

Control y Gestión de Costes

Posgrado Cloud Computing Architecture



UNIVERSITAT POLITÈCNICA
DE CATALUNYA
BARCELONATECH



Narratives

CAPEX vs. OPEX

- Story to change financial outcomes

CAPEX

Invest and be tied for several years

OPEX

Be **agile** and **adapt to changes**

Total Cost of Ownership (TCO)

- Visualize all costs concepts:
 - Energy
 - Space
 - Licenses
 - People
 - HW renovation
 - Network appliances, bandwidth, fibers, interconnections

Be aware of shadow IT

<https://azure.microsoft.com/en-in/pricing/tco/calculator/>

<https://calculator.aws/#/addService>

Counter narrative: <https://dev.37signals.com/our-cloud-spend-in-2022/>

Storage costs

Storage procurement cost/GB for local disk/SAN-SSD ⓘ

3 USD

Storage procurement cost/GB for local disk/SAN-HDD ⓘ

2 USD

Storage procurement cost/GB for NAS/file storage ⓘ

2 USD

Storage procurement cost/GB for Blob storage ⓘ

2 USD

Annual enterprise storage software support cost ⓘ

10 %

Cost per tape drive ⓘ

4500 USD

IT labor costs

Number of physical servers that can be managed by a full time administrator

387

Number of virtual machines that can be managed by a full time administrator

516

Hourly rate for IT administrator ⓘ

50 USD

Other assumptions

The following assumptions also affect the TCO model, but typically require less adjustment by customers. You can come back to this section at any time and adjust the assumptions.

⌵ Hardware costs ⓘ

⌵ Software costs ⓘ

⌵ Electricity costs ⓘ

⌵ Virtualisation costs

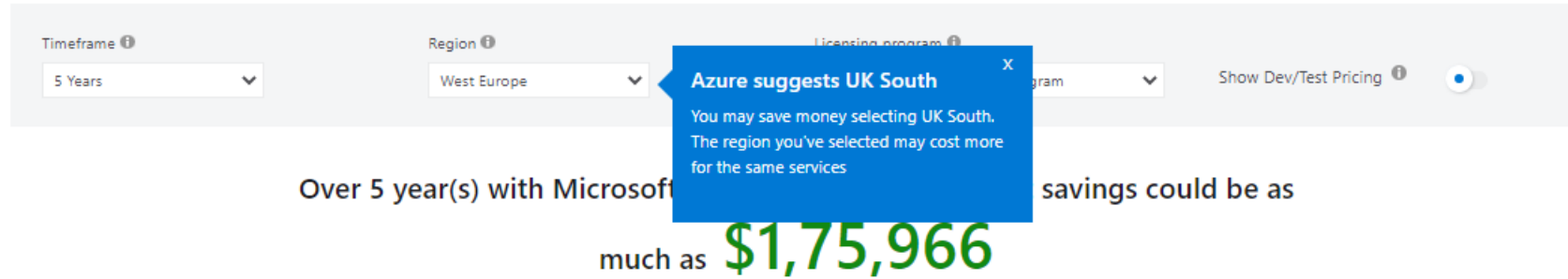
⌵ Data center costs

⌵ Networking costs

⌵ Database costs ⓘ

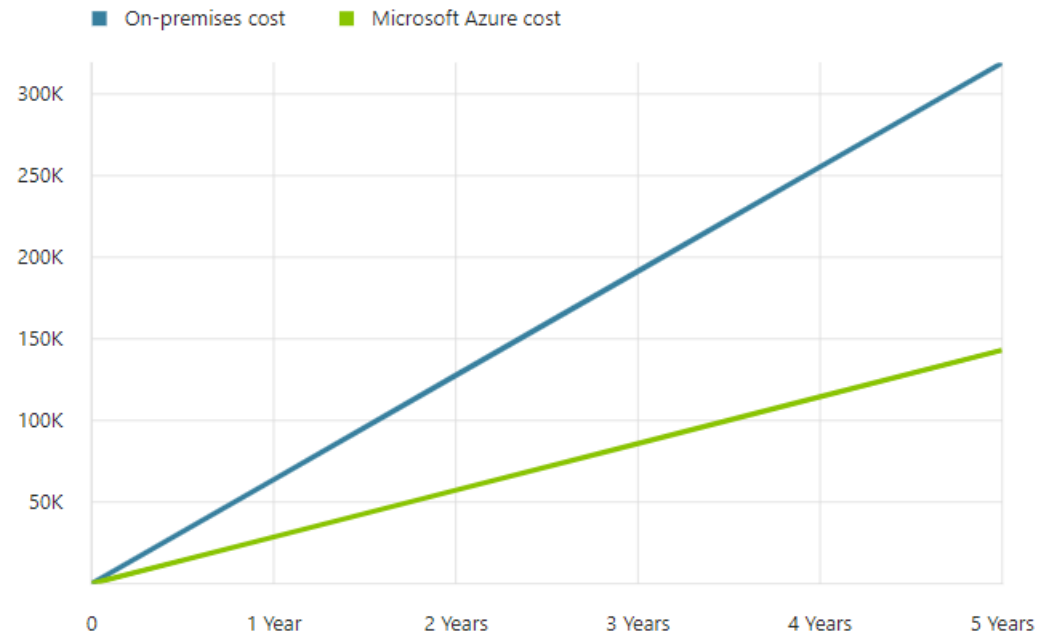
⌵ Data warehouse costs

View report



Total on-premises vs. Azure cost over time

Savings from running workloads in Azure accrue over time. The following shows how those savings add up over years.



Common misunderstandings – Real Life

- “It’s free to create VMs on our VMWARE deployment”
- “Comparing 1-1 VM size it’s much more expensive”
- “We have done comparisons and it’s much more expensive”

