telecommunication Regulation, providers of cloud services, infrastructure as a service (IaaS) and platform as a service (PaaS), must have value-added telecom permits. Only locally registered companies with less than 50 percent foreign investment qualify for these permits. To comply

<sup>29</sup> <https://azure.microsoft.com/global-infrastructure/geographies/#geographies?azure-portal=true>

<sup>30</sup> <https://docs.microsoft.com/azure/china?azure-portal=true>

with this regulation, the Azure service in China is operated by 21Vianet, based on the technologies licensed from Microsoft.

The screenshot shows the Microsoft Azure Global/China website. At the top, there's a navigation bar with links for Why Azure, Products, Pricing, Solutions, Partners, Documentation, Blog, Training, Support, Marketplace, Azure Global/China, Azure Portal, and Purchase. A prominent orange button labeled '1RMB Trial >' is also visible. The main banner features the text 'Azure Cognitive Services Speech Services officially released' and 'Easily add real-time speech-to-text capabilities'. Below the banner are three call-to-action boxes: 'Documentation >', 'Case Study >', and 'Azure Updates >'. The 'Documentation' box includes a small rocket ship icon and text about increasing efficiencies. The 'Case Study' box includes a lightbulb icon and text about listening to stories. The 'Azure Updates' box includes a document icon and text about Azure Virtual WAN.

As the first foreign public cloud service provider offered in China in compliance with government regulations, Azure China 21Vianet provides world-class security as discussed on the **Trust Center<sup>31</sup>**, as required by Chinese regulations for all systems and applications built on its architecture.

## Azure products and services available in China

The Azure services are based on the same Azure, Office 365, and Power BI technologies that make up the Microsoft global cloud service, with comparable service levels. Azure agreements and contracts in China, where applicable, are signed between customers and 21Vianet.

Azure includes the core components of IaaS, PaaS, and software as a service (SaaS). These components include network, storage, data management, identity management, and many other services.

Azure China 21Vianet supports most of the same services that global Azure has, such as geosynchronous data replication and autoscaling. Even if you already use global Azure services, to operate in China you might need to rehost or refactor some or all your applications or services.

<sup>31</sup> <https://www.trustcenter.cn/compliance/default.html?azure-portal=true>

## Module 5 Review Questions

### Module 05 Review Questions

Consider the following scenario.

At Tailwind Traders, recall that retail employees are issued tablet devices from which they can track orders and plan their work schedules.

Tailwind Traders also allows delivery drivers to use their own mobile devices to access scheduling and logistics applications.

A stolen password might allow unauthorized access to company and customer data. Tailwind Traders wants to extend its investments in Active Directory to secure all of its applications, when accessed both from the intranet and from public networks.

The company is looking into how Azure Active Directory (Azure AD), single sign-on (SSO), multifactor authentication, and Conditional Access can help it achieve those goals.

Choose the best response for each of the questions below. Then select **Check your answers**.

#### Multiple choice

*How can the IT department ensure that employees at the company's retail stores can access company applications only from approved tablet devices?*

- SSO
- Conditional Access
- Multifactor authentication

#### Multiple choice

*How can the IT department use biometric properties, such as facial recognition, to enable delivery drivers to prove their identities?*

- SSO
- Conditional Access
- Multifactor authentication

#### Multiple choice

*How can the IT department reduce the number of times users must authenticate to access multiple applications?*

- SSO
- Conditional Access
- Multifactor authentication

## Multiple choice

*Which is the best way for companies to ensure that they only deploy cost-effective virtual machine SKU sizes?*

- Create a policy in Azure Policy that specifies the allowed SKU sizes.
- Periodically inspect the deployment manually to see which SKU sizes are used.
- Create an Azure RBAC role that defines the allowed virtual machine SKU sizes.

## Multiple choice

*Which is likely the best way for companies to identify which billing department each Azure resource belongs to?*

- Track resource usage in a spreadsheet.
- Split the deployment into separate Azure subscriptions, where each subscription belongs to its own billing department.
- Apply a tag to each resource that includes the associated billing department.

## Multiple choice

*Where can the company access details about the personal data Microsoft processes and how the company processes it, including for Cortana?*

- Microsoft Privacy Statement
- The Azure compliance documentation
- Microsoft compliance offerings

## Multiple choice

*Where can a legal team access information around how the Microsoft cloud helps them secure sensitive data and comply with applicable laws and regulations?*

- Microsoft Privacy Statement
- Trust Center
- Online Services Terms

## Multiple choice

*Where can the IT department find reference blueprints that it can apply directly to its Azure subscriptions?*

- Online Services Terms
- Azure compliance documentation
- Microsoft Privacy Statement

## Module 05 Summary

### Module 05 Summary

#### Core Azure identity services

Tailwind Traders needs to ensure that only its workforce can access its growing set of cloud applications, both from any location and from any device.

In building out its plan, Tailwind Traders learns that:

- Authentication (AuthN) establishes the user's identity.
- Authorization (AuthZ) establishes the level of access that an authenticated user has.
- Single sign-on (SSO) enables a user to sign in one time and use that credential to access multiple resources and applications.
- Azure Active Directory (Azure AD) is a cloud-based identity and access management service. Azure AD enables an organization to control access to apps and resources based on its business requirements.
- Azure AD Multi-Factor Authentication provides additional security for identities by requiring two or more elements to fully authenticate. In general, multifactor authentication can include something the user knows, something the user has, and something the user is.
- Conditional Access is a tool that Azure AD uses to allow or deny access to resources based on identity signals such as the user's location.

With these ideas in place, the software development and IT administrator teams can begin to replace their existing authentication systems with ones that use multiple factors and allow access to multiple applications.

#### Learn more

Here are more resources to help you go further:

- **Compare Active Directory to Azure Active Directory<sup>32</sup>**
- **Azure Active Directory<sup>33</sup>**
- **What is single sign-on (SSO)?<sup>34</sup>**
- **Azure Active Directory Seamless Single Sign-On<sup>35</sup>**
- **What is Azure AD Connect?<sup>36</sup>**
- **Azure AD Multi-Factor Authentication<sup>37</sup>**
- **Azure AD Conditional Access<sup>38</sup>**

<sup>32</sup> <https://docs.microsoft.com/azure/active-directory/fundamentals/active-directory-compare-azure-ad-to-ad/?azure-portal=true>

<sup>33</sup> <https://azure.microsoft.com/services/active-directory/?azure-portal=true>

<sup>34</sup> <https://docs.microsoft.com/azure/active-directory/manage-apps/what-is-single-sign-on/?azure-portal=true>

<sup>35</sup> <https://docs.microsoft.com/azure/active-directory/hybrid/how-to-connect-sso?azure-portal=true>

<sup>36</sup> <https://docs.microsoft.com/azure/active-directory/hybrid/whatis-azure-ad-connect/?azure-portal=true>

<sup>37</sup> <https://docs.microsoft.com/azure/active-directory/authentication/concept-mfa-howitworks?azure-portal=true>

<sup>38</sup> <https://docs.microsoft.com/azure/active-directory/conditional-access/?azure-portal=true>

## Azure Governance Methodologies

You've been tasked with defining and implementing the governance strategy for Tailwind Traders.

Cloud governance requires good analysis and requirement gathering. Luckily, the Cloud Adoption Framework for Azure can help you define and implement your governance strategy. There are several services and features in Azure to support these efforts:

- Azure role-based access control (Azure RBAC) enables you to create roles that define access permissions.
- Resource locks prevent resources from being accidentally deleted or changed.
- Resource tags provide extra information, or metadata, about your resources.
- Azure Policy is a service in Azure that enables you to create, assign, and manage policies that control or audit your resources.
- Azure Blueprints enables you to define a repeatable set of governance tools and standard Azure resources that your organization requires.

With these points in mind, you're ready to take the next step toward building a good cloud governance strategy.

## Learn more

The **Control and organize Azure resources with Azure Resource Manager<sup>39</sup>** lesson is a good next step. There you'll go deeper on how to use Azure Resource Manager to organize resources, enforce standards, and protect critical assets from deletion.

Here are additional resources to help you go further:

- Get started with the **Cloud Adoption Framework for Azure<sup>40</sup>**.
- Learn more about **Azure subscription and service limits, quotas, and constraints<sup>41</sup>**.
- Review the complete list of **Azure built-in roles<sup>42</sup>** for Azure RBAC.
- To learn how Azure Policy can enforce tagging rules and conventions, see **Assign policies for tag compliance<sup>43</sup>**.
- For recommendations on how to implement your own tagging strategy, see **Resource naming and tagging decision guide<sup>44</sup>**.
- Explore additional **Azure Policy samples<sup>45</sup>**.
- For a more advanced topic, see **Creating a custom policy definition<sup>46</sup>**. This tutorial gets you started.

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<sup>39</sup> <https://docs.microsoft.com/learn/modules/control-and-organize-with-azure-resource-manager/?azure-portal=true>

<sup>40</sup> <https://docs.microsoft.com/learn/modules/microsoft-cloud-adoption-framework-for-azure/?azure-portal=true>

<sup>41</sup> <https://docs.microsoft.com/azure/azure-subscription-service-limits?azure-portal=true>

<sup>42</sup> <https://docs.microsoft.com/azure/role-based-access-control/built-in-roles/?azure-portal=true>

<sup>43</sup> <https://docs.microsoft.com/azure/azure-resource-manager/management/tag-policies/?azure-portal=true>

<sup>44</sup> <https://docs.microsoft.com/azure/cloud-adoption-framework/decision-guides/resource-tagging?azure-portal=true>

<sup>45</sup> <https://docs.microsoft.com/azure/governance/policy/samples?azure-portal=true>

<sup>46</sup> <https://docs.microsoft.com/azure/governance/policy/tutorials/create-custom-policy-definition/?azure-portal=true>

## Privacy, compliance, and data protection standards

In this lesson, you learned about Microsoft's approach to privacy, security, and compliance. You explored resources specific to online services, including Azure, and how governments can use Azure to meet their specific security and compliance needs.

