Quoting Azure laas From Zero to Hero

Martin Sih, Cloud Solutions Architect Javier Soriano, Cloud Solutions Architect





Agenda

- Cloud Principles
- Azure laaS Quoting
- Contractual models and discounts
- Azure quoting tools Demo
- Q&A

Why?

Objectives

- At the end of this session you will have the knowledge to:
 - Understand pricing of the components for each laaS service
 - Learn the tools (official and unofficial) available to build Azure quotes
 - Know where to look for information
- Things that we will not cover:

we won't get into details of product features (i.e. we mention what is a Standard IP address, but we won't explain what makes it different than Basic)

Disclaimer: no rights can be derived from this presentation

Cloud principles









Pay per use



- You only pay when the service is consumed
- Monthly Billing period
- Each Azure component has its own metric:
 - VM per running minute
 - Storage average storage size per month
 - Service Bus millions messages per month
 - Etc.

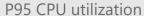
Location



- Service Pricing differs per region. A VM in East US is cheaper than in West Europe
- Not all services are available in each region

Right sizing & snoozing







D14v2 SKU, ~€950/month +

Rightsizing

=

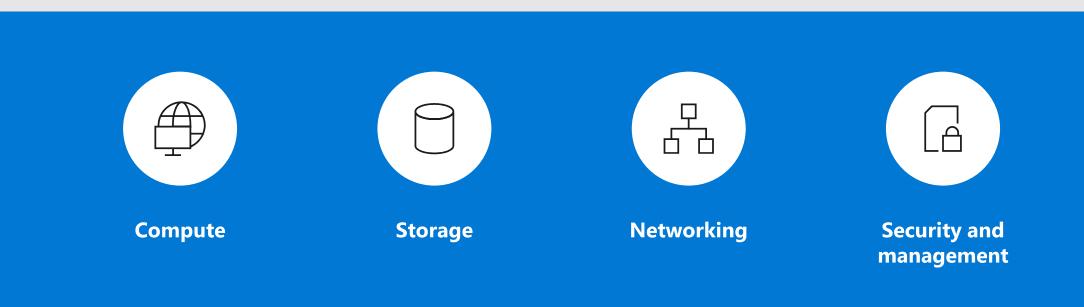
D12v2 SKU, ~€237/month

Snoozing

=

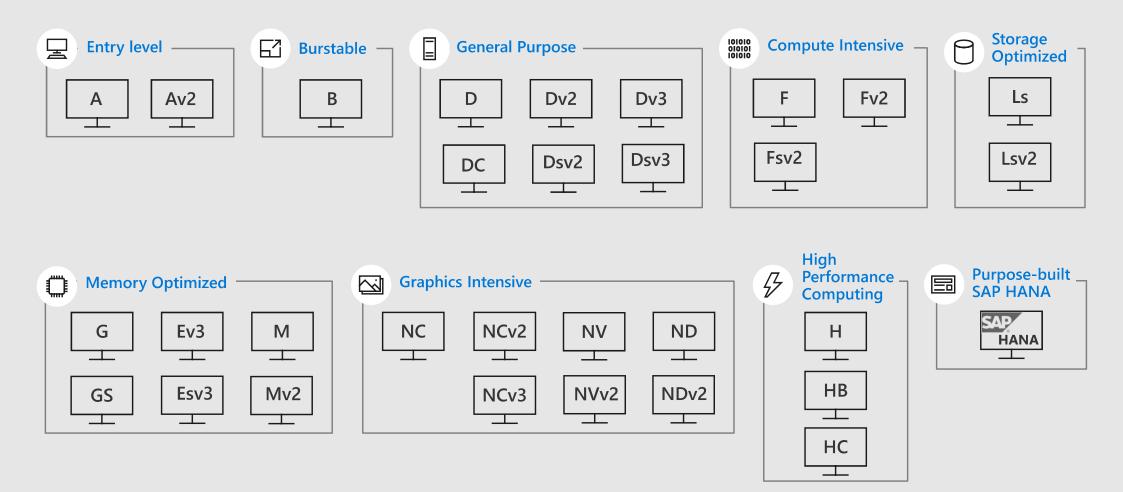
D12v2 SKU, ~€95,88/month

Secure, cost-effective, and powerful



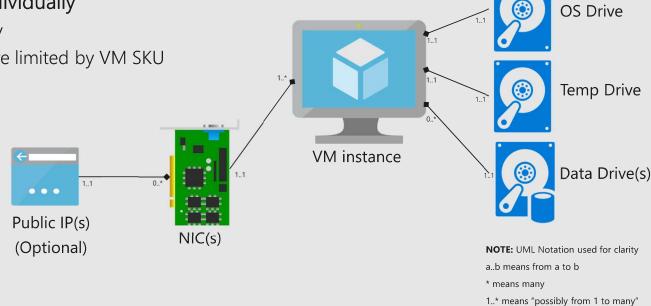
Compute

Compute options for all types of apps



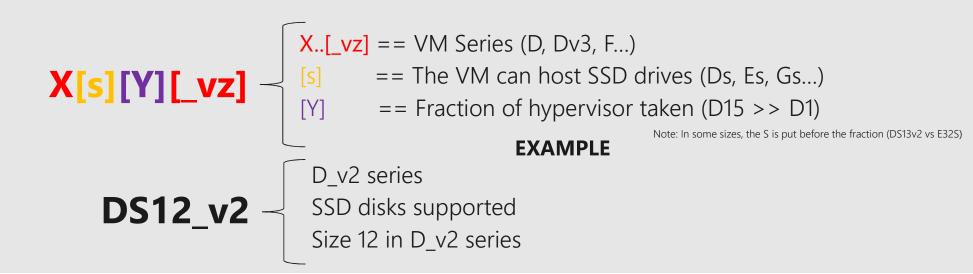
Virtual Machine itemization

- Virtual machines are charged according to its size and usage
 - The bigger the more expensive
 - The more special the more expensive (GPU cards)
 - The more time of use, the more expensive. Development environments normally don't need to be running 24/7
- Temp Drives are for free (included in VM Price)
- OS drives are charged
- Data drives are optional and charged individually
 - Managed disks is the recommended way
 - Number of Data disks, IOPS and MB/s are limited by VM SKU
- NICs are free
- Public IPs are charged
 - Basic SKU (Static or Dynamic)
 - Standard SKU (Static)
 - Secured by default
 - Zone redundant