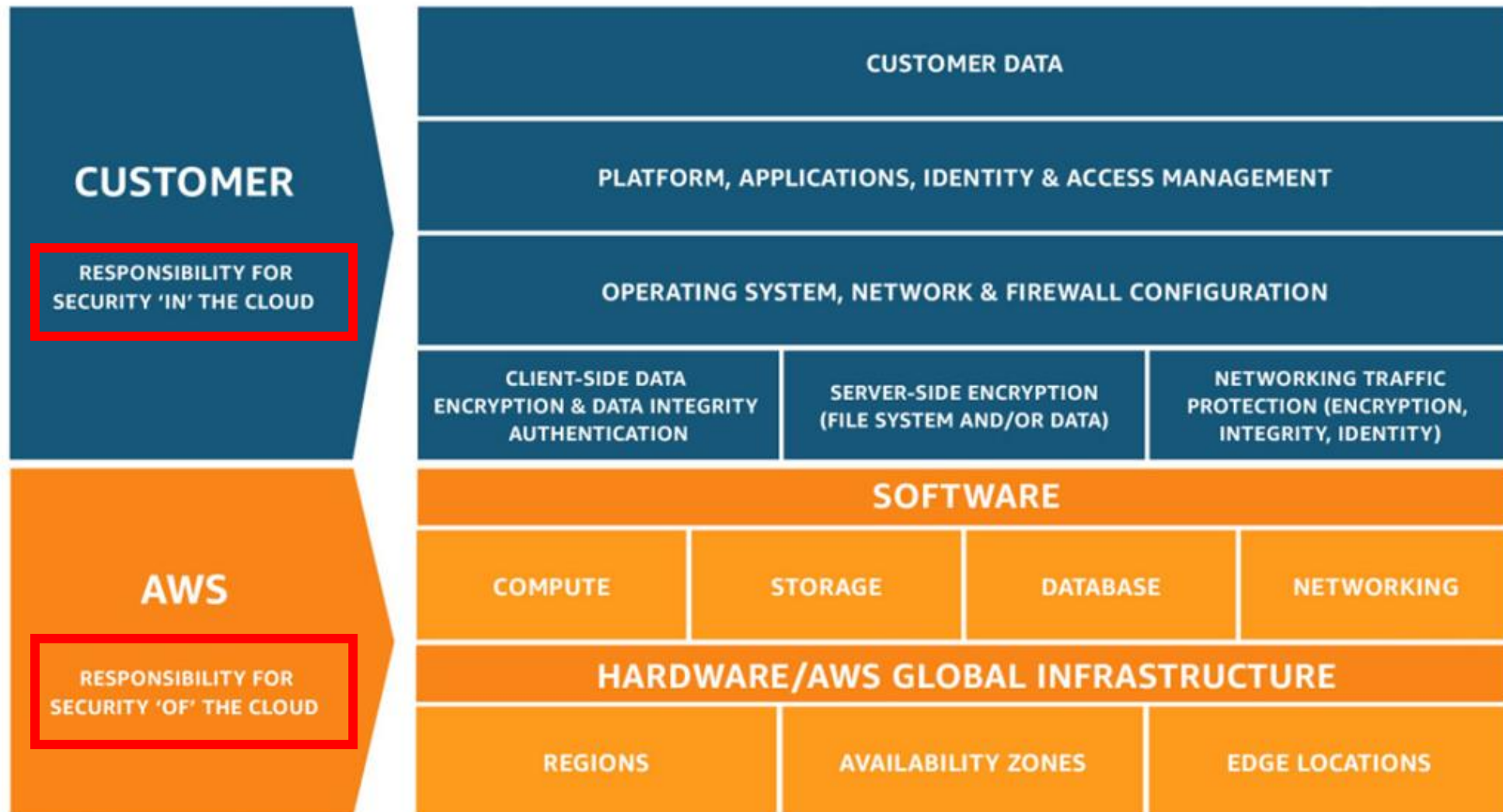
Shared Responsibility model

	Responsibility	SaaS	PaaS	IaaS	On-prem
Responsibility always retained by the customer	Information and data	Customer	Customer	Customer	Customer
	Devices (Mobile and PCs)	Customer	Customer	Customer	Customer
	Accounts and identities	Customer	Customer	Customer	Customer
Responsibility varies by type	Identity and directory infrastructure	Shared	Shared	Customer	Customer
	Applications	Microsoft	Shared	Customer	Customer
	Network controls	Microsoft	Shared	Customer	Customer
	Operating system	Microsoft	Microsoft	Customer	Customer
Responsibility transfers to cloud provider	Physical hosts	Microsoft	Microsoft	Microsoft	Customer
	Physical network	Microsoft	Microsoft	Microsoft	Customer
	Physical datacenter	Microsoft	Microsoft	Microsoft	Customer

■ Microsoft ■ Customer ■ Shared

team work

AWS Shared Responsibility model





Usual costs

EC2 ~ 60%

RDS ~ 30%

Rest ~ 10%

Focus on low hanging fruits



AWS Cost

Tags

- Main cost visualization tool: **Cost allocation tags**
 - Managed at the payer account (AWS Organization root account) level
 - Dynamic grouping of costs adapting to the company requirements
- Usual cost tags:
 - *Departments*
 - *Applications*
 - *Environments*
 - *Cost-center*
 - *Country*
 - *Product*



Tags

- Be aware that not all resources support tagging (~network traffic)
 - Might use “cost categories” to add transversal costs
<https://docs.aws.amazon.com/awsaccountbilling/latest/aboutv2/manage-cost-categories.html>
- Cost categories:
 - enable showback,
 - chargeback and
 - cost reconciliation

AWS Trusted Advisor

- Free recommendations
- Improved support plan->more recommendations

Trusted Advisor

Recommendations

Cost optimization

Performance

Security

Fault tolerance

Service limits

▼ Preferences

Manage Trusted Advisor

Notifications

Trusted Advisor > Recommendations

Trusted Advisor Recommendations

Refresh all checks

Download all checks

Use this page to get an overview of the check results in your AWS account. Choose a check name or category to view the recommended actions or potential issues that Trusted Advisor has identified. Each check provides more information about how to address any issues. You can also download a summary of all check results. [Learn more](#)

Checks summary

0

Action recommended

Info

0

Investigation recommended

Info

0

Checks with excluded items

Info

AWS Billing

Bills

Cost and Usage
Reports

Cost Explorer

AWS Billing

A solid orange rectangle is positioned on the left side of the slide.

Bills


AWS Bills

- Financial monthly payment data

[AWS Billing](#) > [Bills](#)

Bills [Info](#)

Page refresh time: Tuesday, May 16, 2023 at 9:36:36 AM GMT+2

 Download all to CSV

Print

May 2023 ▲



May 2023

April 2023

March 2023

February 2023

January 2023

2022 ▶

2021 ▶

2020 ▶

2019 ▶

2018 ▶

AWS estimated bill summary [Info](#)

Total charges and payment information

Account ID

798146304305

Billing period [Info](#)

May 1 - May 31, 2023

Bill status [Info](#)

⌚ Pending

Service provider

Amazon Web Services EMEA SARL

Estimated grand total:

USD 0.00



Billing period
May 1 - May 31, 2023

Account ID
798146304305

Bill status
Pending

Date printed
May 16, 2023

AWS estimated bill summary

Service provider	Total in USD
Amazon Web Services EMEA SARL	USD 0.00
Estimated grand total:	USD 0.00

Payment information (0)

Total received payments **USD 0.00**

No data to display.

