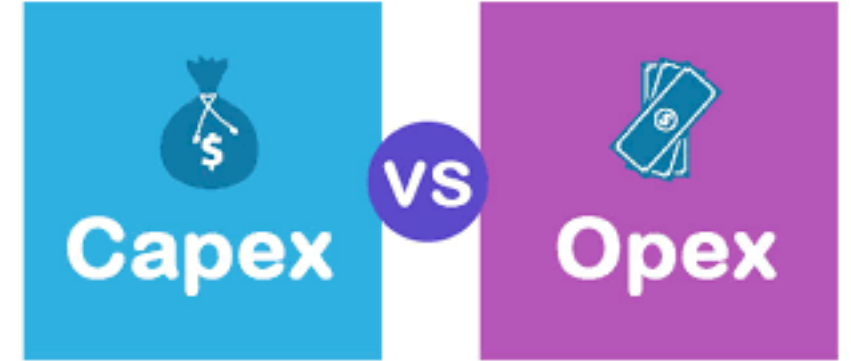


# Understanding CapEx versus OpEx. Economies of Scale

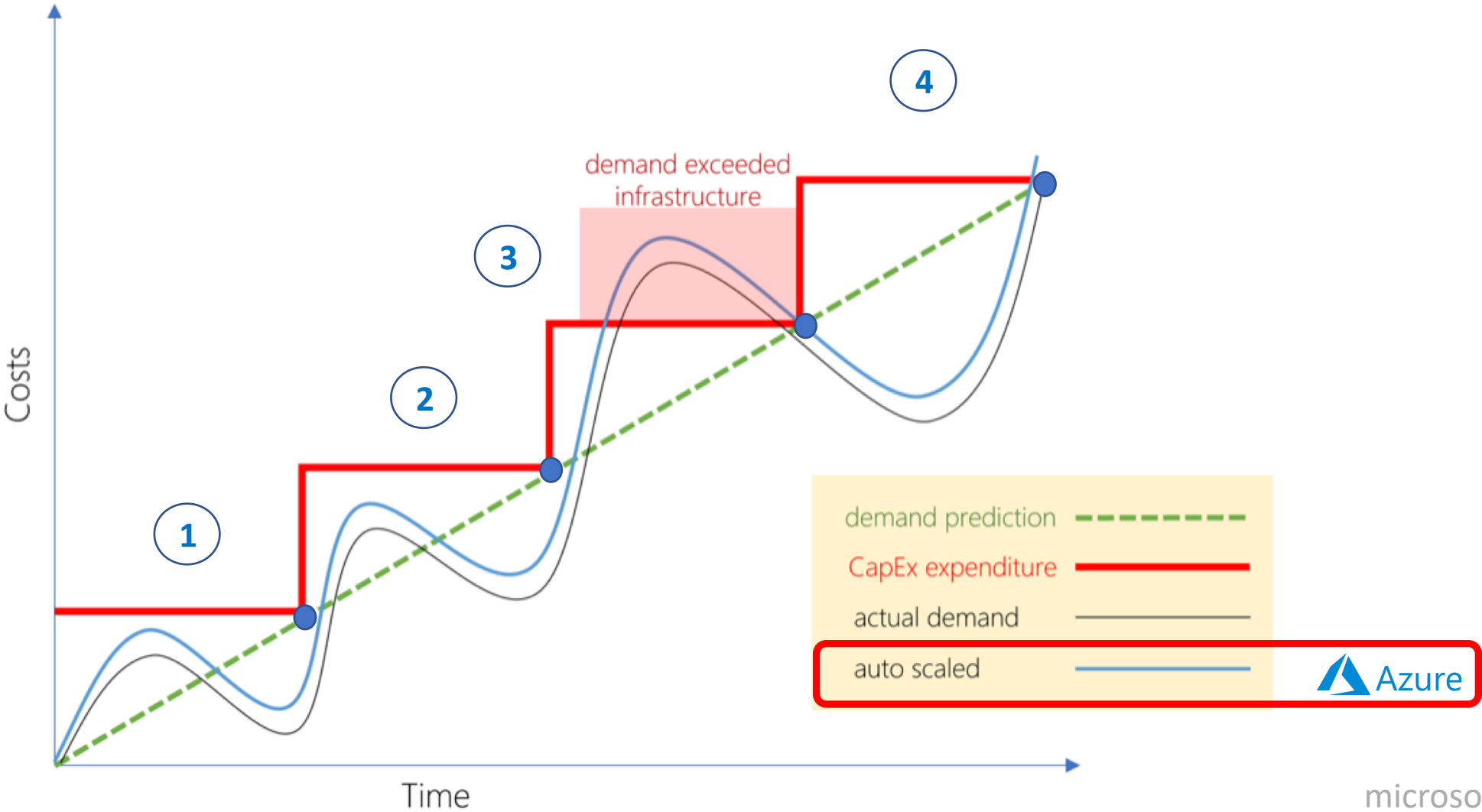
# CapEx versus OpEx

# CapEx and OpEx

- ❑ CapEx and OpEx represent two approaches to how you make an investment; time and money
- ❑ CapEx – Capital Expenditure
  - ❑ Spend money upfront
  - ❑ Upfront cost for the company
  - ❑ Value reduced over time (tax)
- ❑ OpEx – Operational Expenditure
  - ❑ No upfront cost; pay-as-you-use; same year tax deduction



# CapEx vs OpEx

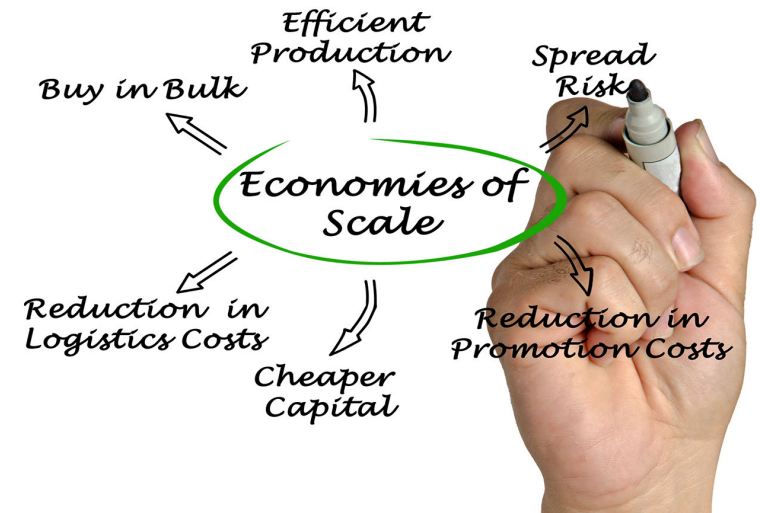


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# Economies of Scale

# Economies of Scale

- ❑ Economies of scale - ability to operate more efficiently or at a lower-cost / unit when operating at a larger scale
- ❑ By using Azure cloud computing, you can achieve a lower variable cost than you can get on your own
- ❑ Usage from customers is aggregated in the cloud, providers such as Azure can achieve higher economies of scale, which translates into lower pay-as-you-go prices



Microsoft Azure Fundamentals  
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Thank you