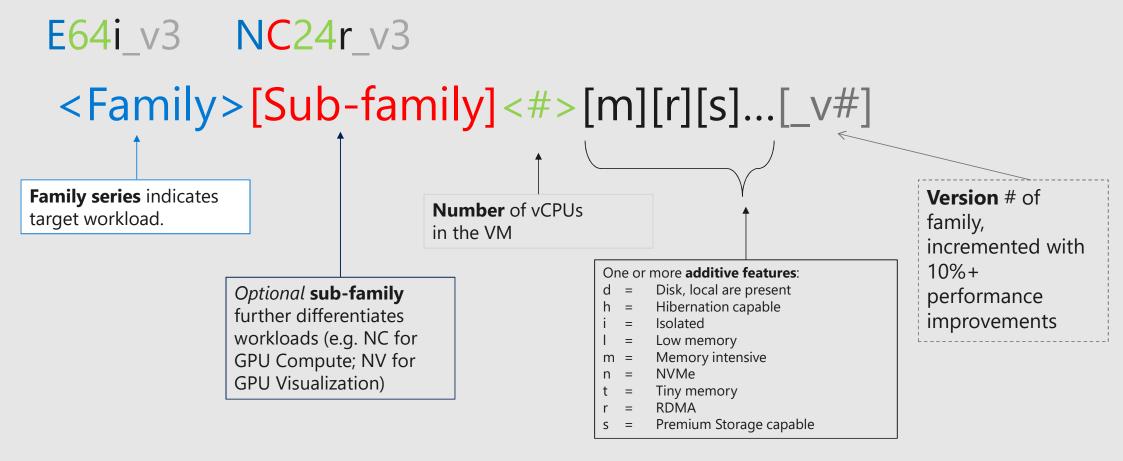
Azure VM Size Naming (Old)

- VM types are grouped in series (A, B, D, E, F...)
- Each series indicate:
 - CPU to RAM ratio (Compute or memory optimized)
 - Processor generation family
 - Special features (GPU cards, burstable usage)
- If the VM is SSD capable its compute Price is the same than the non-SSD capable counterpart
 - If you want to use Premium disks, make sure you select VM with "s" in the name
- In a given VM family, latter versions are cheaper (e.g. Dv3 is cheaper than Dv2)
- For SAP loads, selected sizes that are certified



Unknown User127

Azure VM Size Naming (New)



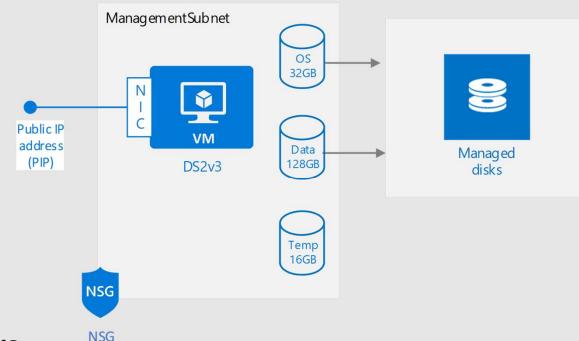
Microsoft Confidential 14

Unknown User127 Not going much into any vm names before this slide.

Unknown User1, 2/9/2019

Virtual Machine cost items

- VM type and hours
- OS disk type and size*
- Data disk type and size*
- Public IP address type and hours



^{*}more info in Storage section

Storage

Azure provides a unified distributed storage system offering durability, encryption at rest, strongly consistent replication, and auto load-balancing

Secure, scalable, and highly available storage options for every use case



Disk storage

Ultra Premium Standard

Reliable, persistent, high performing storage for Virtual Machines



Object storage

Azure Blobs

Secure, centralized storage target for backup/disaster recovery



File storage

Azure Files
Azure NetApp Files

Lift and shift of legacy applications that require file shares to the cloud

101010 010101 101010

Data transport

Azure Import/Export
Azure DataBox

Move or migrate data into Azure



Hybrid storage

Azure StorSimple Azure File Sync Avere*

Secure, intelligent data tiering between onpremises and cloud storage

Azure storage resiliency solutions

Azure storage provides replication options based on availability needs

Storage

Local/zone/Geo-redundant storage

LRS

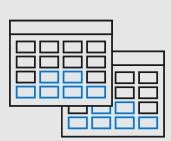
99.99999999% (11 9s)

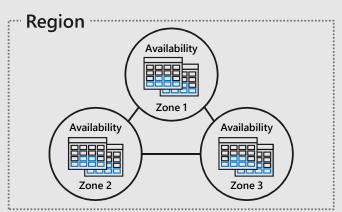
ZRS

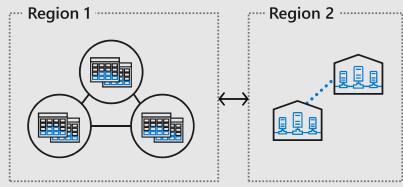
99.999999999% (12 9s)

GRS

99.999999999999% (16 9s)







Locally redundant storage

The simplest, low-cost replication strategy that Azure Storage offers

Zone-redundant storage

A simple option for high availability and durability

Geo-redundant storage

Cross-regional replication to protect against region-wide unavailability



Standard HDD





Standard SSD



Premium SSD





Ultra SSD

Ue
Na
max
X
<u>.</u> 5
<u>ه</u>
ם
<u>.</u>

	Low-cost storage	Consistent performance	High performance	Sub-millisecond latency
SIZE	32TiB	32TiB	32TiB	64TiB
IOPS	2,000	6,000	20,000	80,000 – 160,000
BANDWIDTH	500 MBps	750 MBps	900 MBps	2,000 MBps

Managed disks vs Unmanaged disks

- Unmanaged disks (aka Page Blobs)
 - Old way of provisioning disks
 - You have to manage the underlying storage accounts
 - You have to balance the load among storage accounts
 - Make sure you don't hit any scalability limits
 - Available in LRS, ZRS, GRS and RA-GRS (Standard HDD only)

Managed disks

- Storage account creation/management is handled for you
- No scalability concerns
- Only available in LRS
- By default, always go with Managed Disks

Managed Disks cost components

- Standard HDD (S-series)
 - Size
 - Storage transactions
- Standard SSD (E-series)
 - Size
 - Storage transactions
- Premium SSD (P-series)
 - Only size (fixed price per month)
 - <u>NOTE</u>: Premium SSD can be cheaper than Standard SSD with very high number of transactions



Storage transactions

- Transactions costs for disks are *normally* a small component (<10%)
 of the total storage cost
- IO-intensive workloads must use Premium disks which do not charge for transactions
- Non-IO-intensive workloads can use Standard disks
- OS disks transactions are typically very low ~100 units a month (\$0,2 per month)

Storage transactions - example

- VM with one data disk doing 100 IOPS constantly to a 128 GB disk
- 100 IOPS = 100*3600*732 = 263520000 transaction units
- Standard HDD cost would be \$19,06
- Standard SSD cost would be \$62,30
- Premium SSD cost would be \$19,71