Highest estimated cost by service provider

Amazon Web Services EMEA SARL

Highest service spend	
Service name	Simple Notification Service
Highest service spend	USD 0.00
Trend compared to prior month	No data
Highest AWS Region spend	
Region name	EU (Ireland)
Highest AWS Region spend	USD 35.73
Trend compared to prior month	↑ 46.1%

Charges by service

Amazon Web Services EMEA SARL (20)

Total pre-tax **USD 0.00**

Description	Usage Quantity	Amount in USD
API Gateway		USD 0.00
No Region		(USD 0.01)
AAI_Vocareum, credit from account: 798146304305	Credit	(USD 0.01)
EU (Ireland)		USD 0.01
Amazon API Gateway ApiGatewayHttpApi		USD 0.01
\$1.11/million requests - API Gateway HTTP API (first 300 million)	6,418 Requests	USD 0.01
US East (N. Virginia)		USD 0.00
Amazon API Gateway ApiGatewayHttpApi		USD 0.00
\$1/million requests - API Gateway HTTP API (first 300 million)	3 Requests	USD 0.00
CloudFront		USD 0.00
Canada (Central)		USD 0.00
Amazon CloudFront CA-Requests-Tier1		USD 0.00
\$0.000 per request - HTTP or HTTPS under the global monthly free tier	1 Requests	USD 0.00
Amazon CloudFront CA-Requests-Tier2-HTTPS		USD 0.00
\$0.000 per request - HTTP or HTTPS under the global monthly free tier	1 Requests	USD 0.00
Bandwidth		USD 0.00
\$0.000 per GB - data transfer out under the global monthly free tier	0 GB	USD 0.00

AWS Billing

Cost and Usage
Reports

AWS Billing: Cost and Usage Reports

- Create a periodic report that is stored in S3
- Get a detailed .csv
 - Hard to consume via Excel
- Compatible with Athena and Quicksight

Home

Billing

Bills

Payments

Credits

Purchase orders

Cost & usage reports

Cost categories

Cost allocation tags

AWS Billing > Cost and Usage Reports


Cost and Usage Reports [Info](#)

Cost and Usage Reports (2)

 Settings

Actions ▼

Create report

<input type="checkbox"/>	Report name ▲	S3 bucket 	▼	Time granularity ▼	Data last refreshed ▼
<input type="checkbox"/>	AthenaCUR	posgrado-upc-athena-cur		Hourly	May 16, 2023, 06:27 (UTC+02:00)
<input type="checkbox"/>	samuelCURreport	posgrado-upc-cost-usage-report		Hourly	May 16, 2023, 06:27 (UTC+02:00)