The security team at Tailwind Traders now has a better understanding of what resources are available to help it protect its data in the cloud and stay compliant:

- The **Microsoft Privacy Statement**<sup>47</sup> provides trust in how Microsoft collects, protects, and uses customer data.
- The **Trust Center**<sup>48</sup> provides you with documentation about compliance standards and how Azure can support your business.
- The **Azure compliance documentation**<sup>49</sup> includes detailed information about legal and regulatory standards and compliance on Azure.

Keep in mind that compliance status for Azure products and services doesn't automatically translate to compliance for the service or application you build or host on Azure. You're responsible for ensuring that you achieve compliance with the legal and regulatory standards that you must follow.

Most services are the same on both Azure Government and global Azure. But there are some differences that you should be aware of. To learn more, **compare Azure Government and global Azure**<sup>50</sup>.

<sup>47</sup> <https://privacy.microsoft.com/privacystatement?azure-portal=true>

<sup>48</sup> <https://www.microsoft.com/trustcenter?azure-portal=true>

<sup>49</sup> <https://docs.microsoft.com/azure/compliance/?azure-portal=true>

<sup>50</sup> <https://docs.microsoft.com/azure/azure-government/compare-azure-government-global-azure?azure-portal=true>

# Answers

## Multiple choice

How can the IT department ensure that employees at the company's retail stores can access company applications only from approved tablet devices?

- SSO
- Conditional Access
- Multifactor authentication

*Explanation*

*Conditional Access enables you to require users to access your applications only from approved, or managed, devices.*

## Multiple choice

How can the IT department use biometric properties, such as facial recognition, to enable delivery drivers to prove their identities?

- SSO
- Conditional Access
- Multifactor authentication

*Explanation*

*Authenticating through multifactor authentication can include something the user knows, something the user has, and something the user is.*

## Multiple choice

How can the IT department reduce the number of times users must authenticate to access multiple applications?

- SSO
- Conditional Access
- Multifactor authentication

*Explanation*

*SSO enables a user to remember only one ID and one password to access multiple applications.*

## Multiple choice

Which is the best way for companies to ensure that they only deploy cost-effective virtual machine SKU sizes?

- Create a policy in Azure Policy that specifies the allowed SKU sizes.
- Periodically inspect the deployment manually to see which SKU sizes are used.
- Create an Azure RBAC role that defines the allowed virtual machine SKU sizes.

*Explanation*

*After you enable this policy, that policy is applied when you create new virtual machines or resize existing ones. Azure Policy also evaluates any current virtual machines in your environment.*

**Multiple choice**

Which is likely the best way for companies to identify which billing department each Azure resource belongs to?

- Track resource usage in a spreadsheet.
- Split the deployment into separate Azure subscriptions, where each subscription belongs to its own billing department.
- Apply a tag to each resource that includes the associated billing department.

*Explanation*

*Tags provide extra information, or metadata, about your resources. They might create a tag that's named BillingDept whose value would be the name of the billing department. You can use Azure Policy to ensure that the proper tags are assigned when resources are provisioned.*

**Multiple choice**

Where can the company access details about the personal data Microsoft processes and how the company processes it, including for Cortana?

- Microsoft Privacy Statement
- The Azure compliance documentation
- Microsoft compliance offerings

*Explanation*

*The Microsoft Privacy Statement provides information that's relevant to specific services, including Cortana.*

**Multiple choice**

Where can a legal team access information around how the Microsoft cloud helps them secure sensitive data and comply with applicable laws and regulations?

- Microsoft Privacy Statement
- Trust Center
- Online Services Terms

*Explanation*

*The Trust Center is a great resource for people in your organization who might play a role in security, privacy, and compliance.*

**Multiple choice**

Where can the IT department find reference blueprints that it can apply directly to its Azure subscriptions?

- Online Services Terms
- Azure compliance documentation
- Microsoft Privacy Statement

*Explanation*

*The compliance documentation provides reference blueprints, or policy definitions, for common standards that you can apply to your Azure subscription.*



## Module 6 Azure pricing and lifecycle

### Planning and Cost Management

#### Introduction

In this module, you'll learn about the major factors that influence the cost of running in the cloud. Along the way, you'll get hands-on experience with some of the tools you can use to estimate the costs of running your workloads on Azure to help ensure that you stay within budget and use only the services that you need.

#### Meet Tailwind Traders

**Tailwind Traders**<sup>1</sup> is a fictitious home improvement retailer. It operates retail hardware stores across the globe and online.



Tailwind Traders specializes in competitive pricing, fast shipping, and a large range of items. It's looking at cloud technologies to improve business operations and support growth into new markets. By moving to the cloud, the company plans to enhance its shopping experience to further differentiate itself from competitors.

<sup>1</sup> <https://www.tailwindtraders.com/?azure-portal=true>

## How will Tailwind Traders manage cloud costs?

Tailwind Traders is planning its migration to the cloud. The company has run a few successful proof-of-concept projects and wants to better understand how to manage its costs before it moves its workloads to Azure.

Running in the datacenter requires you to maintain a facility and purchase, power, cool, and maintain your servers. Running in the cloud presents new ways to think about your IT expenses.

To answer the question of how much it will cost, you need to understand the factors that influence cost. You also need to understand what tools are available to you to help estimate and manage your cloud spend.

### Learning objectives

After completing this module, you'll be able to:

- Use the Total Cost of Ownership Calculator to compare your current datacenter costs to running the same workloads on Azure.
- Describe the different ways you can purchase Azure products and services.
- Use the Pricing calculator to estimate the monthly cost of running your cloud workloads.
- Define some of the major factors that affect total cost, and apply recommended practices to minimize cost.

### Prerequisites

- You should be familiar with basic computing concepts and terminology.
- Familiarity with cloud computing is helpful but isn't necessary.

## Purchase Azure services and using the Pricing Calculator

In this unit, you learn how to purchase Azure services and get a sense for other factors that affect cost.

You meet with your Chief Financial Officer and some of the team leads. You learn about some assumptions you've missed. You were able to quickly update your total estimated spend through the Total Cost of Ownership (TCO) Calculator.

During the meeting, some new questions arose as the discussion moves toward cloud migration:

- What types of Azure subscriptions are available?
- How do we purchase Azure services?
- Does location or network traffic affect cost?
- What other factors affect the final cost?
- How can we get a more detailed estimate of the cost to run on Azure?

It's important to learn how costs are generated in Azure so that you can understand how your purchasing and solution design decisions can impact your final cost. You agree to research these questions, so let's review each one in greater detail.

## What types of Azure subscriptions can I use?

You probably know that an Azure *subscription* provides you with access to Azure resources, such as virtual machines (VMs), storage, and databases. The types of resources you use impact your monthly bill.

Azure offers both free and paid subscription options to fit your needs and requirements. They are:

- **Free trial** A free trial subscription provides you with 12 months of popular free services, a credit to explore any Azure service for 30 days, and more than 25 services that are always free. Your Azure services are disabled when the trial ends or when your credit expires for paid products, unless you upgrade to a paid subscription.
- **Pay-as-you-go** A pay-as-you-go subscription enables you to pay for what you use by attaching a credit or debit card to your account. Organizations can apply for volume discounts and prepaid invoicing.
- **Member offers** Your existing membership to certain Microsoft products and services might provide you with credits for your Azure account and reduced rates on Azure services. For example, member offers are available to Visual Studio subscribers, Microsoft Partner Network members, Microsoft for Startups members, and Microsoft Imagine members.

## How do I purchase Azure services?

There are three main ways to purchase services on Azure. They are:

- **Through an Enterprise Agreement** Larger customers, known as enterprise customers, can sign an Enterprise Agreement with Microsoft. This agreement commits them to spending a predetermined amount on Azure services over a period of three years. The service fee is typically paid annually. As an Enterprise Agreement customer, you'll receive the best customized pricing based on the kinds and amounts of services you plan on using.
- **Directly from the web** Here, you purchase Azure services directly from the Azure portal website and pay standard prices. You're billed monthly, as a credit card payment or through an invoice. This purchasing method is known as Web Direct.
- **Through a Cloud Solution Provider** A Cloud Solution Provider (CSP) is a Microsoft Partner who helps you build solutions on top of Azure. Your CSP bills you for your Azure usage at a price they determine. They also answer your support questions and escalate them to Microsoft, as needed.

You can bring up, or *provision*, Azure resources from the Azure portal or from the command line. The Azure portal arranges products and services by category. You select the services that fit your needs. Your account is billed according to Azure's "pay for what you use" model.

Here's an example that shows the Azure portal.

The screenshot shows the Azure portal's sidebar with various categories listed. The 'Compute' category is highlighted with a grey background, indicating it is the current selection. To the right of the sidebar, under the heading 'COMPUTE (35)', there is a list of resources, each with a small icon and a link: Virtual machines, Virtual machine scale sets, App Services, Batch accounts, Mesh applications, Kubernetes services, Disks, Snapshots, Image definitions, and Shared image galleries.

At the end of each month, you're billed for what you've used. At any time, you can check the cost management and billing page in the Azure portal to get a summary of your current usage and review invoices from prior months.

## What factors affect cost?

The way you use resources, your subscription type, and pricing from third-party vendors are common factors. Let's take a quick look at each.

### Resource type

A number of factors influence the cost of Azure resources. They depend on the type of resource or how you customize it.

For example, with a storage account you specify a type (such as block blob storage or table storage), a performance tier (standard or premium), and an access tier (hot, cool, or archive). These selections present different costs.

### Usage meters

When you provision a resource, Azure creates *meters* to track usage of that resource. Azure uses these meters to generate a usage record that's later used to help calculate your bill.