Azure Files

Lift and shift

Variety of clients/protocols

SMB 2.1, 3.0, REST

Windows, Linux, macOS

Azure and on-premises access

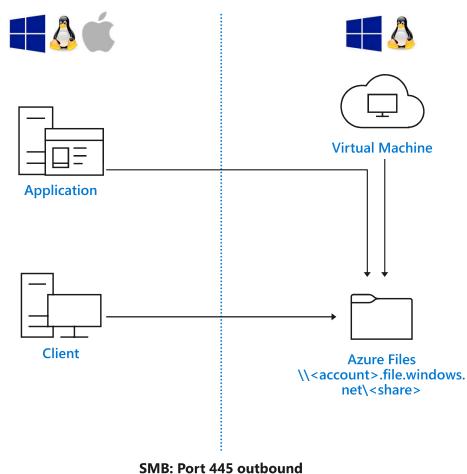
Secure

Encryption at rest Secure communication over SMB

Premium tier in preview*

Cost components

Redundancy option (LRS, ZRS or GRS) Operations and data transfer

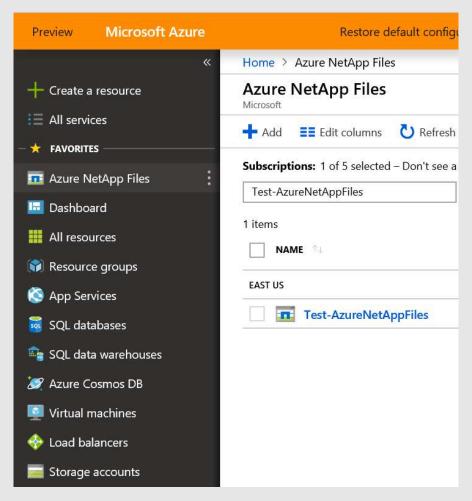


On-Premises Azure

Azure NetApp Files – Preview*



- Fully Managed File Service enabling deployment of the most demanding file-based workloads in Azure
- Support for NFSv3 and SMB
- Integrated data management capabilities
- Standard and Premium Tiers available. In the future also Ultra
- Fully Azure-consistent, easy deployment
- GA target 2QCY2019
- Charged by provisioned capacity
- Minimum capacity pool is 4 TiB



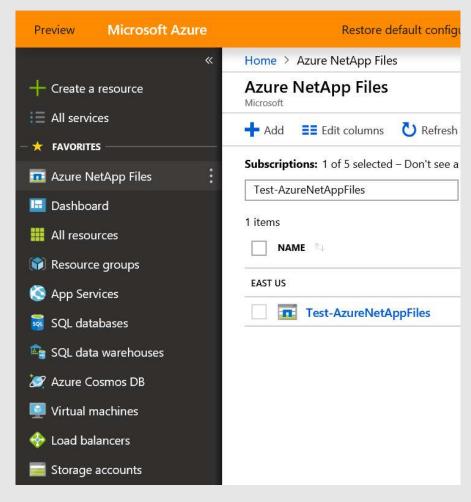
Azure NetApp Files

Azure Storage has been rapidly adding capabilities to address the increasing footprint & needs of enterprise applications. The most important service coming on-line in the near term is the addition to Azure's file storage capabilities: Azure NetApp Files, a result of a strategic partnership announced with NetApp in September 2017.

- ANF a bare-metal (tycoon) service powered by No 1 Storage OS powering file-based systems: NetApp ONTAP. NetApp is the dominant player enterprise Linux/NFS apps.
- Game-changer for migrating, managing, and running Linux & Windows based enterprise file workloads in Azure: general business, mission-critical apps, Databases and more. Post GA additional capabilities on the roadmap include connectors to Azure premium services like HD Insights, and certification for SAP HANA
- Benefits: Low latency, Rich data management, Minutes to set-up, MS + NetApp supported, No App modification | Consume against EA



GA ETA Q1 2019



File storage performance

Туре	Tier	Throughput	IOPS	Share size limit
Azure Files (today)	Standard	60 MiB/s	1,000	5 TiB
Azure Files (updated)*	Standard	300 MiB/s	10,000	100 TiB
Azure Files *	Premium	5 GiB/s	100,000	100 TiB
Azure Netapp Files*	Standard	16 MiB/s per TiB	1,000	92 TiB
Azure Netapp Files*	Premium	64 MiB/s per TiB	4,000	92 TiB

Observed performance is that Azure Files (today) is still much slower than ANF Standard

Object storage for every use case

Azure Blob			
AZGIC DIGD	Hot	Cool	Archive
	Frequently accessed data	Less frequently accessed data	Rarely accessed data
Per TB per month	\$18.40	\$10.00	\$2.00
Per 10k write operations	\$0.05	\$0.10	\$0.10
Retrieval times	Immediate	Immediate	Hours
Use cases	Cloud native application data storage	Repository for server backups	Medical records archiving

Object storage for every use case

		B			
		Premium (GA)	Hot	Cool	Archive
		Low and consistent latency data	Frequently accessed data	Less frequently accessed data	Rarely accessed data
\bigcirc	PER GB PER MONTH	\$0.18	\$0.022	\$0.01	\$0.002
\bigcirc	PER 10K READ OPERATIONS	\$0.0017	\$0.004	\$0.01	\$5.00
\bigcirc	RETRIEVAL TIMES	Immediate (SSD)	Immediate (HDD)	Immediate (HDD)	Hours
	USE CASE EXAMPLES	Interactive Transactions Telemetry	Cloud native application data storage	Repository for server backups	Medical records archiving

Storage Account types

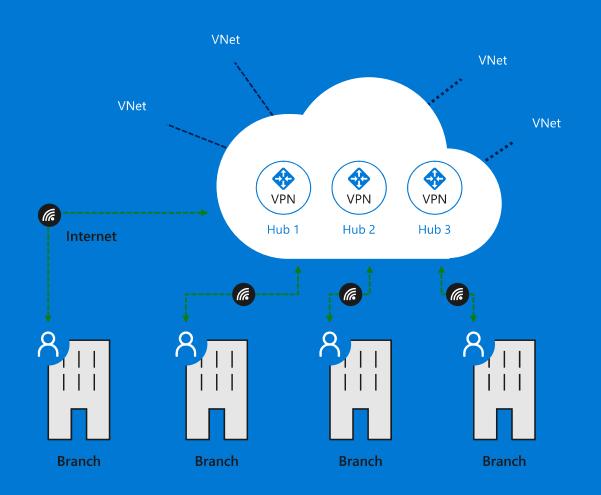
Туре	Services	Performance Tiers	Access Tiers	Replication options
General Purpose v1	Blob, File, Queue, Table, and Page Blobs	Standard, Premium	N/A	LRS, GRS, RA-GRS
General Purpose v2	Blob, File, Queue, Table, and Page Blobs	Standard, Premium	Hot, Cool, Archive	LRS, ZRS, GRS, RA-GRS
Blob	Blob only	Standard	Hot, Cool, Archive	LRS, GRS, RA-GRS
Premium Blob	Blob only	Premium	N/A	LRS