	L	M	N		P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ		
1	lineltem/UsageStart	lineltem/UsageEnd	lineltem/ProductCode	lineltem/UsageType	lineltem/Operation	lineltem	lineltem	lineltem/UsageAmt	lineltem	lineltem	lineltem	lineltem	lineltem	lineltem	lineltem	lineltem	lineltem	lineltem	product/ProductName	produ	produ	produ	produ	produ	produ	produ	produ	produ	produ	produ	produ	produ	produ	produ	produ	produ	produ	produ	produ	produ	produ	produ	
21	2023-05-07T00:00:00	2023-06-07T00:00:00	AmazonEC2					10,000.000.000				USD		0.000000000000	0.000000 Tax for VAT	Amazon			Amazon Elastic Compute Cloud																								
22	2023-05-07T00:00:00	2023-06-07T00:00:00	AmazonEC2					10,000.000.000				USD		0.000000000000	0.000000 Tax for VAT	Amazon			Amazon Elastic Compute Cloud																								
23	2023-05-07T00:00:00	2023-06-07T00:00:00	AmazonEC2					10,000.000.000				USD		0.000000000000	0.000000 Tax for VAT	Amazon			Amazon Elastic Compute Cloud																								
44	2023-05-07T00:00:00	2023-05-02T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.15000	-0.15000	-0.15000	-0.15000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
113	2023-05-02T00:00:00	2023-05-03T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.12000	-0.12000	-0.12000	-0.12000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
172	2023-05-03T00:00:00	2023-05-04T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.12000	-0.12000	-0.12000	-0.12000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
238	2023-05-04T00:00:00	2023-05-05T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.12000	-0.12000	-0.12000	-0.12000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
293	2023-05-05T00:00:00	2023-05-06T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.12000	-0.12000	-0.12000	-0.12000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
399	2023-05-06T00:00:00	2023-05-07T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.12000	-0.12000	-0.12000	-0.12000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
420	2023-05-07T00:00:00	2023-05-08T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.12000	-0.12000	-0.12000	-0.12000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
481	2023-05-08T00:00:00	2023-05-09T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.12000	-0.12000	-0.12000	-0.12000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
580	2023-05-09T00:00:00	2023-05-10T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.12000	-0.12000	-0.12000	-0.12000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
610	2023-05-10T00:00:00	2023-05-11T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.12000	-0.12000	-0.12000	-0.12000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
678	2023-05-11T00:00:00	2023-05-12T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.12000	-0.12000	-0.12000	-0.12000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
725	2023-05-12T00:00:00	2023-05-13T00:00:00	AmazonEC2	EU-NatGateway-Bytes	NatGateway			0.000000000000				USD	-0.24910	-0.24910	-0.24910	-0.24910	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
726	2023-05-12T00:00:00	2023-05-13T00:00:00	AmazonEC2	EU-NatGateway-Hours	NatGateway			0.000000000000				USD	-0.72000	-0.72000	-0.72000	-0.72000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
750	2023-05-12T00:00:00	2023-05-13T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.12000	-0.12000	-0.12000	-0.12000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
781	2023-05-12T00:00:00	2023-05-13T00:00:00	AmazonEC2	EU-NatGateway-Bytes	NatGateway			0.000000000000				USD	-0.25400	-0.25400	-0.25400	-0.25400	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
782	2023-05-12T00:00:00	2023-05-13T00:00:00	AmazonEC2	EU-NatGateway-Hours	NatGateway			0.000000000000				USD	#####	#####	#####	#####	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
825	2023-05-13T00:00:00	2023-05-14T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.12000	-0.12000	-0.12000	-0.12000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
826	2023-05-13T00:00:00	2023-05-14T00:00:00	AmazonEC2	EU-NatGateway-Bytes	NatGateway			0.000000000000				USD	-0.00028	-0.00028	-0.00028	-0.00028	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
827	2023-05-13T00:00:00	2023-05-14T00:00:00	AmazonEC2	EU-NatGateway-Hours	NatGateway			0.000000000000				USD	#####	#####	#####	#####	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
907	2023-05-14T00:00:00	2023-05-15T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.12000	-0.12000	-0.12000	-0.12000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
908	2023-05-14T00:00:00	2023-05-15T00:00:00	AmazonEC2	EU-NatGateway-Bytes	NatGateway			0.000000000000				USD	-0.00431	-0.00431	-0.00431	-0.00431	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
909	2023-05-14T00:00:00	2023-05-15T00:00:00	AmazonEC2	EU-NatGateway-Hours	NatGateway			0.000000000000				USD	#####	#####	#####	#####	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
996	2023-05-15T00:00:00	2023-05-16T00:00:00	AmazonEC2	EU-ElasticPldleAddress				0.000000000000				USD	-0.10000	-0.10000	-0.10000	-0.10000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
997	2023-05-15T00:00:00	2023-05-16T00:00:00	AmazonEC2	EU-NatGateway-Bytes	NatGateway			0.000000000000				USD	-0.11443	-0.11443	-0.11443	-0.11443	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
998	2023-05-15T00:00:00	2023-05-16T00:00:00	AmazonEC2	EU-NatGateway-Hours	NatGateway			0.000000000000				USD	-0.36000	-0.36000	-0.36000	-0.36000	AAL_Vocareum, cr	Amazon	Amazon Elastic Compute Cloud																								
1014	2023-05-07T00:00:00	2023-05-07T00:00:00	AmazonEC2	EU-USE2-AVS-In-Bytes	PublicIP-In	+06+391		0.000000000000				USD	0.000000	0.000000	0.000000	0.000000	\$0.02 per GB - EU Amazon	Amazon Elastic Compute Cloud																									
1021	2023-05-07T13:00:00	2023-05-07T14:00:00	AmazonEC2	EU-USE2-AVS-Out-Bytes	PublicIP-Out	+06+391		0.000000000040				USD	0.020000	0.000000	0.020000	0.000000	\$0.02 per GB - EU Amazon	Amazon Elastic Compute Cloud																									
1022	2023-05-07T15:00:00	2023-05-07T16:00:00	AmazonEC2	EU-USE2-AVS-Out-Bytes	PublicIP-Out	+06+391		0.00000058036				USD	0.020000	0.000000	0.020000	0.000000	\$0.02 per GB - EU Amazon	Amazon Elastic Compute Cloud																									
1023	2023-05-02T19:00:00	2023-05-02T20:00:00	AmazonEC2	EU-USE2-AVS-Out-Bytes	PublicIP-Out	+04d9c		0.00000000857				USD	0.020000	0.000000	0.020000	0.000000	\$0.02 per GB - EU Amazon	Amazon Elastic Compute Cloud																									
1024	2023-05-02T22:00:00	2023-05-02T23:00:00	AmazonEC2	EU-USE2-AVS-Out-Bytes	PublicIP-Out	+04d9c		0.00000010088				USD	0.020000	0.000000	0.020000	0.000000	\$0.02 per GB - EU Amazon	Amazon Elastic Compute Cloud																									
1025	2023-05-04T12:00:00	2023-05-04T13:00:00	AmazonEC2	EU-USE2-AVS-Out-Bytes	PublicIP-Out	+06+391		0.00000234875				USD	0.020000	0.000000	0.020000	0.000000	\$0.02 per GB - EU Amazon	Amazon Elastic Compute Cloud																									
1026	2023-05-04T13:00:00	2023-05-04T14:00:00	AmazonEC2	EU-USE2-AVS-Out-Bytes	PublicIP-Out	+06+391		0.00000275169				USD	0.020000	0.000000	0.020000	0.000000	\$0.02 per GB - EU Amazon	Amazon Elastic Compute Cloud																									
1027	2023-05-12T01:00:00	2023-05-12T02:00:00	AmazonEC2	EU-USE2-AVS-Out-Bytes	PublicIP-Out	+06+391		0.00000004461				USD	0.020000	0.000000	0.020000	0.000000	\$0.02 per GB - EU Amazon	Amazon Elastic Compute Cloud																									
1028	2023-05-12T23:00:00	2023-05-13T00:00:00	AmazonEC2	EU-USE2-AVS-Out-Bytes	PublicIP-Out	+04d9c		0.00000052508				USD	0.020000	0.000000	0.020000	0.000000	\$0.02 per GB - EU Amazon	Amazon Elastic Compute Cloud																									
1029	2023-05-13T00:00:00	2023-05-13T01:00:00	AmazonEC2	EU-USE2-AVS-Out-Bytes	PublicIP-Out	+04d9c		0.00000052992				USD	0.020000	0.000000	0.020000	0.000000	\$0.02 per GB - EU Amazon	Amazon Elastic Compute Cloud																									
1030	2023-05-13T02:00:00	2023-05-13T03:00:00	AmazonEC2	EU-USE2-AVS-Out-Bytes	PublicIP-Out	+06+391		0.00000000373				USD	0.020000	0.000000	0.020000	0.000000	\$0.02 per GB - EU Amazon	Amazon Elastic Compute Cloud																									
1031	2023-05-14T03:00:00	2023-05-14T10:00:00	AmazonEC2	EU-USE2-AVS-Out-Bytes																																							

aws

Services

Search

[Alt+S]

N. Virginia

samuel.osorio @ infoprogramarc

Amazon Athena

Query editor

Notebook editor

New

Notebook explorer

New

Jobs

Workflows

Powered by Step Functions

Administration

Workgroups

Capacity reservations

New

Data sources

Turn on compact mode

Data

Data source

AwsDataCatalog

Database

athenacurcfn_athena_c_u_r

Tables and views

Create

line_item_unblended

Tables (1)

athenacur

line_item_unblended_rate

string

line_item_unblended_cost

double

Views (0)

Query 2

Query 3

Query 4

1

2

3

4

5

6

7

8

9

10

11

SELECT

line_item_usage_type,

SUM(line_item_unblended_cost) AS total_cost

from

athenacur

where

line_item_operation = 'NatGateway'

GROUP BY

line_item_usage_type

ORDER BY

total_cost DESC;

SQL

Ln 1, Col 1

Run again

Explain

Cancel

Clear

Create

Reuse query results

Athena engine version 3 only

Query results

Query stats

Completed

Time in queue: 150 ms

Run time: 781 ms

Data scanned: 34.48 KB

Results (2)