Think of usage meters similar to how you use electricity or water in your home. You might pay a base price each month for electricity or water service, but your final bill is based on the total amount that you consumed.

Let's look at a single VM as an example. The following kinds of meters are relevant to tracking its usage:

- Overall CPU time.
- Time spent with a public IP address.
- Incoming (ingress) and outgoing (egress) network traffic in and out of the VM.
- Disk size and amount of disk read and disk write operations.

Each meter tracks a specific type of usage. For example, a meter might track bandwidth usage (ingress or egress network traffic in bits per second), number of operations, or its size (storage capacity in bytes).

The usage that a meter tracks correlates to a quantity of billable units. Those units are charged to your account for each billing period. The rate per billable unit depends on the resource type you're using.

## Resource usage

In Azure, you're always charged based on what you use. As an example, let's look at how this billing applies to deallocated a VM.

In Azure, you can delete or deallocate a VM. Deleting a VM means that you no longer need it. The VM is removed from your subscription, and then it's prepared for another customer.

Deallocating a VM means that the VM is no longer running. But the associated hard disks and data are still kept in Azure. The VM isn't assigned to a CPU or network in Azure's datacenter, so it doesn't generate the costs associated with compute time or the VM's IP address. Because the disks and data are still stored, and the resource is present in your Azure subscription, you're still billed for disk storage.

Deallocating a VM when you don't plan on using it for some time is just one way to minimize costs. For example, you might deallocate the VMs you use for testing purposes on weekends when your testing team isn't using them. You'll learn more about ways to minimize cost later in this module.

## Azure subscription types

Some Azure subscription types also include usage allowances, which affect costs.

For example, an Azure free trial subscription provides access to a number of Azure products that are free for 12 months. It also includes credit to spend within your first 30 days of sign-up. And you get access to more than 25 products that are always free (based on resource and region availability).

## Azure Marketplace

You can also purchase Azure-based solutions and services from third-party vendors through Azure Marketplace. Examples include managed network firewall appliances or connectors to third-party backup services. Billing structures are set by the vendor.

## Does location or network traffic affect cost?

When you provision a resource in Azure, you need to define the location (known as the Azure region) of where it will be deployed. Let's see why this decision can have cost consequences.

### Location

Azure infrastructure is distributed globally, which enables you to deploy your services centrally or provision your services closest to where your customers use them.

Different regions can have different associated prices. Because geographic regions can impact where your network traffic flows, network traffic is a cost influence to consider as well.

For example, say Tailwind Traders decides to provision its Azure resources in the Azure regions that offer the lowest prices. That decision would save the company some money. But, if they need to transfer data between those regions, or if their users are located in different parts of the world, any potential savings could be offset by the additional network usage costs of transferring data between those resources.

## Zones for billing of network traffic

Billing zones are a factor in determining the cost of some Azure services.

**Bandwidth<sup>2</sup>** refers to data moving in and out of Azure datacenters. Some inbound data transfers (data going into Azure datacenters) are free. For outbound data transfers (data leaving Azure datacenters), data transfer pricing is based on *zones*.



A zone is a geographical grouping of Azure regions for billing purposes. The following zones include some of the regions as shown here:

- **Zone 1:** Australia Central, West US, East US, Canada West, West Europe, France Central, and others
- **Zone 2:** Australia East, Japan West, Central India, Korea South, and others
- **Zone 3:** Brazil South, South Africa North, South Africa West, UAE Central, UAE North
- **DE Zone 1:** Germany Central, Germany Northeast

## How can I estimate the total cost?



<https://www.microsoft.com/videoplayer/embed/RWGNx4>

As you've learned, an accurate cost estimate takes all of the preceding factors into account. Fortunately, the Azure Pricing calculator helps you with that process.

The Pricing calculator displays Azure products in categories. You add these categories to your estimate and configure according to your specific requirements. You then receive a consolidated estimated price, with a detailed breakdown of the costs associated with each resource you added to your solution. You can export or share that estimate or save it for later. You can load a saved estimate and modify it to match updated requirements.

You also can access pricing details, product details, and documentation for each product from within the Pricing calculator.

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<sup>2</sup> <https://azure.microsoft.com/pricing/details/bandwidth?azure-portal=true>

The screenshot shows the Azure Pricing Calculator interface for Virtual Machines. At the top, it displays 'Your Estimate' with a total cost of '\$188.57'. Below this, there's a summary row: 'Virtual Machines' followed by a small icon, '1 D2 v3 (2 vCPU(s), 8 GB RAM) x 730 Hours;'. On the right side of the summary row are three circular icons with arrows: a blue one pointing up, a green one pointing down, and a red one with a delete symbol.

The main area is titled 'Virtual Machines' and contains several dropdown menus for configuration:

- REGION:** West US
- OPERATING SYSTEM:** Windows
- TYPE:** (OS Only)

Below these are two more dropdown menus:

- TIER:** Standard
- INSTANCE:** D2 v3: 2 vCPU(s), 8 GB RAM, 50 GB Temporary storage, \$0.209/hour

On the right side of the calculator interface, there are several buttons and links:

- Clone** (button)
- Delete** (button)
- More info** (link)
- Pricing details** (link)
- Product details** (link)
- Documentation** (link)

The options that you can configure in the Pricing calculator vary between products, but they can include:

- **Region** A region is the geographical location in which you can provision a service. Southeast Asia, Central Canada, Western United States, and Northern Europe are a few examples.
- **Tier** Tiers, such as the Free tier or Basic tier, have different levels of availability or performance and different associated costs.
- **Billing options** Billing options highlight the different ways you can pay for a service. Options can vary based on your customer type and subscription type and can include options to save costs.
- **Support options** These options enable you to select additional support pricing options for certain services.
- **Programs and offers** Your customer or subscription type might enable you to choose from specific licensing programs or other offers.
- **Azure Dev/Test pricing** This option lists the available prices for development and test workloads. Dev/Test pricing applies when you run resources within an Azure subscription that's based on a Dev/Test offer.

Keep in mind that the Pricing calculator provides estimates and *not* actual price quotes. Actual prices can vary depending upon the date of purchase, the payment currency you're using, and the type of Azure customer you are.

## Walkthrough - Use the Azure Pricing Calculator

**Use the Azure Pricing Calculator to generate a cost estimate for an Azure virtual machine and related network resources. (10 min)**

1. Configure the pricing calculator.
2. Review the pricing estimate.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/19-Use%20the%20Azure%20Pricing%20Calculator.html>

## Total Cost of Ownership Calculator

Before Tailwind Traders takes its next steps toward migrating to the cloud, it wants to better understand what it spends today in its datacenter.

Having a firm understanding of where the company is today will give it a greater sense of what cloud migration means in terms of cost.

In this unit, you'll see how the Total Cost of Ownership (TCO) Calculator can help you compare the cost of running in the datacenter versus running on Azure.

### What's the TCO Calculator?

The **TCO Calculator**<sup>3</sup> helps you estimate the cost savings of operating your solution on Azure over time, instead of in your on-premises datacenter.

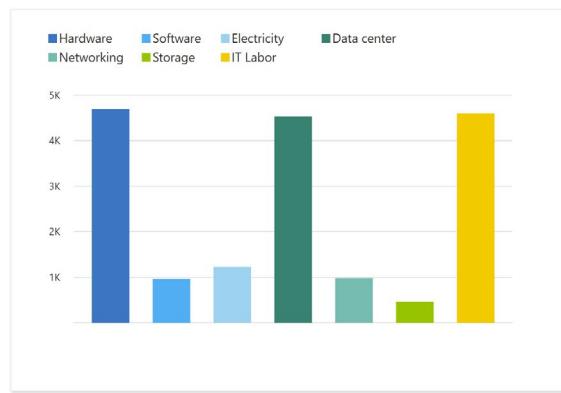
The term *total cost of ownership* is commonly used in finance. It can be hard to see all the hidden costs related to operating a technology capability on-premises. Software licenses and hardware are additional costs.

With the TCO Calculator, you enter the details of your on-premises workloads. Then you review the suggested industry average cost (which you can adjust) for related operational costs. These costs include electricity, network maintenance, and IT labor. You're then presented with a side-by-side report. Using the report, you can compare those costs with the same workloads running on Azure.

The following image shows one example.

Total on-premises cost breakdown

In Azure, several of the cost categories from the on-premises environment are consolidated and decrease with the efficiency that comes with the cloud.



Total Azure cost breakdown

In Azure, several of the cost categories from the on-premises environment are consolidated and decrease with the efficiency that comes with the cloud.



**Note:** You don't need an Azure subscription to work with the TCO Calculator.

### How does the TCO Calculator work?

Working with the TCO Calculator involves three steps:

- Define your workloads.

<sup>3</sup> <https://azure.microsoft.com/pricing/tco/calculator?azure-portal=true>

- Adjust assumptions.
- View the report.



Let's take a closer look at each step.

## Step 1: Define your workloads

First, you enter the specifications of your on-premises infrastructure into the TCO Calculator, based on these four categories:

- **Servers** This category includes operating systems, virtualization methods, CPU cores, and memory (RAM).
- **Databases** This category includes database types, server hardware, and the Azure service you want to use, which includes the expected maximum concurrent user sign-ins.
- **Storage** This category includes storage type and capacity, which includes any backup or archive storage.
- **Networking** This category includes the amount of network bandwidth you currently consume in your on-premises environment.

## Step 2: Adjust assumptions

Next, you specify whether your current on-premises licenses are enrolled for **Software Assurance**<sup>4</sup>, which can save you money by reusing those licenses on Azure. You also specify whether you need to replicate your storage to another Azure region for greater redundancy.

Then, you can see the key operating cost assumptions across several different areas, which vary among teams and organizations. These costs have been certified by Nucleus Research, an independent research company. For example, these costs include:

- Electricity price per kilowatt hour (KWh).
- Hourly pay rate for IT administration.
- Network maintenance cost as a percentage of network hardware and software costs.

