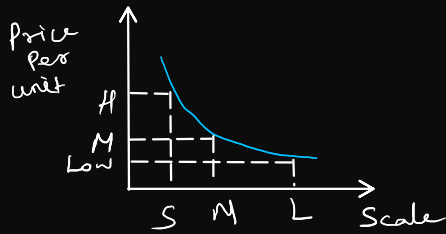


Economies of Scale



Reduction in cost due to large scale operation

Customers of Azure gets the benefits of economies of scale

Capital Expenditure (CapEx) and Operational Expenditure (OpEx)

CapEx → Capital investment of buying resources

→ usually large initial investment

→ Small maintenance charge over time

→ CapEx cannot be considered as business expense

→ value over time ↓

OpEx → think of renting hardware/resources/services

→ most work is taken care by Azure

→ business expense

→ value over time ↔

Consumption Based Pricing Model:

Only pay for what you use even when resource usage varies from time to time. usually charged for each component of the service and usage is measured granularly.

Service Models:

Software Data and application
Platform OS, middleware, Runtime
Infrastructure Compute hardware, Storage, Networking

} Cloud Service

Service models define who manages what component of the cloud service.

Infrastructure as a Service (IaaS)

Managed By

Azure	customer
Infrastructure	Platform Software

Platform as a Service (PaaS)

Managed By

Azure	customer
Infra Platform	Software

Software as a Service (SaaS)

Managed By

Azure	customer
Infra Platform software	—