Copy

Download results

Search rows

#

line_item_usage_type

total_cost

1

EU-NatGateway-Bytes

4.999997898352815E-10

2

EU-NatGateway-Hours

3.8719027983802334E-15

AWS Billing

Cost Explorer

AWS cost tools: Cost Explorer

- Rightsizing recommendations
- Enabled at payer account ~ root account of your AWS Organizations

The screenshot displays the AWS Cost Management console. On the left, a sidebar menu lists various tools: Home, Cost Explorer (highlighted with a red box), Reports, Budgets, Cost Anomaly Detection, Rightsizing recommendations (highlighted with a red box), Savings Plans, Overview, Inventory, Recommendations, Purchase Savings Plans, Utilization report, and Coverage report. The main content area is titled 'Home' and includes a breadcrumb 'AWS Cost Management > Home'. It features a 'Cost summary' section with two columns: 'Current month costs' showing \$180.78 (down 42% over last month) and 'Forecasted month-end costs' showing \$188.34 (down 41% over last month). Below this is a 'Daily unblended costs' section with a 'View in Cost Explorer' button. On the right, there are sections for 'April trends' (Service usage: Amazon DynamoDB costs are up \$8.20 (386%), c7g.large costs are up \$8.53 (1,431%)) and 'More resources' (What is AWS Billing and Cost Management?, Documentation).

AWS Cost Management ×

[Home](#) [Info](#)

Cost Explorer

Reports

Budgets

Cost Anomaly Detection

Rightsizing recommendations

▼ **Savings Plans**

Overview

Inventory

Recommendations

Purchase Savings Plans

Utilization report

Coverage report

[AWS Cost Management](#) > [Home](#)

Home [Info](#)

Cost summary

Current month costs Info	Forecasted month-end costs Info
\$180.78	\$188.34
Down 42% over last month	Down 41% over last month

Daily unblended costs

[View in Cost Explorer](#)

Cost (\$)

80

April trends [Info](#)

Service usage

Amazon DynamoDB costs are up \$8.20 (386%)

c7g.large costs are up \$8.53 (1,431%)

More resources [🔗](#)

[What is AWS Billing and Cost Management?](#)

[Documentation](#)

AWS Cost Management

- Home
- Cost Explorer
- Reports
- Budgets
- Cost Anomaly Detection
- Rightsizing recommendations

- Savings Plans
 - Overview
 - Inventory
 - Recommendations
 - Purchase Savings Plans
 - Utilization report
 - Coverage report
- Cart 0

- Reservations
 - Overview
 - Recommendations
 - Utilization report
 - Coverage report

- Preferences
- Billing Console
- Documentation

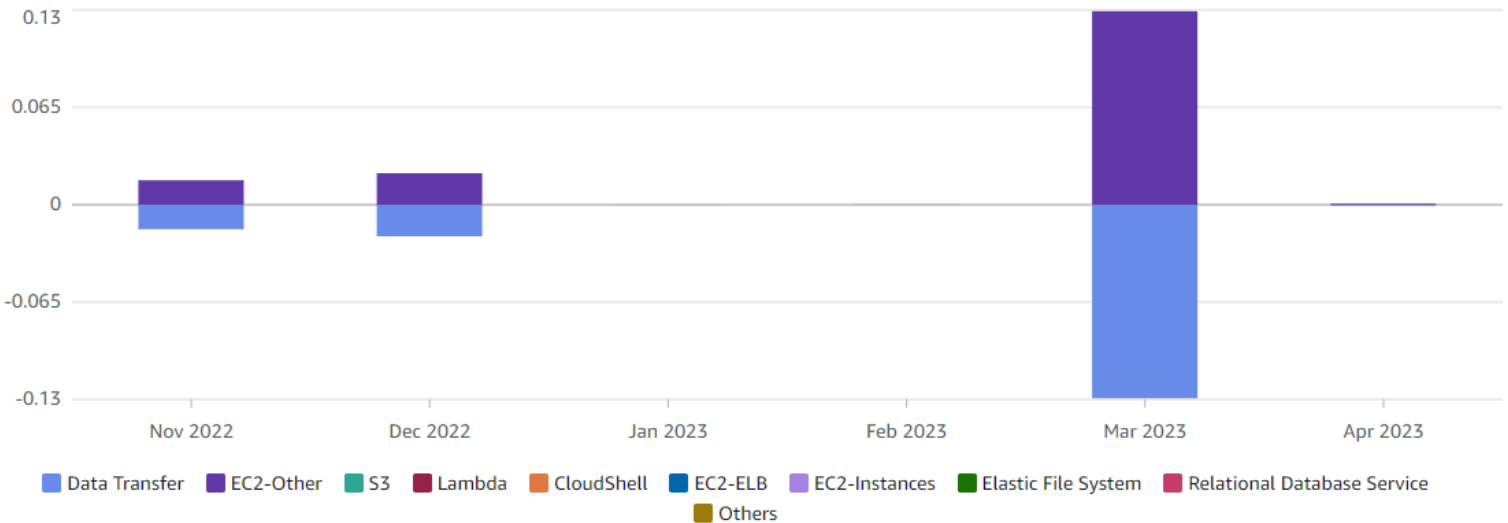
Cost and usage graph

Total cost
\$0.00

Average monthly cost
\$0.00

Service count
30

Costs (\$)



Cost and usage breakdown

Find cost and usage data

Download as CSV

Service	Service total	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023
Total costs	\$0.00	-\$0.00	\$0.00	\$0.00	-\$0.00	\$0.00	-\$0.00
EC2-Other	\$0.17	\$0.02	\$0.02	\$0.00	\$0.00	\$0.13	\$0.00

Report parameters

Time

Date Range

2022-11-01 — 2023-04-30

Displaying last 6 months

Granularity

Monthly

Group by

Dimension

Service

Filters

Applied filters (0)

Service

Choose services

Linked account

Choose linked accounts

Region

Choose regions

Instance type

Choose instance types

Usage type

Choose usage types

Demo Time

- Let's explore the AWS Console....

AWS cost tools: Budgets and alarms

- Able to get notification of preconfigured thresholds

[AWS Billing](#) > [Budgets](#) > Create budget

Step 1
[Choose budget type](#)

Step 2
Set your budget

Step 3
Configure alerts

Step 4 - *Optional*
Attach actions

Step 5
Review

Set your budget [Info](#)

▼ How to set up your budget



Step 1: Enter your budget details

Define the budget name.



Step 2: Set budget amount

Select the period and whether you would like to have a fixed budget or to specify a budget plan, then enter your budget amount.