To improve the accuracy of the TCO Calculator results, you adjust the values so that they match the costs of your current on-premises infrastructure.

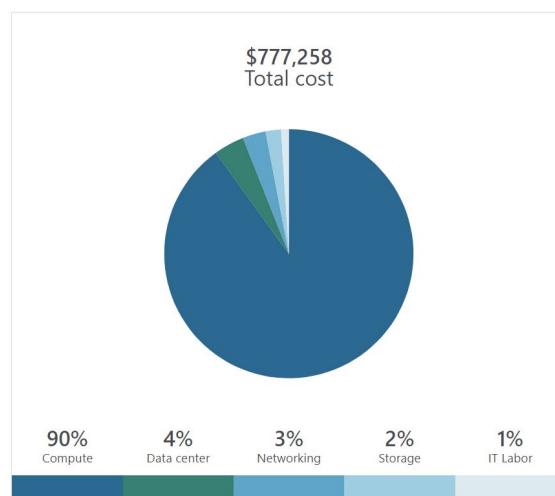
## Step 3: View the report

Choose a time frame between one and five years. the TCO Calculator generates a report that's based on the information you've entered. Here's an example:

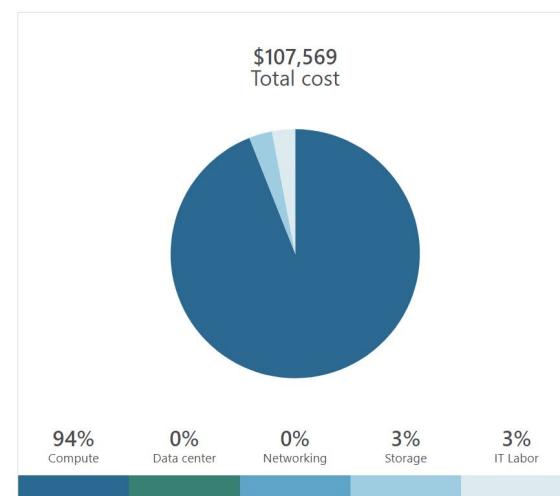
<sup>4</sup> <https://www.microsoft.com/licensing/licensing-programs/software-assurance-default?azure-portal=true>

**Total on-premises over 2 year(s)**

TCO of on-premises environments tends to be driven by compute and data center costs.

**Total Azure cost over 2 year(s)**

In Azure, certain cost categories decrease or go away completely.



For each category (compute, datacenter, networking, storage, and IT labor), you can also view a side-by-side comparison of the cost breakdown of operating those workloads on-premises versus operating them on Azure. Here's an example:

Estimated on-premises cost (2 year(s))	Estimated Azure cost (2 year(s))
Compute cost	Azure compute cost
Data center cost	Azure data center cost
Networking cost	Azure networking cost
Storage cost	Azure storage cost
Hardware	Page Blob storage
Local Disk/SAN-HDD Cost per GB Storage (RAID 10 configuration) volume in GB	Usable storage volume in GB Storage cost per GB/month Annual storage cost per usable volume
Total storage procurement cost	\$1,024 \$0.045 \$552.96
	Total Page Blob LRS storage maintenance cost over two year(s)  \$1,105.92

You can download, share, or save this report to review later.

In the next unit, you'll use the TCO Calculator to help the Tailwind Traders team understand their total costs.

## Walkthrough - Use the Azure TCO Calculator

**Use the Total Cost of Ownership (TCO) Calculator to generate cost comparison report for an on-premises environment. (10 min)**

1. Configure the TCO calculator.

2. Review the results and save a copy.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/20-Use%20the%20Azure%20TCO%20Calculator.html>

## Manage and minimize total cost on Azure

As a home improvement retailer, the proverb “measure twice, cut once” is fitting for the team at Tailwind Traders.

Here are some recommended practices that can help you minimize your costs.

### Understand estimated costs before you deploy

To help you plan your solution on Azure, carefully consider the products, services, and resources you need. Read the relevant documentation to understand how each of your choices is metered and billed.

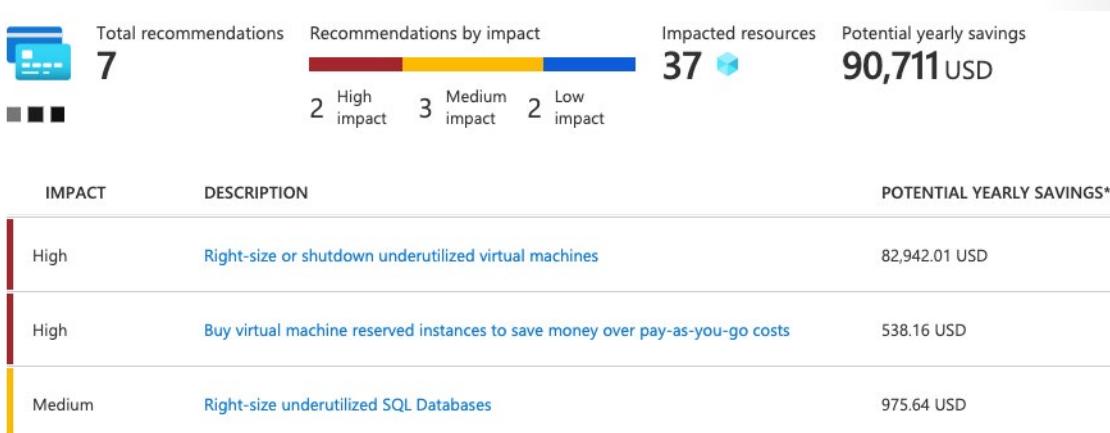
Calculate your projected costs by using the Pricing calculator and the Total Cost of Ownership (TCO) Calculator. Only add the products, services, and resources that you need for your solution.

### Use Azure Advisor to monitor your usage

Ideally, you want your provisioned resources to match your actual usage.

Azure Advisor identifies unused or underutilized resources and recommends unused resources that you can remove. This information helps you configure your resources to match your actual workload.

The following image shows some example recommendations from Azure Advisor:



Recommendations are sorted by impact: high, medium, or low. In some cases, Azure Advisor can automatically remediate, or fix, the underlying problem. Other issues, such as the two that are listed as high impact, require human intervention.

## Use spending limits to restrict your spending

If you have a free trial or a credit-based Azure subscription, you can use spending limits to prevent accidental overrun.

For example, when you spend all the credit included with your Azure free account, Azure resources that you deployed are removed from production and your Azure virtual machines (VMs) are stopped and deallocated. The data in your storage accounts is available as read-only. At this point, you can upgrade your free trial subscription to a pay-as-you-go subscription.

If you have a credit-based subscription and you reach your configured spending limit, Azure suspends your subscription until a new billing period begins.

A related concept is *quotas*, or limits on the number of similar resources you can provision within your subscription. For example, you can allocate up to 25,000 VMs per region. These limits mainly help Microsoft plan its datacenter capacity.

## Use Azure Reservations to prepay

Azure Reservations offers discounted prices on certain Azure services. Azure Reservations can save you up to 72 percent as compared to pay-as-you-go prices. To receive a discount, you reserve services and resources by paying in advance.

For example, you can prepay for one year or three years of use of VMs, database compute capacity, database throughput, and other Azure resources.

The following example shows estimated savings on VMs. In this example, you save an estimated 72 percent by committing to a three-year term.

Select the product you want to purchase

Reserved VM Instances (RIs) provide a significant discount over pay-as-you-go VM prices by allowing you to pre-purchase the base costs of your VM usage for a period of 1 or 3 years. Reserved instance discount will automatically apply to matching VMs, you don't need to re-deploy resources to get reservation discount. The reservation applies only to hardware usage. Windows is charged separately. [Learn More](#)

Scope \*  Shared  All products Billing subscription \*  Cost Management Research (1caaa5a3-2b66-438e-8...)

Recommended All Products

Filter by name, region, or instance flexi... Region : East US Term : Three Years Billing frequency : Monthly Add Filter Reset filters

Showing recommendations based on your usage over the last 30 d... Learn more

Name	Region	Instance flexibility group	vCPUs	RAM (GB)	Term	Billing frequency	Recommended Quantity
Standard_DS3_v2	East US	DSv2 Series	4	14	Three Years	Monthly	9 - See details
Standard_DS2_v2	East US	DSv2 Series	2	7	Three Years	Monthly	5 - See details
Standard_DS1_v2	East US	DSv2 Series	1	3.5	Three Years	Monthly	2 - See details
Standard_D2s_v3	East US	DSv3 Series	2	8	Three Years	Monthly	2 - See details
Standard_E16s_v3	East US	ESv3 Series	16	128	Three Years	Monthly	2 - See details
Standard_F2s_v2	East US	FSv2 Series	2	4	Three Years	Monthly	2 - See details
Standard_D2_v3	East US	Dv3 Series	2	8	Three Years	Monthly	1 - See details

Not seeing what you want? [Browse all products.](#)

Add to cart Close Monthly price per VM: 59.00 USD 72% Estimated savings

Azure Reservations are available to customers with an Enterprise Agreement, Cloud Solution Providers, and pay-as-you-go subscriptions.

## Choose low-cost locations and regions

The cost of Azure products, services, and resources can vary across locations and regions. If possible, you should use them in those locations and regions where they cost less.

But remember, some resources are metered and billed according to how much outgoing (egress) network bandwidth they consume. You should provision connected resources that are metered by bandwidth in the same Azure region to reduce egress traffic between them.

## Research available cost-saving offers

Keep up to date with the latest Azure customer and subscription offers, and switch to offers that provide the greatest cost-saving benefit.

## Use Azure Cost Management + Billing to control spending

Azure Cost Management + Billing is a free service that helps you understand your Azure bill, manage your account and subscriptions, monitor and control Azure spending, and optimize resource use.