- GPv1 has the lowest access charges by far. Recommended as destination of ASR and diagnostics accounts
- GPv2 and Blob storage accounts to be used when you can control tiering. Also look at automated tiering: https://docs.microsoft.com/en-us/azure/storage/blobs/storage-lifecycle-management-concepts

Storage account cost components

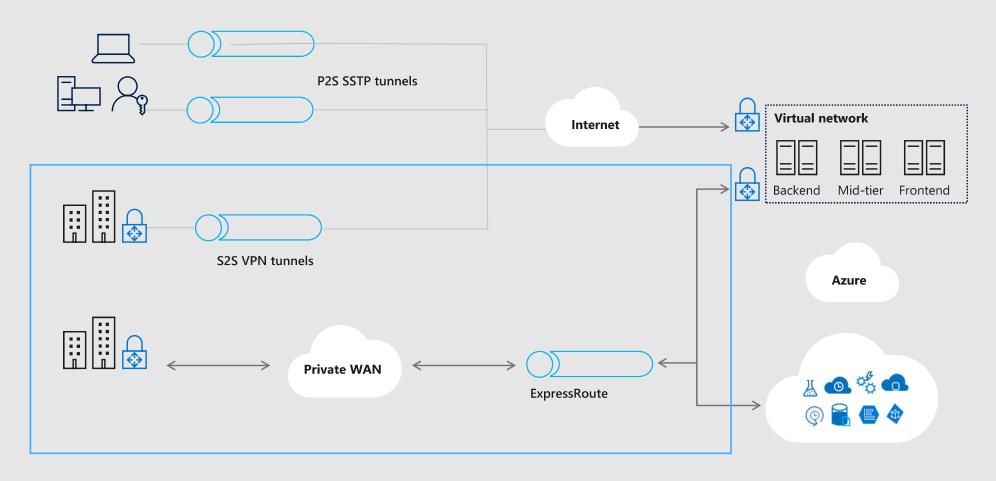
- Service: Blob, File, Queue, Table or Unmanaged Disks
- Storage account type: GPv1, GPv2, Blob or Premium Blob
- Resiliency: LRS, ZRS, GRS or RA-GRS
- Access Tier: Hot, Cool or Archive
- Operations and data transfers
- Used capacity in GB

Networking



Connectivity options

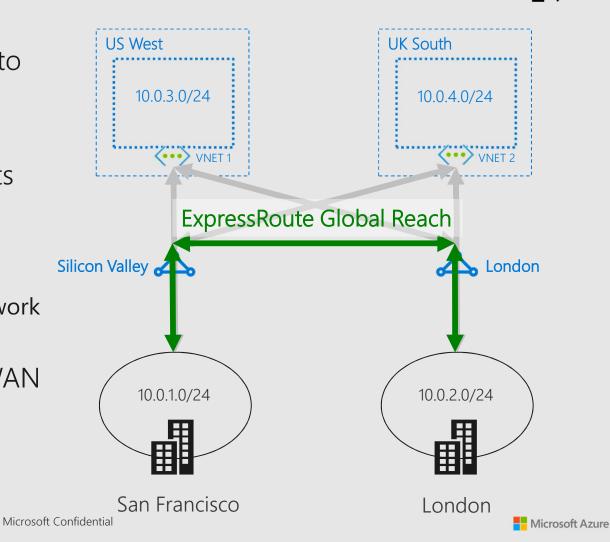




ExpressRoute Global Reach

1

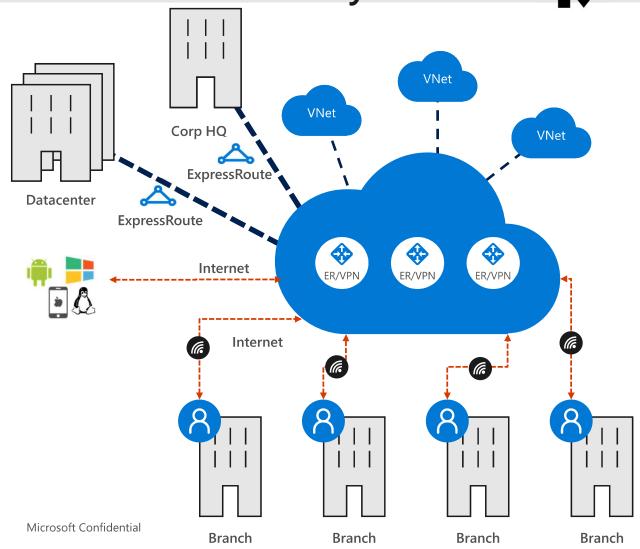
- ExpressRoute connects enterprises to Azure
- ExpressRoute Global Reach connects on-premises sites together
 - On-demand connectivity with existing ExpressRoute circuits
 - Traffic stays on Microsoft's global network
- Complements service provider's WAN solution



Azure Virtual WAN – Unified Cloud Connectivity

1

- Large scale Internet VPN for branch offices
- Ecosystem of SDWAN/VPN partners



Main cost components











Bandwidth

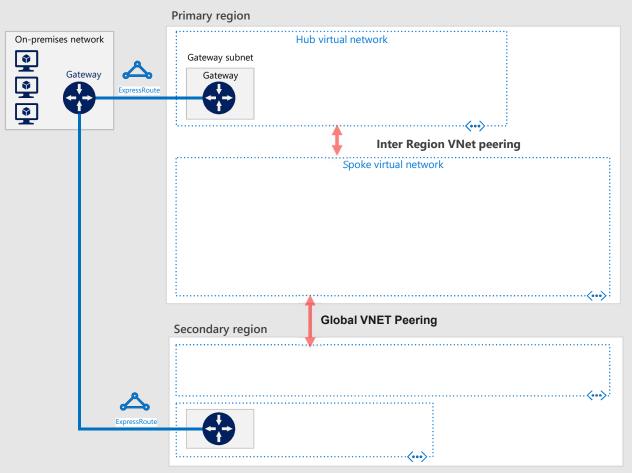


- S2S VPN: depends on Gateway SKU: 100Mbps 1.25Gbps
- ExpressRoute: 50Mbps 10Gbps
- ExpressRoute Direct: 100Gbps (in preview)



1

- Data transfer from Azure to on-premises
- Data transfer within a Region
- Data transfer between Azure regions