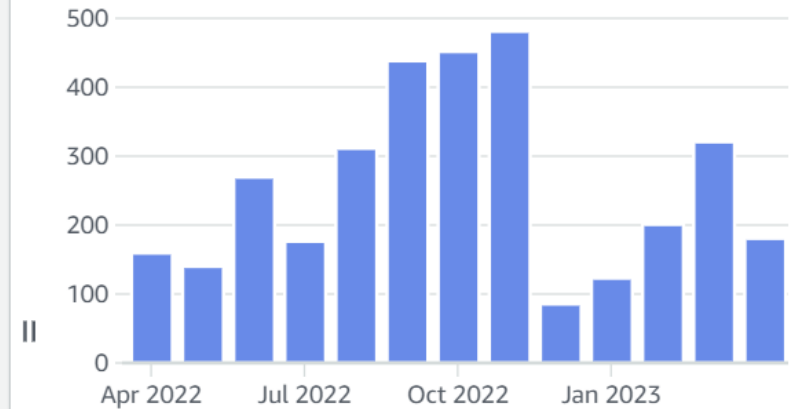
Step 3: Scope your budget - *optional*

Add dimensions of data to narrow on a set of cost information. For example, you could select a number of AWS services to

Budget preview

Cost Data

Apr 2022 - Apr 2023 (MTD) | Unblended costs



Actual cost

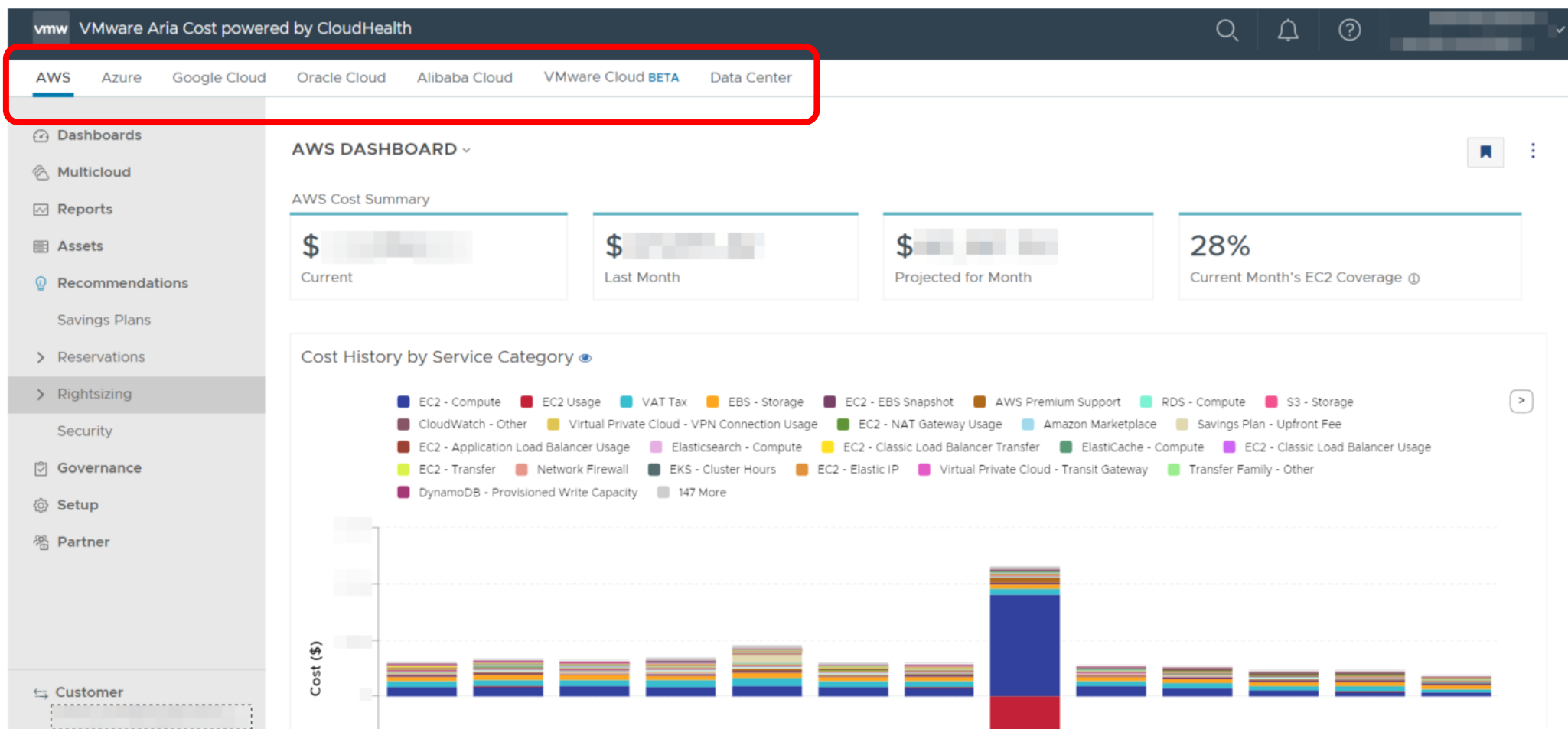
[View in AWS Cost Explorer](#)

Alerts

No alerts configured.

Multi cloud environments

Tools like CloudHealth or Cloudchecker might provide enhanced value



Lab Time

- Create and assign tags to AWS Resources
- Assign Cost Allocation Tags from above created tags
- Create budgets and alarms for your environment
 - Free Tier
 - NAT GW



Cost Optimization

Cost Optimization strategies

Payment Mode

**Resource
Rightsizing**

**Remove
Unused/orphan
resources**

Lights ON/OFF

Storage tiers

Processor type

**Network
topology**

Region

Cost Optimization strategies

Payment Mode

Payment Modes

Select the most appropriate mode to the application lifecycle and features

On Demand

public price with the most flexibility

Reservations

commit for a given time (1,3 years) for reduced price

Saving Plans

like RI but simpler: committed price and not coupons (size/AZ/..)

Spot

max discount at the cost of interruptions

EC2 linux US East (Ohio) t4g.nano

Configure Amazon EC2 [Info](#)

Select the container and options to find your best price

☒ Compute Savings Plans

One plan that automatically applies to all usage on EC2, Fargate, and Lambda. Up to 66% discount. Learn about [Compute Savings Plan](#).