The following image shows current usage broken down by service:



In this example, Azure App Service, a web application hosting service, generates the greatest cost.

Azure Cost Management + Billing features include:

- **Reporting** Use historical data to generate reports and forecast future usage and expenditure.
- **Data enrichment** Improve accountability by categorizing resources with tags that correspond to real-world business and organizational units.
- **Budgets** Create and manage cost and usage budgets by monitoring resource demand trends, consumption rates, and cost patterns.
- **Alerting** Get alerts based on your cost and usage budgets.
- **Recommendations** Receive recommendations to eliminate idle resources and to optimize the Azure resources you provision.

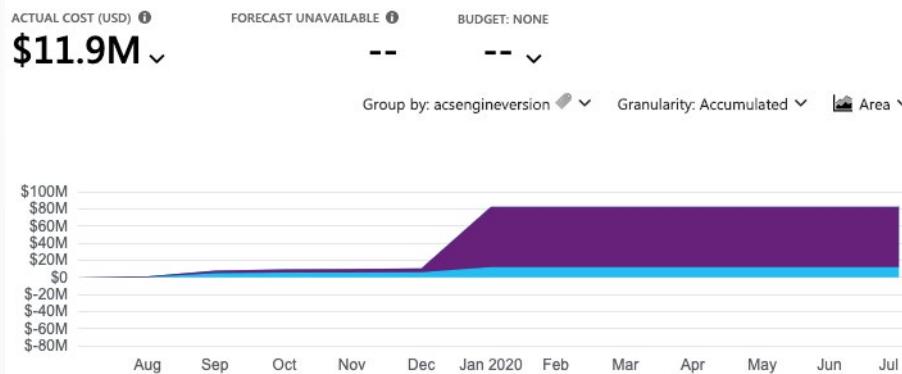
## Apply tags to identify cost owners

Tags help you manage costs associated with the different groups of Azure products and resources. You can apply tags to groups of Azure resources to organize billing data.

For example, if you run several VMs for different teams, you can use tags to categorize costs by department, such as Human Resources, Marketing, or Finance, or by environment, such as Test or Production.

Tags make it easier to identify groups that generate the biggest Azure costs, which can help you adjust your spending accordingly.

The following image shows a year's worth of usage broken down by tags on the Azure Cost Management + Billing page:



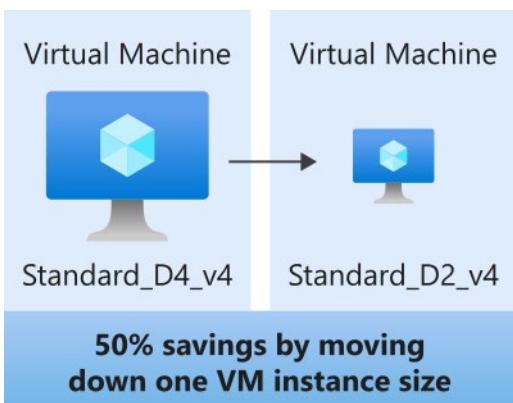
## Resize underutilized virtual machines

A common recommendation that you'll find from Azure Cost Management + Billing and Azure Advisor is to resize or shut down VMs that are underutilized or idle.

As an example, say you have a VM whose size is **Standard\_D4\_v4**, a general-purpose VM type with four vCPUs and 16 GB of memory. You might discover that this VM is idle 90 percent of the time.

Virtual machine costs are linear and double for each size larger in the same series. So in this case, if you reduce the VM's size from **Standard\_D4\_v4** to **Standard\_D2\_v4**, which is the next size lower, you reduce your compute cost by 50 percent.

The following image shows this idea:



Keep in mind that resizing a VM requires it to be stopped, resized, and then restarted. This process might take a few minutes depending on how significant the size change is. Be sure to properly plan for an outage, or shift your traffic to another instance while you perform resize operations.

## Deallocate virtual machines during off hours

Recall that to *deallocate* a VM means to no longer run the VM, but preserve the associated hard disks and data in Azure.

If you have VM workloads that are only used during certain periods, but you're running them every hour of every day, you're wasting money. These VMs are great candidates to shut down when not in use and start back when you need them, saving you compute costs while the VM is deallocated.

This approach is an excellent strategy for development and testing environments, where the VMs are needed only during business hours. Azure even provides a way to automatically start and stop your VMs on a schedule.

## Delete unused resources

This recommendation might sound obvious, but if you aren't using a resource, you should shut it down. It's not uncommon to find nonproduction or proof-of-concept systems that are no longer needed following the completion of a project.

Regularly review your environment, and work to identify these systems. Shutting down these systems can have a dual benefit by saving you on infrastructure costs and potential savings on licensing and operating costs.

## Migrate from IaaS to PaaS services

As you move your workloads to the cloud, a natural evolution is to start with infrastructure as a service (IaaS) services because they map more directly to concepts and operations you're already familiar with.

Over time, one way to reduce costs is to gradually move IaaS workloads to run on platform as a service (PaaS) services. While you can think of IaaS as direct access to compute infrastructure, PaaS provides ready-made development and deployment environments that are managed for you.

As an example, say you run SQL Server on a VM running on Azure. This configuration requires you to manage the underlying operating system, set up a SQL Server license, manage software and security updates, and so on. You also pay for the VM whether or not the database is processing queries. One way to potentially save costs is to move your database from SQL Server on a VM to Azure SQL Database. Azure SQL Database is based on SQL Server.

Not only are PaaS services such as Azure SQL Database often less expensive to run, but because they're managed for you, you don't need to worry about software updates, security patches, or optimizing physical storage for read and write operations.

## Save on licensing costs

Licensing is another area that can dramatically impact your cloud spending. Let's look at some ways you can reduce your licensing costs.

## Choose cost-effective operating systems

Many Azure services provide a choice of running on Windows or Linux. In some cases, the cost depends on which you choose. When you have a choice, and your application doesn't depend on the underlying operating system, it's useful to compare pricing to see whether you can save money.

## Use Azure Hybrid Benefit to repurpose software licenses on Azure

If you've purchased licenses for Windows Server or SQL Server, and your licenses are covered by **Software Assurance**<sup>5</sup>, you might be able to repurpose those licenses on VMs on Azure.

Some of the details vary between Windows Server or SQL Server. We'll provide resources at the end of this module where you can learn more.

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<sup>5</sup> <https://www.microsoft.com/licensing/licensing-programs/software-assurance-default?azure-portal=true>

# Azure SLAs and service lifecycles

## Introduction

In this module, you'll learn about service-level agreements (SLAs) in Azure and how they can affect your application design decisions. You'll also learn about the lifecycle of new Azure services, from preview to general availability.

## Meet Tailwind Traders

**Tailwind Traders**<sup>6</sup> is a fictitious home improvement retailer. It operates retail hardware stores across the globe and online.



Tailwind Traders specializes in competitive pricing, fast shipping, and a large range of items. It's looking at cloud technologies to improve business operations and support growth into new markets. By moving to the cloud, the company plans to enhance its shopping experience to further differentiate itself from competitors.

## How will moving to the cloud affect availability agreements?

Moving to the cloud removes the burden of supporting IT infrastructure. When network connectivity is lost or a hard drive fails, you rely on the cloud provider to restore service.

Tailwind Traders' IT department hosts applications and services in its datacenter for the rest of the company. The IT department has agreements with other teams in place that state how available those services will be, which includes when and how planned maintenance can happen. As Tailwind Traders moves its workloads to Azure, it no longer has full control over the hardware and networks. How will its agreements around availability be affected?

## Learning objectives

After completing this module, you'll be able to:

- Describe what an SLA is and why SLAs are important.
- Identify factors, such as the service tier you choose, that can affect an SLA.
- Combine SLAs to compute a composite SLA.
- Describe the service lifecycle in Azure, including how to access new capabilities that are coming to Azure.

<sup>6</sup> <https://www.tailwindtraders.com/?azure-portal=true>

## Prerequisites

- You should be familiar with basic computing concepts and terminology.

## Service Level Agreements (SLAs)



<https://www.microsoft.com/videoplayer/embed/RWEA4z>

As mentioned in the video, a *service-level agreement* (SLA) is a formal agreement between a service company and the customer. For Azure, this agreement defines the performance standards that Microsoft commits to for you, the customer.

In this part, you'll learn more about Azure SLAs, including why SLAs are important, where you can find the SLA for a specific Azure service, and what you'll find in a typical SLA.

### Why are SLAs important?

Understanding the SLA for each Azure service you use helps you understand what guarantees you can expect.

When you build applications on Azure, the availability of the services that you use affect your application's performance. Understanding the SLAs involved can help you establish the SLA you set with your customers.

Later in this module, you'll learn about some strategies you can use when an Azure SLA doesn't meet your needs.

### Where can I access SLAs for Azure services?

You can access SLAs from **Service Level Agreements<sup>7</sup>**.

**Note:** You don't need an Azure subscription to review service SLAs.

Each Azure service defines its own SLA. Azure services are organized by category.

Open the SLA for Azure Database for MySQL, a managed database that makes it easy for developers to work with MySQL databases. You'll refer back to this SLA in a moment.

To do so:

1. Go to **Service Level Agreements<sup>8</sup>**.
2. From the **Databases** category, select **Azure Database for MySQL**.