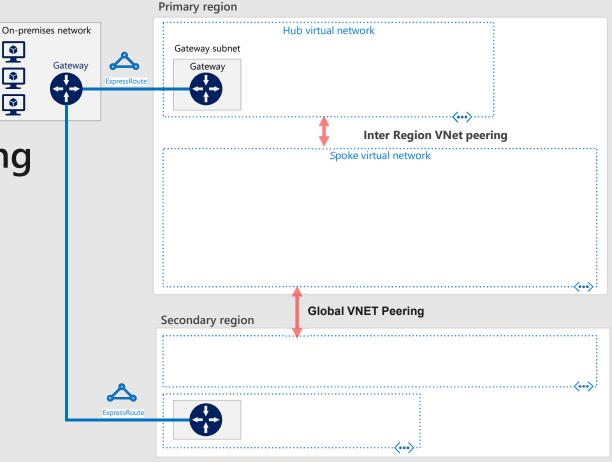
- Only data transfer out is billed, inbound is free
- Data transfer price determined by zone:
 - Zone 1: US West, US East, US North Central, US South Central, Europe West, Europe North, France Central, France South
 - Zone 2: Asia Pacific East, Asia Pacific Southeast, Japan East, Japan West, India South, India West, India Central
 - Zone 3: Brazil
- Express Route has two options:
 - Metered: data transfer out billed separately
 - Unlimited: includes all data transfer out







- €0.009 per GB both inbound & outbound
- Global VNET Peering
 - €0.030 per GB zone 1
 - €0.076 per GB zone 2
 - €0.135 per GB zone 3 both inbound & outbound



Gateway

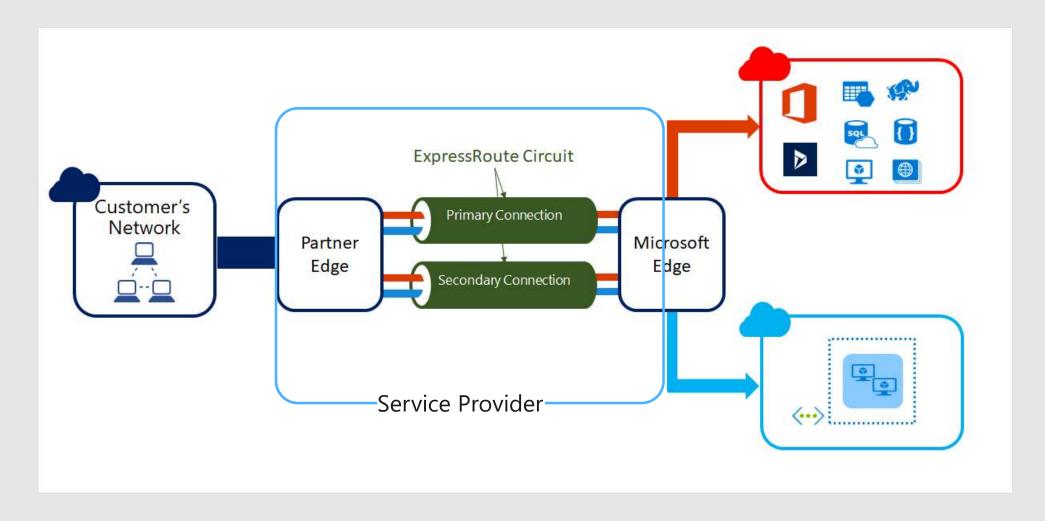


- Two gateway types:
 - VPN Gateway for connecting S2S or P2S
 - ExpressRoute Gateway for ExpressRoute

- Separate SKUs for Availability Zones
 - VpnGw#AZ
 - ErGw#AZ



ExpressRoute Service providers



Service Provider



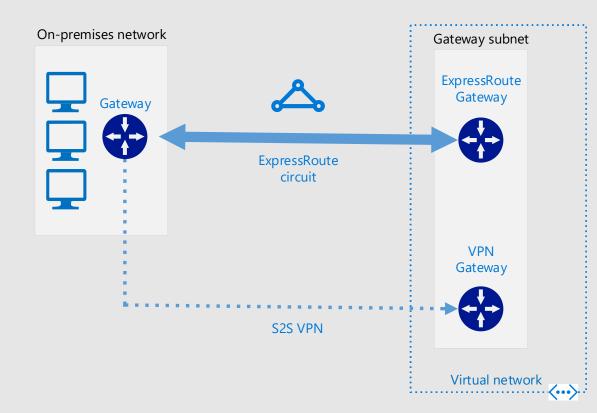
- Service providers
 - Equinix, Interxion, Colt, BT, Telefonica, Telenor, Orange etc. etc.
 - https://docs.microsoft.com/en-us/azure/expressroute/expressroutelocations-providers

- Service provider costs not included in ER price
- Generally made up of 2 components:
 - Setup costs (1 time)
 - Monthly fee depending on bandwidth





- Input:
 - ER: 500Mbps, 'standard gateway'
 - S2S VPN 100Mbps, 'VpnGw1'
 - Data transfer out: 6TB per month (zone 1)
 - Always on, 730 hours per month
 - Region: West Europe





Example of networking costs

Service type	Description	Estimated Cost
ER Gateway	ExpressRoute Gateways type, Standard tier, 730 gateway hour(s)	€116.97
ExpressRoute	Metered data plan, 500mbps port speed, Zone 1	€244.56
Additional Outbound data transfer	6 TB additional data transfer out	€159.53
VPN Gateway	VPN Gateways type, VpnGw1 tier, 730 gateway hour(s)	€116.97
Monthly Total		€638.02
Annual Total		€7,656.26
Licensing Program		Microsoft Online Services Program (MOSP)

Security & Management

Azure Security & Management



Governance

Proactively apply policies and optimize cloud spend



Security

Industry leading
Security with Advanced
Threat Protection



Resiliency

High availability and protection for VMs, apps and data



Monitoring

Deep operational insights with rich intelligence



Automate

Powerful scripting, configuration and update management

Azure Backup

- Service that backs up data to the Microsoft Azure cloud
- Several components: DPM, Azure Backup Server, MARS agent and Azure laaS Backup
- Azure IaaS Backup is always incremental after the first full backup

How to quote Azure Backup

used

Backup for Azure VMs and on-premises servers

Prices listed below are applicable when using a server of the following components to backup your VMs or physical servers – Azure IaaS VM Backup, Azure Backup (MARS) agent, System Center DPM, or Microsoft Azure Backup

The size of the backed-up data determine

Azure Backup in each protected instance before compression and encryption.

- For virtual machines, the size of the allowed disk determines the data size.
- When backing-up files and folders, the size of the files and folders configured for backup determine the data size.
- When backing-up SQL Server, the size of the databases configured for backup determine the data size.

You have the flexibility to choose between locally redundant storage (LRS) or geo-redundant storage (GRS). Both LRS and GRS are Block Blob Storage. Charges for storage are separate from the cost of Azure Backup.