Reservation term

- ☐ 1 year
☒ 3 year

Payment Options

- ☐ No upfront
☐ Partial upfront
☒ All upfront

Upfront: 49.93

Monthly: 0.00/Month

☐ EC2 Instance Savings Plans

Get deeper discount when you only need one instance family and region. Up to 72% discount. Learn about [Instance Savings Plans](#)

Reservation term

- ☐ 1 year
☒ 3 year

Payment Options

- ☐ No upfront
☐ Partial upfront
☒ All upfront

Upfront: 42.05

Monthly: 0.00/Month

☐ On-Demand

Maximize flexibility. Learn about [On-Demand Instances](#)

Expected utilization

Enter the expected usage of Amazon EC2 instances

Usage

100

Usage type

Utilization percent per month

Instance: 0.0042/Hour

Monthly: 3.07/Month

☐ Spot Instances

Minimize cost by leveraging EC2's spare capacity. Recommended for fault tolerant and interruption tolerant applications. Learn about [Spot Instances](#)

The historical average discount for t4g.nano is 52%

Assume percentage discount for my estimate

52



Actual spot instance pricing varies

With spot instances, you pay the spot price that's in effect for the time period your instance is running

Instance: 0.0042/Hour

Monthly: 1.47/Month

▼ Other purchasing options

☐ Standard Reserved Instances

Learn about [Standard Reserved Instances](#).

Reservation term

- ☐ 1 year
☒ 3 year

Payment Options

- ☐ No upfront
☐ Partial upfront
☒ All upfront

Upfront: 41.00

Monthly: 0.00/Month

☐ Convertible Reserved Instances

Learn about [Convertible Reserved Instances](#).