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<sup>7</sup> <https://azure.microsoft.com/support/legal/sla/?azure-portal=true>

<sup>8</sup> <https://azure.microsoft.com/support/legal/sla/?azure-portal=true>



## What's in a typical SLA?

A typical SLA breaks down into these sections:

- **Introduction** This section explains what to expect in the SLA, including its scope and how subscription renewals can affect the terms.
- **General terms** This section contains terms that are used throughout the SLA so that both parties (you and Microsoft) have a consistent vocabulary. For example, this section might define what's meant by downtime, incidents, and error codes. This section also defines the general terms of the agreement, including how to submit a claim, receive credit for any performance or availability issues, and limitations of the agreement.
- **SLA details** This section defines the specific guarantees for the service. Performance commitments are commonly measured as a percentage. That percentage typically ranges from 99.9 percent ("three nines") to 99.99 percent ("four nines"). The primary performance commitment typically focuses on *uptime*, or the percentage of time that a product or service is successfully operational. Some SLAs focus on other factors as well, including *latency*, or how fast the service must respond to a request. This section also defines any additional terms that are specific to this service.

Take a moment to review the SLA for Azure Database for MySQL.

You see that this SLA focuses mainly on uptime. Azure Database for MySQL guarantees 99.99 percent, or "four nines", uptime. This means that the service is guaranteed to be running and available to process requests 99.99 percent of the time.

## How do percentages relate to total downtime?

*Downtime* refers to the time duration that the service is unavailable.

The difference between 99.9 percent and 99.99 percent might seem minor, but it's important to understand what these numbers mean in terms of total downtime.

Here's a table to give you a sense of how total downtime decreases as the SLA percentage increases from 99 percent to 99.999 percent:

SLA percentage	Downtime per week	Downtime per month	Downtime per year
99	1.68 hours	7.2 hours	3.65 days
99.9	10.1 minutes	43.2 minutes	8.76 hours
99.95	5 minutes	21.6 minutes	4.38 hours
99.99	1.01 minutes	4.32 minutes	52.56 minutes
99.999	6 seconds	25.9 seconds	5.26 minutes

These amounts are cumulative, which means that the duration of multiple different service outages would be combined, or added together.

## What are service credits?

A *service credit* is the percentage of the fees you paid that are credited back to you according to the claim approval process.

An SLA describes how Microsoft responds when an Azure service fails to perform to its specification. For example, you might receive a discount on your Azure bill as compensation when a service fails to perform according to its SLA.

Credits typically increase as uptime decreases. Here's how credits are applied for Azure Database for MySQL according to uptime:

Monthly uptime percentage	Service credit percentage
< 99.99	10
< 99	25
< 95	100

## What's the SLA for free services?

Free products typically don't have an SLA.

For example, many Azure services provide a *free* or *shared* tier that provides more limited functionality. Services like Azure Advisor are always free. The [SLA for Azure Advisor<sup>9</sup>](#) states that because it's free, it doesn't have a financially backed SLA.

## How do I know when there's an outage?

[Azure status<sup>10</sup>](#) provides a global view of the health of Azure services and regions. If you suspect there's an outage, this is often a good place to start your investigation.

Azure status provides an RSS feed of changes to the health of Azure services that you can subscribe to. You can connect this feed to communication software such as Microsoft Teams or Slack.

From the Azure status page, you can also access Azure Service Health. This provides a personalized view of the health of the Azure services and regions that you're using, directly from the Azure portal.

## How can I request a service credit from Microsoft?

Typically, you need to file a claim with Microsoft to receive a service credit. If you purchase Azure services from a Cloud Solution Provider (CSP) partner, your CSP typically manages the claims process.

Each SLA specifies the timeline by which you must submit your claim and when Microsoft processes your claim. For many services, you must submit your claim by the end of the calendar month following the month in which the incident occurred.

Next, let's look at some other factors that Tailwind Traders needs to consider that might affect SLA performance targets.

## Define your application SLA

An *application SLA* defines the SLA requirements for a specific application. This term typically refers to an application that you build on Azure.

<sup>9</sup> <https://azure.microsoft.com/support/legal/sla/advisor/?azure-portal=true>

<sup>10</sup> <https://status.azure.com/status?azure-portal=true>

Tailwind Traders runs an application that it built on Azure called "Special Orders." The application tracks special orders that customers have placed in the company's retail stores. A special order includes an item and any customizations the customer needs. For example, a folding door might include customizations such as dimension and hinge placement. Because customizations typically require special handling, the customized item needs to be ordered from the supplier when a customer needs it.

There are many design decisions you can make to improve the availability and resiliency of the applications and services you build on Azure. These decisions extend beyond just the SLA for a specific service. In this part, you'll explore a few of these considerations.

A good place to start is to have a discussion with your team about how important the availability of each application is to your business. The following sections cover a few factors that Tailwind Traders might consider.

## Business impact

If the Special Orders application goes down, what would the business impact be? In this case, customers can't place new orders through the store and staff can't check the status of existing orders. Customers will either need to try again later or possibly go to a competitor.

## Effect on other business operations

The Special Orders application doesn't affect other operations. So, the majority of the Tailwind Traders business will continue to function normally if the Special Orders application went down.

## Usage patterns

*Usage patterns* define when and how users access your application.

One question to consider is whether the availability requirement differs between critical and non-critical time periods. For example, a tax-filing application can't fail during a filing deadline.

For Tailwind Traders, retail stores aren't open 24 hours a day, so if the application were down in the middle of the night, the impact would be minimal. However, because Tailwind Traders has retail locations all over the world, it will need to ensure that each location has access to the service during its retail hours.

## What does the team decide?

Let's say that Tailwind Traders decides that an SLA of 99.9 percent is acceptable for the Special Orders application. This SLA gives the company an estimated downtime of 10.1 minutes per week. But how will it ensure that its technology choices support its application SLA?

In the next part, you'll see how the team maps its application requirements to specific Azure services. You'll learn about some of the techniques you can use to help ensure that your technology choices meet your application SLA.

## Actions that affect SLAs

Tailwind Traders decides that an SLA of 99.9 percent is acceptable for the Special Orders application. Recall that this gives the company an estimated downtime of 10.1 minutes per week.

Now you need to design an efficient and reliable solution for this application on Azure, keeping that application SLA in mind. You'll select the Azure products and services you need, and provision your cloud resources according to those requirements.

In reality, failures will happen. Hardware can fail. The network can have intermittent timeout periods. While it's rare for an entire service or region to experience a disruption, you still need to plan for such events.

Let's follow the process Tailwind Traders uses to ensure that its technology choices meet its application SLA.

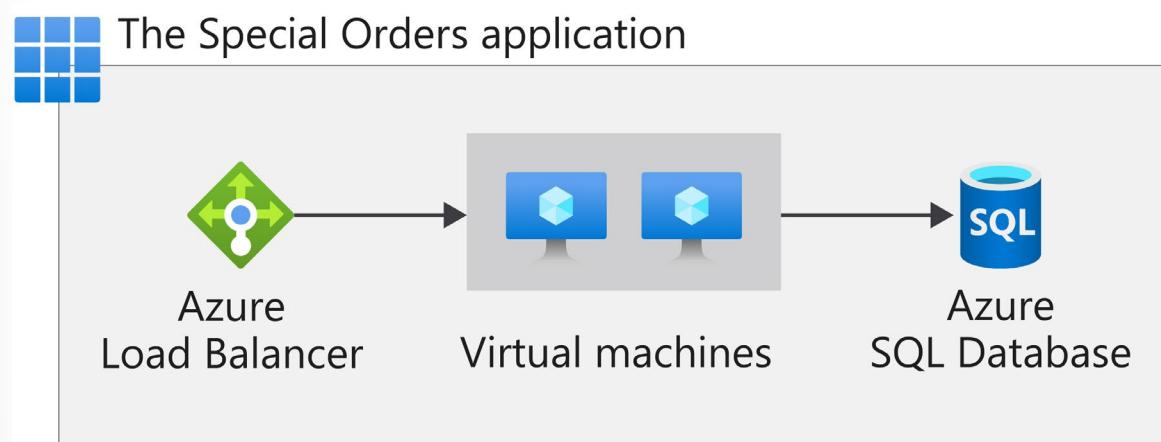
## Identify your workloads

A *workload* is a distinct capability or task that's logically separated from other tasks, in terms of business logic and data storage requirements. Each workload defines a set of requirements for availability, scalability, data consistency, and disaster recovery.

On Azure, the Special Orders application will require:

- Two virtual machines.
- One instance of Azure SQL Database.
- One instance of Azure Load Balancer.

Here's a diagram that shows the basic architecture:



## Combine SLAs to compute the composite SLA

After you've identified the SLA for the individual workloads in the Special Orders application, you might notice that those SLAs are not all the same. How does this affect our overall application SLA requirement of 99.9 percent? To work that out, you'll need to do some math.

The process of combining SLAs helps you compute the *composite SLA* for a set of services. Computing the composite SLA requires that you multiply the SLA of each individual service.

From **Service Level Agreements<sup>11</sup>**, you discover the SLA for each Azure service that you need. They are:

Service	SLA
Azure Virtual Machines	99.9 percent
Azure SQL Database	99.99 percent
Azure Load Balancer	99.99 percent

<sup>11</sup> <https://azure.microsoft.com/support/legal/sla/?azure-portal=true>

Therefore, for the Special Orders application, the composite SLA would be:

$$\$99.9\% \times 99.9\% \times 99.99\% \times 99.99\% = 0.999 \times 0.999 \times 0.9999 \times 0.9999 = 0.9978\% = 99.78\%$$

Recall that you need two virtual machines. Therefore, you include the Virtual Machines SLA of 99.9 percent two times in the formula.

Note that even though all of the individual services have SLAs equal to or better than the application SLA, combining them results in an overall number that's *lower* than the 99.9 percent you need. Why? Because using multiple services adds an extra level of complexity and slightly increases the risk of failure.

You see here that the composite SLA of 99.78 percent doesn't meet the required SLA of 99.9 percent. You might go back to team and ask whether this is acceptable. Or you might implement some other strategies into your design to improve this SLA.

## What happens when the composite SLA doesn't meet your needs?

For the Special Orders application, the composite SLA doesn't meet the required SLA of 99.9 percent. Let's look at a few strategies that Tailwind Traders might consider.

