Total Cost of Ownership (TCO)

What is TCO?

TCO is a financial estimate intended to help buyers and owners to determine the direct and indirect cost of a product or service

Eg Tco of a data center



Capital Expenditure (CAPEX)

Spending money upfront on physical infra

Deducting that expense from your tax bill over time

Server cost
Storage Cost
Network Cost
Back and Archive costs
Disaster Recovery cost
Datacenter Cost

With Capital Expense you have to guess upfront what you plan to spend

Operational Expenditure (OPEX)

The costs associated with an on-premises datacenter that has shifted the cost to the service provider. The customer only has to be concerned with no-physical costs.

Leasing Software and Customizing features
Training Employees in Cloud Services
Paying for cloud support
Billing based on cloud metrics

With operation expenses you can try a production service without investing in equipment.

AWS Pricing Calculator

The AWS pricing calculator is a free estimate tool that can be used within your web-browser without the need for an AWS account

Migration Evaluator

AWS Migration Evaluator (formally know as TSO logic) is an estimate tool used to determine an organization existing on premise cost so it can compare it against AWS costs for planned cloud migration