SIZE OF EACH INSTANCE	AZURE BACKUP PRICE PER MONTH
Instance < or = 50 GB	\$5 + storage consumed
Instance is > 50 but < or = 500 GB	\$10 + storage consumed
Instance > 500 GB	\$10 for each 500 GB increment + storage consumed

Example: If you have 1.2 TB of data in one instance, then the cost would be \$30 plus storage consumed. You would be charged \$10 for two 500 GB increments and \$10 for the remaining 200 GB data.

Azure Backup example

Virtual machine with the following disks:

Disk type	Max size	Actual data present
OS disk	4095 GB	17 GB
Temporary disk	135 GB	5 GB (not included for backup)
Data disk 1	4095 GB	30 GB
Data disk 2	4095 GB	0 GB



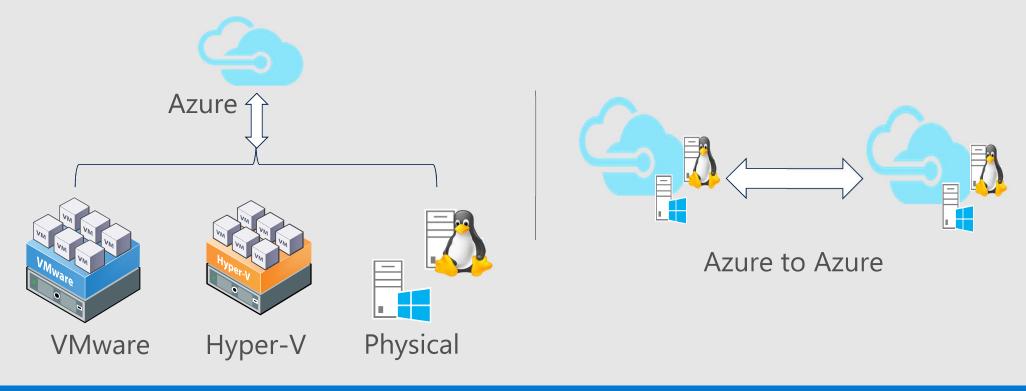
- The actual size of the VM virtual machine in this case is 17 GB + 30 GB = 47 GB => \$5
- Storage consumed in the recovery service vault is paid separately
- Retention periods. Depending on how much time you keep your backups, you will accumulate more or less storage in your Recovery Services Vault

Azure Site Recovery: The Complete Migration & Disaster Recovery

Private cloud to Azure

Any Cloud

Azure to Azure







How to quote Azure Site Recovery (I)



Pricing details

Azure Site Recovery is billed based on number of instances protected. Every instance that is protected with Azure Site Recovery is free for the first 31 days, as noted below.

PRICE FOR FIRST 31 DAYS	PRICE AFTER 31 DAYS
Free	\$16/month per instance protected
Free	\$25/month per instance protected
	Free

Azure Site Recovery between Azure regions is charged at the same rate as Azure Site Recovery to Azure.

Azure Site Recovery is billed in units of the average daily number of instances you are protecting over a monthly period. For example, if you consistently protected 20 instances for the first half of the month, and none for the second half of the month, the average daily number of protected instances would be 10 for that month.

How to quote Azure Site Recovery (II)

What charges do I incur while using ASR?

- ASR license (previous slide)
- Azure Storage (normally about the same as source storage)
 - You have the option to replicate to storage account or to managed disks (if source is Hyper-V only option is storage account)
 - You can replicate to a target disk that is different than the source (i.e. Premium SSD to Standard HDD))
 - Choose target type based on data change rate
- Storage transactions. These charges are negligible
- Outbound data transfer. When doing failback or when doing Azure2Azure. ASR uses compression for egress traffic (around 50-60% reduction)

ASR example

- 6 VMs in total with 18 disks (12 Standard HDD and 6 Premium SSD)
- Standard disks have 10GB change rate per day
- Premium have 20GB change rate per day
- Pricing:
 - \cdot 6 licenses = 6 x \$25 = \$150
 - Target managed disks (same as source)
 - Bandwidth: 10*12+6*20 = 240 GB of new data per day

240*30days/month = 7200 GB

Compression (60%): 7200*0,40= 2880GB ≈ 3TB

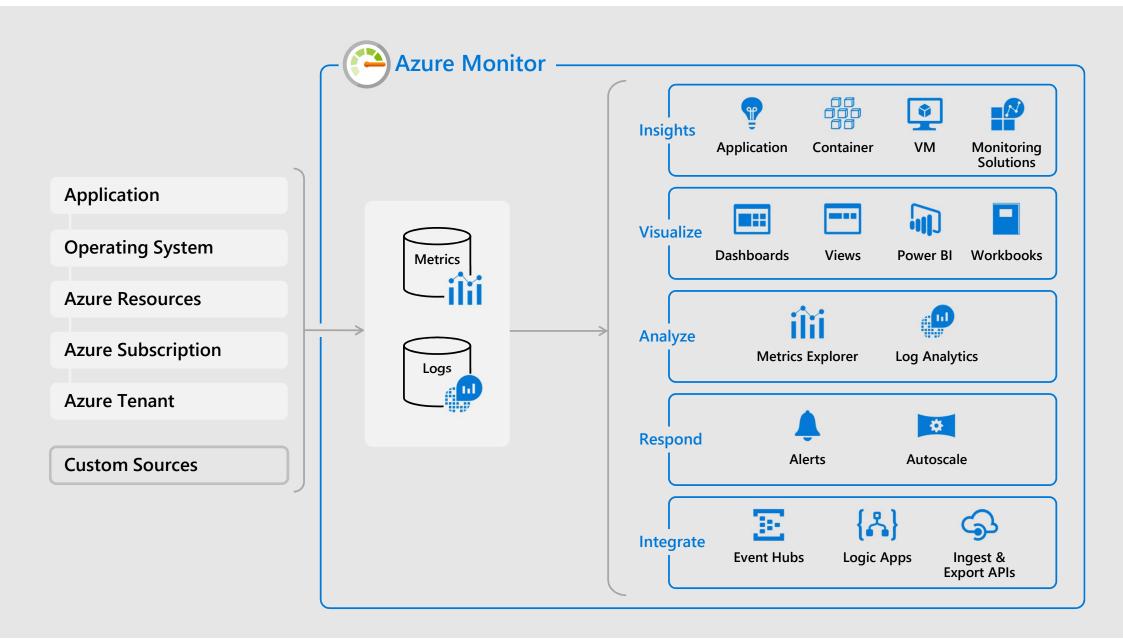
ASR quoting examples

Example: VM replicating to standard storage with 32 GB OS disk and 250 GB data disk:

- During replication: Storage charges under the category of "Unmanaged disks and page blobs" for standard storage are incurred.
- During a failover to managed disks: The size of the disks (32 GB and 250 GB) will be rounded off to the nearest standard managed disk size of S4(32 GB) and S15(256 GB).