### Choose customization options that fit your required SLA

Each of the workloads defined previously has its own SLA, and the customization choices you make when you provision each workload affects that SLA. For example:

- **Disks** With Virtual Machines, you can choose from a Standard HDD Managed Disk, a Standard SSD Managed Disk, or a Premium SSD or Ultra Disk. The SLA for a single VM would be either 95 percent, 99.5 percent or 99.9 percent, depending on the disk choice.
- **Tiers** Some Azure services are offered as both a free tier product and as a standard paid service. For example, Azure Automation provides 500 minutes of job runtime in an Azure free account, but is not backed by an SLA. The standard tier SLA for Azure Automation is 99.9 percent.

Make sure that your purchasing decisions take into account the impact on the SLA for the Azure services that you choose. Doing so ensures that the SLA supports your required application SLA.

Here, Tailwind Traders might choose the Ultra Disk option for its virtual machines to help guarantee greater uptime.

### Build availability requirements into your design

There are application design considerations you can use that relate to the underlying cloud infrastructure.

For example, to improve the availability of the application, avoid having any single points of failure. So instead of adding more virtual machines, you can deploy one or more extra instances of the same virtual machine across the different availability zones in the same Azure region.

An *availability zone* is a unique physical location within an Azure region. Each zone is made up of one or more datacenters equipped with independent power, cooling, and networking. These zones use different schedules for maintenance, so if one zone is affected, your virtual machine instance in the other zone is unaffected.

Deploying two or more instances of an Azure virtual machine across two or more availability zones raises the virtual machine SLA to 99.99 percent. Recalculating your composite SLA above with this Virtual Machines SLA gives you an application SLA of:

\$\$99.99\% \times 99.99\% \times 99.99\% \times 99.99\% = 99.96\%\$

This revised SLA of 99.96 percent exceeds your target of 99.9 percent.

To learn more about the SLA for Virtual Machines, visit [SLA for Virtual Machines<sup>12</sup>](#).

## Include redundancy to increase availability

To ensure high availability, you might plan for your application to have duplicate components across several regions, known as *redundancy*. Conversely, to minimize costs during non-critical periods, you might run your application only in a single region. Tailwind Traders might consider this if there's a trend that the special order rates are much higher during certain months or seasons.

To achieve maximum availability in your application, add redundancy to every single part of the application. This redundancy includes the application itself, as well as the underlying services and infrastructure. Be aware, however, that doing so can be difficult and expensive, and often results in solutions that are more complex than they need to be.

Consider how critical high availability is to your requirements before you add redundancy. There may be simpler ways to meet your application SLA.

## Very high performance is difficult to achieve

Performance targets above 99.99 percent are very difficult to achieve. An SLA of 99.99 percent means 1 minute of downtime per week. It's difficult for humans to respond to failures quickly enough to meet SLA performance targets above 99.99 percent. Instead, your application must be able to self-diagnose and self-heal during an outage.

## Azure Preview Program, monitoring service, and feature updates

Now that Tailwind Traders has its applications up and running, it wants to start looking into new capabilities. One option is to look at preview services. In this part, you'll learn how Azure services go from the preview phase to being generally available.

For Tailwind Traders, migration from the datacenter to Azure is more about operational efficiency. The research and development team is looking into new, cloud-based features that will keep them ahead of the competition.

Tailwind Traders is experimenting with a custom drone delivery system for customers in rural areas. The company needs the ability to use real-time storm tracking in the drone guidance system, but the feature isn't ready yet. There's a new AI Storm Analyzer service that has just entered the public preview phase. So Tailwind Traders has decided to incorporate it into the early stages of application testing.

**Note:** AI Storm Analyzer is a fictitious Azure service, introduced here for illustration purposes only.

Before the team moves forward, it wants a better understanding of how preview services affect its SLA. Let's begin by defining the Azure service lifecycle.

## What is the service lifecycle?

The *service lifecycle* defines how every Azure service is released for public use.

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<sup>12</sup> <https://azure.microsoft.com/support/legal/sla/virtual-machines?azure-portal=true>

Every Azure service starts in the development phase. In this phase, the Azure team collects and defines its requirements, and begins to build the service.

Next, the service is released to the public preview phase. During this phase, the public can access and experiment with it so that it can provide feedback. Your feedback helps Microsoft improve services. More importantly, providing feedback gives you the opportunity to request new or different capabilities so that services better meet your needs.

After a new Azure service is validated and tested, it's released to all customers as a production-ready service. This is known as *general availability* (GA).

## What terms and conditions can I expect?

Each Azure preview defines its own terms and conditions. All preview-specific terms and conditions supplement your existing Azure service agreement.

Some previews aren't covered by customer support. Therefore, previews are not recommended for business-critical workloads.

## How can I access preview services?

You can access preview services from the Azure portal.

Here's how to see what preview services are available. You can follow along if you have an Azure subscription.

1. Go to the **Azure portal**<sup>13</sup> and sign in.
2. Select **Create a resource**.
3. Enter *preview* in the search box, and select **Enter**.
4. Select a service to learn more about it. You can also launch the service if you'd like to try it out.

## How can I access new features for an existing service?

Some preview features relate to a specific area of an existing Azure service. For example, a compute or database service that you use daily might provide enhanced functionality. These preview features are accessible when you deploy, configure, and manage the service.

Although you can use an Azure preview feature in production, make sure you're aware of any limitations around its use before you deploy it to production.

## How can I access preview features for the Azure portal?

You can access preview features that are specific to the Azure portal from **Microsoft Azure (Preview)**<sup>14</sup>.

Typical portal preview features provide performance, navigation, and accessibility improvements to the Azure portal interface.

You see **Microsoft Azure (Preview)** near the menu bar to remind you that you're working with a preview version of the Azure portal.

<sup>13</sup> <https://portal.azure.com?azure-portal=true>

<sup>14</sup> <https://preview.portal.azure.com?azure-portal=true>



## Azure services



Create a  
resource



Virtual  
machines

## How can I provide feedback on the Azure portal?

You can provide feedback:

- From the **Feedback** tab in the Azure portal.



Send us feedback

X

Thank you for taking the time to give us feedback.

If you need help, please contact support.

\*Are you satisfied with your experience?



Tell us about your experience...

Microsoft can email you about your feedback

[Privacy statement](#)

[Submit feedback](#)

- From the **Azure portal feedback forum<sup>15</sup>**.

## How can I stay updated on the latest announcements?

The **Azure updates<sup>16</sup>** page provides information about the latest updates to Azure products, services, and features, as well as product roadmaps and announcements.

From the Azure updates page, you can:

- View details about all Azure updates.

<sup>15</sup> <https://feedback.azure.com/forums/223579-azure-portal?azure-portal=true>

<sup>16</sup> <https://azure.microsoft.com/updates?azure-portal=true>

- See which updates are in general availability, preview, or development.

Status:



- Browse updates by product category or update type.
- Search for updates by keyword.
- Subscribe to an RSS feed to receive notifications.
- Access the Microsoft Connect page to read Azure product news and announcements.

## Walkthrough - Calculate a Composite SLA

**Determine services SLA uptime percentages and then calculate the application composite SLA uptime percentage.  
(5 min)**

1. Determine the SLA uptime percentage values for an application.
2. Calculate the Application Composite SLA percentage uptime.

<https://microsoftlearning.github.io/AZ-900T0x-MicrosoftAzureFundamentals/Instructions/Walkthroughs/21-Calculate%20Composite%20SLAs.html>

## Module 6 Review Questions

### Module 06 Review Questions

Choose the best response for each of the questions below. Then select **Check your answers**.

#### Multiple choice

*Which is the best first step a team should take to compare the cost of running these environments on Azure versus in their datacenter?*

- They're just test environments. Spin them up and check the bill at the end of the month.
- Assume that running in the cloud costs about the same as running in the datacenter.
- Run the Total Cost of Ownership Calculator.

#### Multiple choice

*What's the best way to ensure that a development team doesn't provision too many virtual machines at the same time?*

- Do nothing. Let the development team use what they need.
- Apply spending limits to the development team's Azure subscription.
- Verbally give the development lead a budget and hold them accountable for overages.

#### Multiple choice

*Which is the most efficient way for a testing team to save costs on virtual machines on weekends, when testers are not at work?*

- Delete the virtual machines before the weekend and create a new set the following week.
- Deallocate virtual machines when they're not in use.
- Just let everything run. Azure bills you only for the CPU time that you use.

#### Multiple choice

*Resources in the Dev and Test environments are each paid for by different departments. What's the best way to categorize costs by department?*

- Apply a tag to each virtual machine that identifies the appropriate billing department.
- Split the cost evenly between departments.
- Keep a spreadsheet that lists each team's resources.

## Multiple choice

*What's the SLA for Azure Maps in terms of guaranteed uptime?*

- 99 percent
- 99.9 percent
- 99.99 percent

## Multiple choice

*What's the new composite SLA? Remember, the new SLA includes a third virtual machine and Azure Maps.*

- 99.58 percent
- 99.78 percent
- 99.99 percent

## Multiple choice

*Adding a third virtual machine reduces the composite SLA. How can companies offset this reduction?*

- Increase the size of each virtual machine.
- Deploy extra instances of the same virtual machines across the different availability zones in the same Azure region.
- Do nothing. Using Azure Load Balancer increases the SLA for virtual machines.

## Multiple choice

*What approach might the company take in adding the augmented reality (AR) preview service to its architecture?*

- The Special Orders app is already in production. The company shouldn't look into the AR service until the service reaches general availability (GA).
- The Special Orders app is mainly for use by retail employees. The company can integrate the AR service now because potential downtime or failures aren't an important factor.
- The development team can create a prototype version of the app that includes the AR service that it tests out with select retail employees.

