

1.2 CapEx, OpEx and Consumption-based

▼ Capital Expenditure (CapEx)

- On-Prem
 - Purchasing an asset that we need to use for a certain amount of time then depreciate it over a period of time
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▼ Operational Expenditure (OpEx)

- How we buy services in the Cloud
 - No upfront costs, it is consumption based
 - Purchasing the resource, the service, as we use it
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▼ Difference

- CapEx:
 - Need money up front
 - To have a really good idea what I'm going to be doing a year/3 years down the line
- OpEx:
 - I'm paying for what I need at that moment in time
 - Can be flexible and change my mind
 - Enables better management of the costs