Example: VM replicating to premium storage with 128 GB OS disk and 500 GB data disk

- During replication: Storage charges under the category of "Unmanaged disks and page blobs" for premium storage disk sizes P10 and P20 are incurred. The size of the disks being replicated (128 GB and 500 GB) are rounded off to the nearest unmanaged premium disk size of P10(128 GB) and P20(512 GB) for billing.
- During a failover to managed disks: Managed disk charges for premium managed disks of sizes P10 and P20 apply.



Improving security across hybrid cloud environments



Azure Security Center



Strengthen security posture



Protect against threats



Get secure faster

How to quote Azure Monitoring, Security

- Azure Monitor (former OMS)
 - · Queries and Alerts
 - · # of alerts created for metric/health signals
 - # of alerts created for log signals (5-, 10- or 15-min frequency are charged differently)
 - · Activity Log alerts are free of charge
 - · API calls and Notifications out of allowance
 - Log Analytics
 - · Charged by amount of data stored in Log Analytics workspace (first 5GB are free)
 - · Average VM ingests between 1 and 3 GB of data per month
 - Default retention is 31 days. Additional days are charged at \$0,10/GB
- Azure Security Center
 - Free and Standard Tiers
 - · Standard is charged by VM/hour, App Service/hour, SQL DB/hour, MySQL/hour, etc.







Azure Monitor for VMs example

- Azure Monitor for VMs analyzes performance, health and dependencies of your Windows and Linux VMs
- Windows VM
 - Health alerts: 40 health alerts for D2sv3, each alert is \$0.10 → 40*0.10 = \$4
 - Log Analytics: estimated 2.5GB per VM per month * \$2.76/GB = \$7

Total: \$11/month

- Linux VM
 - Health alerts: 22 health alerts for D2sv3, each alert is \$0.10 → 22*0.10 = \$2.2
 - Log Analytics: estimated 2.5GB per VM per month * \$2.76/GB = \$7

Total: ~\$9/month

Optimize pricing and licensing

Contractual models

- Web Direct (credit card)
 - Available through the Azure portal
- EA
 - The Customer has already a contractual commitment with Microsoft
 - Partners can earn Benefits by associating the partner ID to a subscription (DPOR)

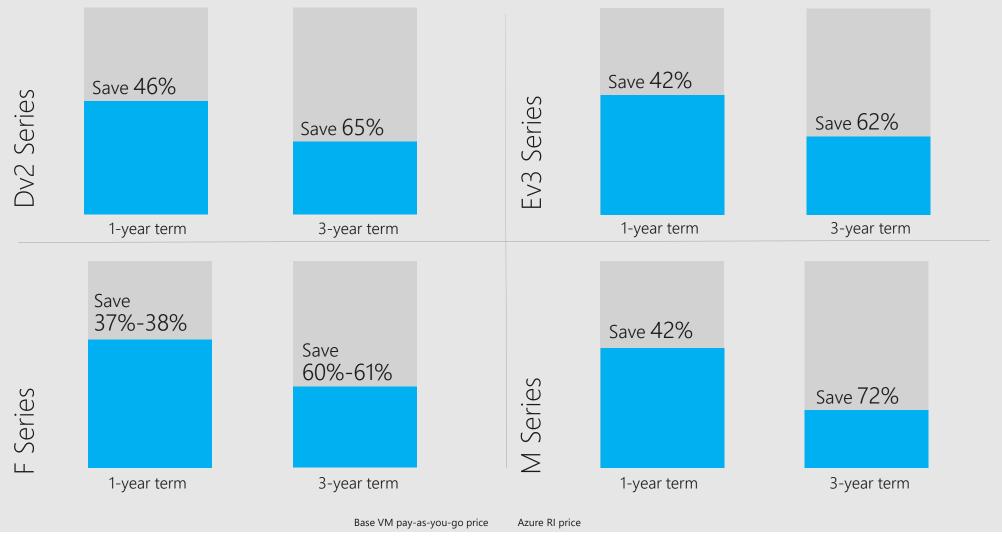
CSP

- CSP price is discounted from web prices
- CSP partner can apply a margin on top of MS discount
- Rebates based on actual consumption

VM Procurement models

- Pay as you go (PAYG)
 - The taximeter model
 - Charged per minute
 - 1:24:46 hours == 1:24 hours to be charged
- Reserved Instances (RI)
 - 1 or 3 years commitment, longer commitment ⇒ lower price
 - Upfront payment for full year(s) usage
 - Very high discounts, up to 72% compared to PAYG
 - Only Compute

Typical savings with RI



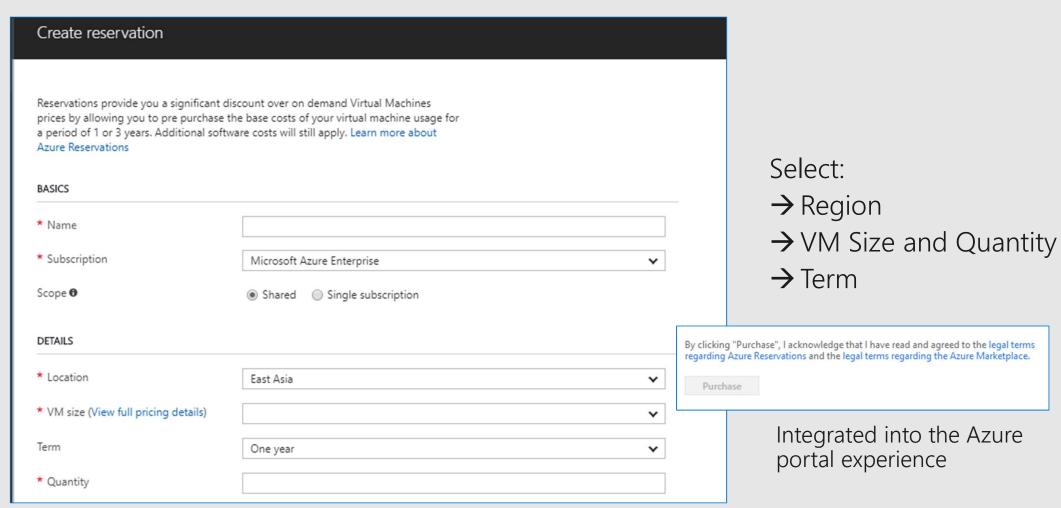
Reserved Instance, RI

- 1 or 3 year period
- Upfront payment
- Exchange to a different SKU
- Cancel at any time (12% cancellation fee over remaining balance)