## Module 06 Summary

### Module 06 Summary

#### Planning and Cost Management

Tailwind Traders is taking a methodical approach toward cloud migration. While proof-of-concept projects can help demonstrate technical feasibility, having a clear picture of the total cost of running in the cloud will further help the team validate its approach.

To start, the Tailwind Traders team used the Total Cost of Ownership Calculator to estimate the cost savings of operating its solution on Azure instead of in its on-premises datacenter.

From there, the team used the Pricing calculator to get a more detailed estimate for running a typical workload on Azure each month.

The team also created a checklist of cost-saving measures that it can use to help keep down costs. This list includes:

- Perform cost analysis before you deploy.
- Use Azure Advisor to monitor your usage.
- Use spending limits to prevent accidental spending.
- Use Azure Reservations to prepay.
- Choose low-cost locations and regions.
- Research available cost-saving offers.
- Apply tags to identify cost owners.

With these measures in place, the Tailwind Traders team is ready to take the next steps toward cloud migration.

#### Next steps

If you run existing workloads on-premises or in the datacenter, try entering your existing workloads in the **Total Cost of Ownership Calculator**<sup>17</sup> to see how the cost of running on Azure compares to what you pay today.

Then, use the **Azure documentation**<sup>18</sup> to map your current infrastructure to cloud services. Use the **Pricing calculator**<sup>19</sup> to get a more accurate picture of what it would cost to run your existing workloads on Azure.

#### Learn more

In this lesson, you learned about the many factors that affect the total cost of running on Azure.

The **Control Azure spending and manage bills with Azure Cost Management + Billing**<sup>20</sup> learning path is a great next step toward learning how to monitor and control your Azure spending.

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<sup>17</sup> <https://azure.microsoft.com/pricing/tco?azure-portal=true>

<sup>18</sup> <https://docs.microsoft.com/azure/>

<sup>19</sup> <https://azure.microsoft.com/pricing/calculator/?azure-portal=true>

<sup>20</sup> <https://docs.microsoft.com/learn/paths/control-spending-manage-bills/?azure-portal=true>

Here are additional resources to help you go further.

## Purchase Azure services

- If you're just getting started with Azure, review commonly asked questions in the [Azure free account FAQ<sup>21</sup>](#) to see whether a free trial account is right for you.
- To learn more about how to purchase Azure products and services, see [Explore flexible purchasing options for Azure<sup>22</sup>](#).

## Understand your bill

- For more information about Azure usage charges, see [Understand terms on your Microsoft Azure invoice<sup>23</sup>](#).
- To learn more about how bandwidth affects pricing, see [Bandwidth pricing details<sup>24</sup>](#).

## Manage and minimize costs

- See [Azure Cost Management + Billing<sup>25</sup>](#) to learn more about analyzing costs, creating and managing budgets, exporting data, and reviewing and acting on recommendations.
- Take advantage of significant discounts on development and testing workloads. To learn more, see [Azure Dev/Test pricing<sup>26</sup>](#).
- Learn more about how [Azure Reservations<sup>27</sup>](#) can save you money when you commit to one-year or three-year pricing plans.
- Learn how to [prevent unexpected charges with Azure billing and cost management<sup>28</sup>](#).
- See [Azure spending limit<sup>29</sup>](#) to learn what happens when you reach your spending limit and how to remove it.
- Learn how to [start and stop VMs during off-hours<sup>30</sup>](#).
- See how [Azure Hybrid Benefit<sup>31</sup>](#) can help save costs by bringing Windows Server and SQL Server on-premises licenses with Software Assurance to Azure.

## Azure SLAs and service lifecycles

A service-level agreement (SLA) is the formal agreement between a service company and the customer. For Azure, this agreement defines the performance standards that Microsoft commits to for its customers.

The Tailwind Traders team is working on quite a variety of projects! In addition to its main website, the team is adding a mapping feature to its Special Orders application so that it can calculate routes between

<sup>21</sup> <https://azure.microsoft.com/free/free-account-faq/?azure-portal=true>

<sup>22</sup> <https://azure.microsoft.com/pricing/purchase-options?azure-portal=true>

<sup>23</sup> <https://docs.microsoft.com/azure/billing/billing-understand-your-invoice?azure-portal=true>

<sup>24</sup> <https://azure.microsoft.com/pricing/details/bandwidth?azure-portal=true>

<sup>25</sup> <https://azure.microsoft.com/services/cost-management?azure-portal=true>

<sup>26</sup> <https://azure.microsoft.com/pricing/dev-test/?azure-portal=true>

<sup>27</sup> <https://docs.microsoft.com/azure/billing/billing-save-compute-costs-reservations?azure-portal=true>

<sup>28</sup> <https://docs.microsoft.com/azure/cost-management-billing/manage/getting-started?azure-portal=true>

<sup>29</sup> <https://docs.microsoft.com/azure/billing/billing-spending-limit?azure-portal=true>

<sup>30</sup> <https://docs.microsoft.com/azure/automation/automation-solution-vm-management?azure-portal=true>

<sup>31</sup> <https://azure.microsoft.com/pricing/hybrid-benefit/?azure-portal=true>

suppliers and retail stores. The team is also exploring how severe weather tracking can improve its drone guidance system.

As requirements evolve, it's important for the team to understand how the SLA for each service it chooses affects the overall performance guarantees of its applications.

For example, the main website must be available as close to 100 percent of the time as possible. To accomplish that, Tailwind Traders might deploy extra instances of the same virtual machine across different availability zones in the same Azure region. Doing so helps ensure that if one zone is affected, virtual machine instances in the other zone can pick up the load.

The Special Orders application might have more flexible tolerances. As long as retail employees don't lose data and can quickly regain network access, the Special Orders application might have a lower SLA. Here, the team can choose to include less redundancy in its design.

When defining your SLA requirements, be sure to consider both your business needs and the time it takes to restore a component after a failure. Also consider how the use of preview services and preview features might affect your systems in production.

## Next steps

Create a sketch or diagram for an application that you plan to migrate to the cloud. Include each Azure service that you plan to use.

Use the documented **Service Level Agreements**<sup>32</sup> to find out the SLA for each Azure service involved. Then compute the composite SLA for your application.

Does the composite SLA meet your requirements? If not, what can you do to improve it?

## Learn more

In this module, you learned about several factors that affect service guarantees on Azure. You also learned how to access preview services and preview features. Here are additional resources to help you go further.

## Work with preview services

- Review the **Supplemental Terms of Use for Microsoft Azure Previews**<sup>33</sup>.
- Learn about updates and new product features on the **Azure announcements blog**<sup>34</sup>.

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<sup>32</sup> <https://azure.microsoft.com/support/legal/sla/?azure-portal=true>

<sup>33</sup> <https://azure.microsoft.com/support/legal/preview-supplemental-terms?azure-portal=true>

<sup>34</sup> <https://azure.microsoft.com/blog/topics/announcements?azure-portal=true>

# Answers

## Multiple choice

Which is the best first step a team should take to compare the cost of running these environments on Azure versus in their datacenter?

- They're just test environments. Spin them up and check the bill at the end of the month.
- Assume that running in the cloud costs about the same as running in the datacenter.
- Run the Total Cost of Ownership Calculator.

### Explanation

*Running the Total Cost of Ownership Calculator is a great first step because it can provide an accurate comparison of running workloads in the datacenter versus on Azure, certified by an independent research company.*

## Multiple choice

What's the best way to ensure that a development team doesn't provision too many virtual machines at the same time?

- Do nothing. Let the development team use what they need.
- Apply spending limits to the development team's Azure subscription.
- Verbally give the development lead a budget and hold them accountable for overages.

### Explanation

*If you exceed your spending limit, active resources are deallocated. You can then decide whether to increase your limit or provision fewer resources.*

## Multiple choice

Which is the most efficient way for a testing team to save costs on virtual machines on weekends, when testers are not at work?

- Delete the virtual machines before the weekend and create a new set the following week.
- Deallocate virtual machines when they're not in use.
- Just let everything run. Azure bills you only for the CPU time that you use.

### Explanation

*When you deallocate virtual machines, the associated hard disks and data are still kept in Azure. But you don't pay for CPU or network consumption, which can help save costs.*

## Multiple choice

Resources in the Dev and Test environments are each paid for by different departments. What's the best way to categorize costs by department?

- Apply a tag to each virtual machine that identifies the appropriate billing department.
- Split the cost evenly between departments.
- Keep a spreadsheet that lists each team's resources.

### Explanation

*You can apply tags to groups of Azure resources to organize billing data.*

**Multiple choice**

What's the SLA for Azure Maps in terms of guaranteed uptime?

- 99 percent
- 99.9 percent
- 99.99 percent

*Explanation*

*The SLA for Azure Maps tells you the SLA.*

**Multiple choice**

What's the new composite SLA? Remember, the new SLA includes a third virtual machine and Azure Maps.

- 99.58 percent
- 99.78 percent
- 99.99 percent

*Explanation*

*To compute the composite SLA for a set of services, you multiply the SLA of each individual service.*

**Multiple choice**

Adding a third virtual machine reduces the composite SLA. How can companies offset this reduction?

- Increase the size of each virtual machine.
- Deploy extra instances of the same virtual machines across the different availability zones in the same Azure region.
- Do nothing. Using Azure Load Balancer increases the SLA for virtual machines.

*Explanation*

*If one availability zone is affected, your virtual machine instance in the other availability zone should be unaffected.*

**Multiple choice**

What approach might the company take in adding the augmented reality (AR) preview service to its architecture?

- The Special Orders app is already in production. The company shouldn't look into the AR service until the service reaches general availability (GA).
- The Special Orders app is mainly for use by retail employees. The company can integrate the AR service now because potential downtime or failures aren't an important factor.
- The development team can create a prototype version of the app that includes the AR service that it tests out with select retail employees.

*Explanation*

*After the AR service reaches general availability (GA), the team can roll it out to production.*