Example:

 RI offering has 45% discount, PAYG will be cheaper if used less than 100-45%=55% of the time

Easy purchase experience

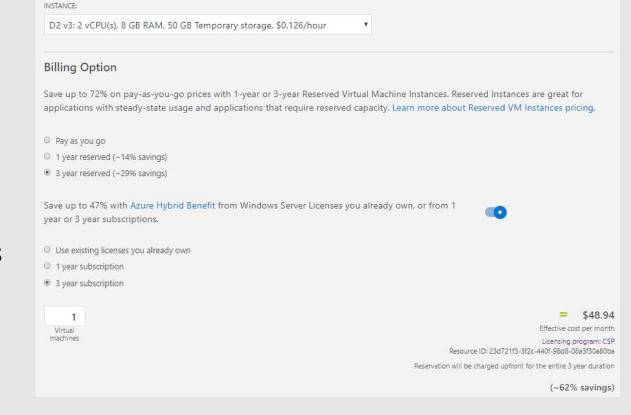


Best practices

- PAYG for QA, DEV/Test
- RIs for always-on (Production)
- In elastic loads
 - RIs for base load
 - PAYG for peaks
- Different regions might have different prices. Double check where you put the VMs

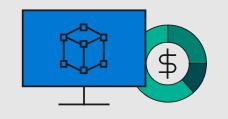
License discounts

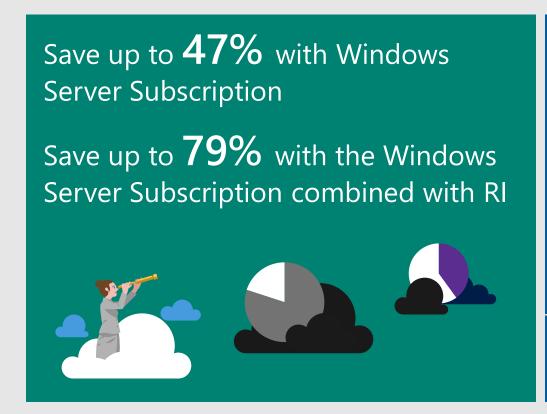
- Windows Server and SQL Server Subscriptions: 1-year or 3-year licenses (CSP only)
- Azure Hybrid Benefit: re-use existing WS licenses under Software Assurance or Windows Server Subscriptions → Up to 49% savings

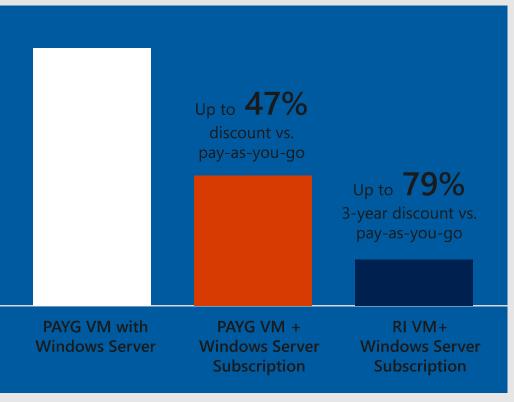


SUSE Linux Subscriptions

Save Money on WS Compute with RI + WS Subscription





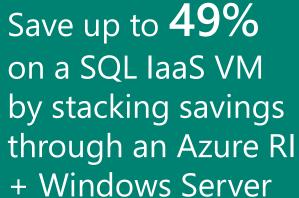


Note: Savings based on 8-Core D8 v3 VM in East US 2 region.. Actual savings may vary based on region, instance size and compute family. Prices as of June 5 2018, subject to change.

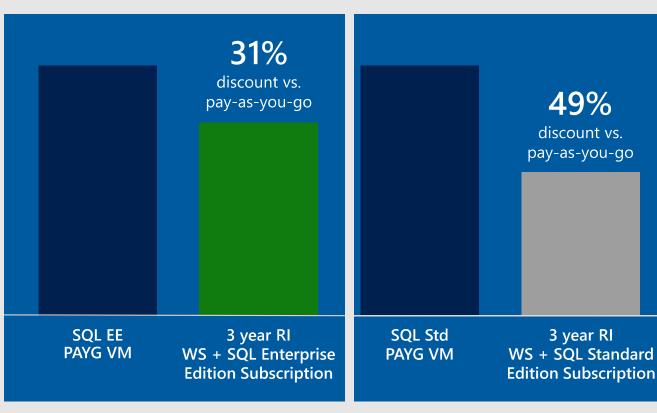
Hybrid Use Benefit Stacks for SQL and WS

SQL Enterprise Edition

SOL Standard Edition



- + SQL Subscription



Quoting Tools and example

Quoting tools

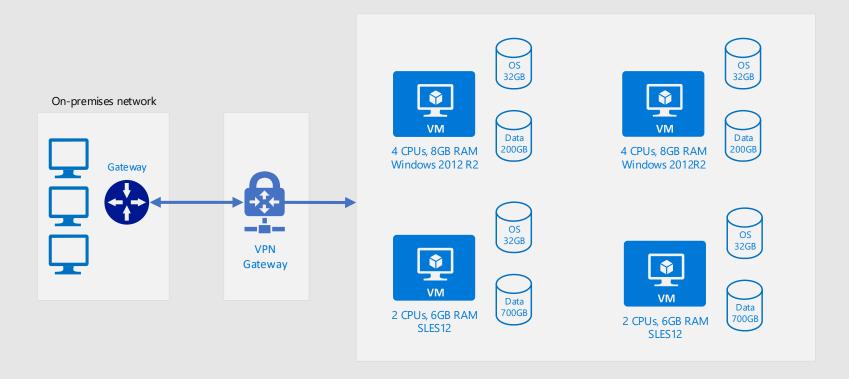
Azure Pricing Calculator: https://azure.microsoft.com/en-us/pricing/calculator/

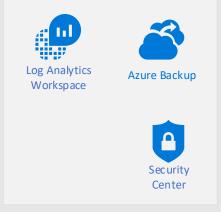
VM Chooser: http://www.vmchooser.com

Azure Pricer: https://github.com/SeryioGonzalez/azure-pricer

Azure Price Calculator: https://azprice.info/

Quoting exercise diagram





Quoting Exercise details

- 2 x Windows 2012R2, 4 vCPUs, 8 GB RAM, 200 GB SSD, 24/7 uptime
- 2 x Linux SLES12, 2 vCPUs, 6 GB RAM, 700 GB HDD, 8/5 uptime
- Network Access via VPN S2S. No public IPs. Bandwidth 500 Mbps
- Backup needed. Retention policy. 7 daily, 2 weekly, 1 monthly, 1 yearly
- Disaster Recovery needed
- Monitoring + Security for all VMs. Data retention 2 months