Reservation term

- ☐ 1 year
☒ 3 year

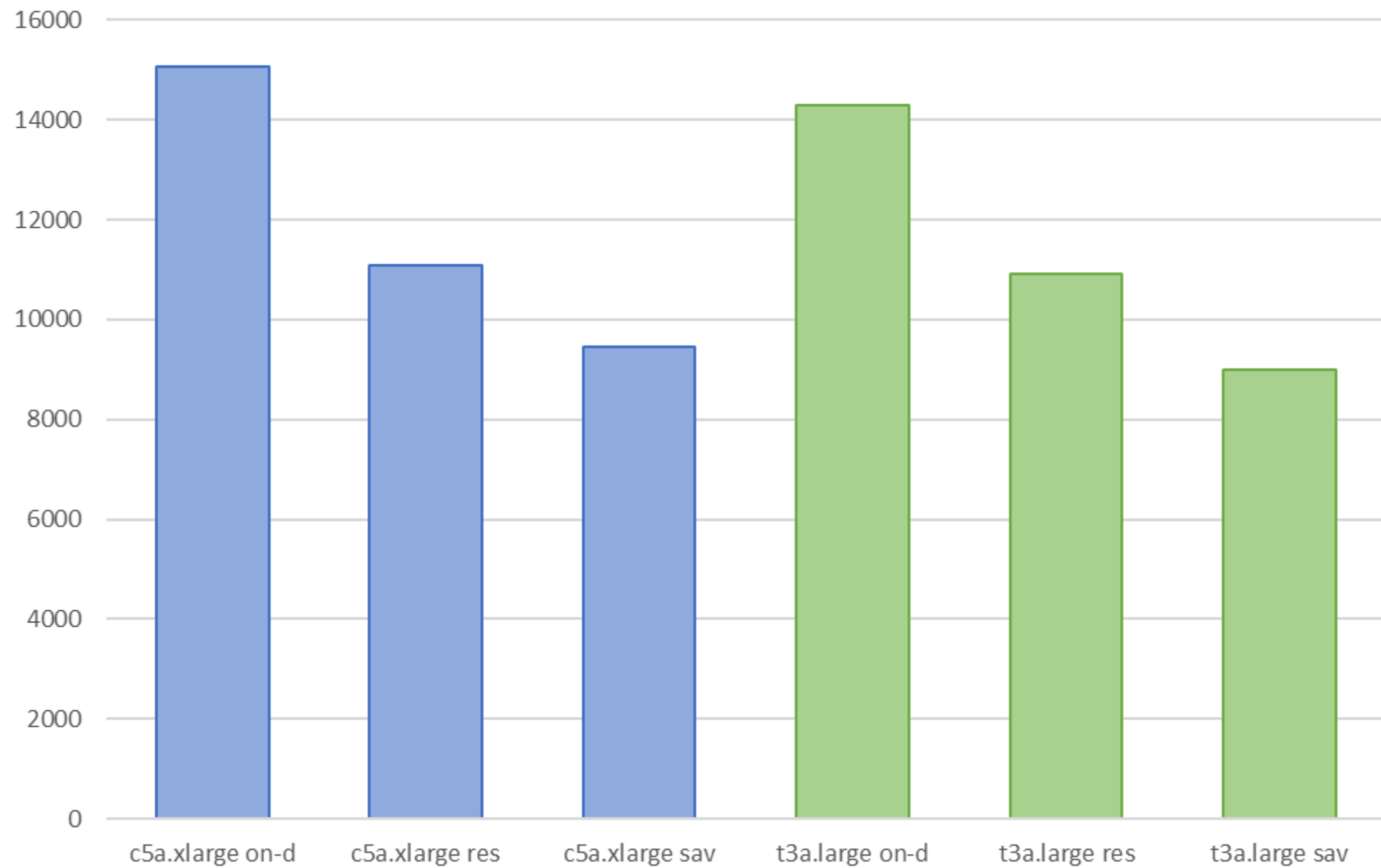
Payment Options

- ☐ No upfront
☐ Partial upfront
☒ All upfront

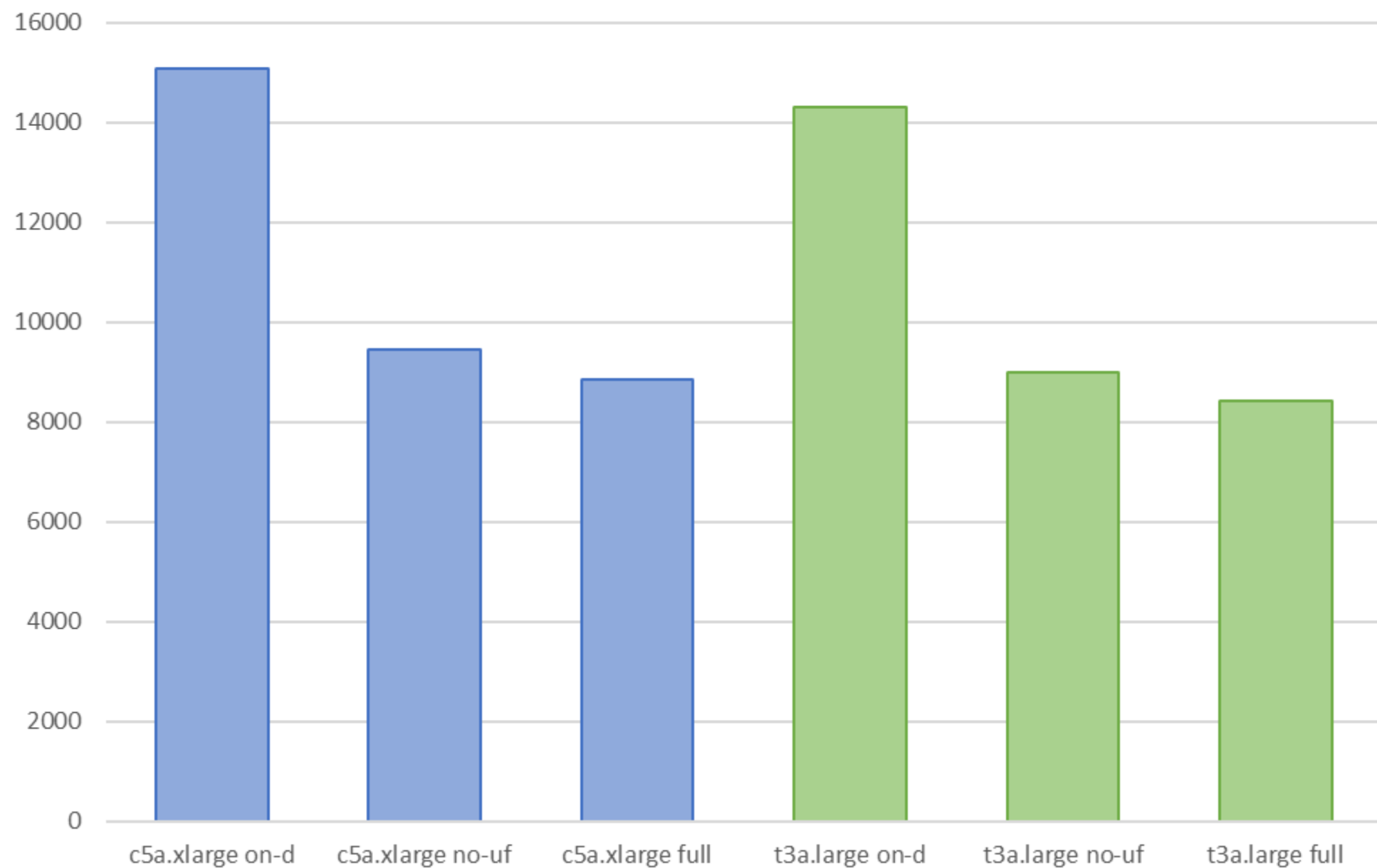
Upfront: 50.00

Monthly: 0.00/Month

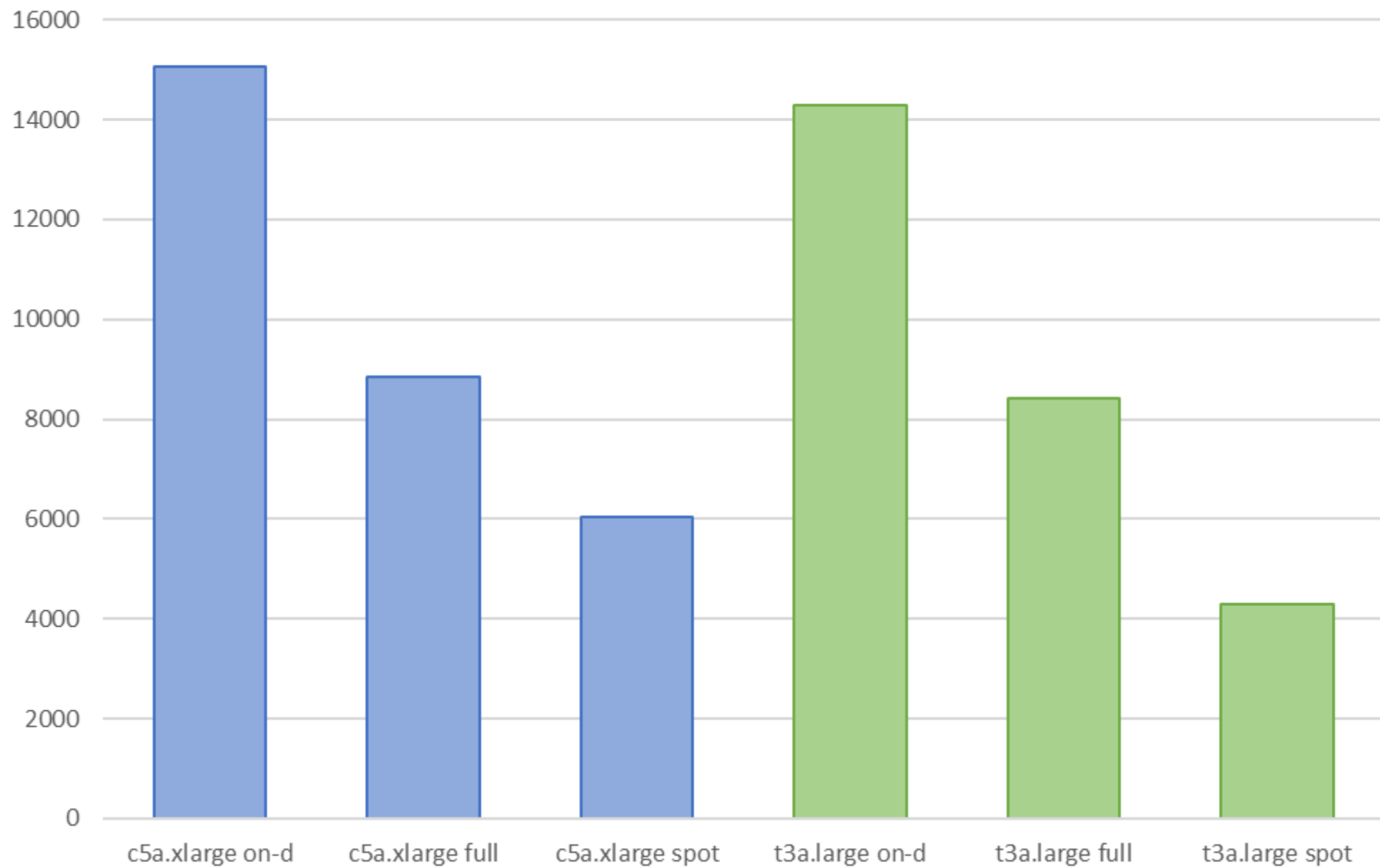
on-demand vs reservation vs saving plans



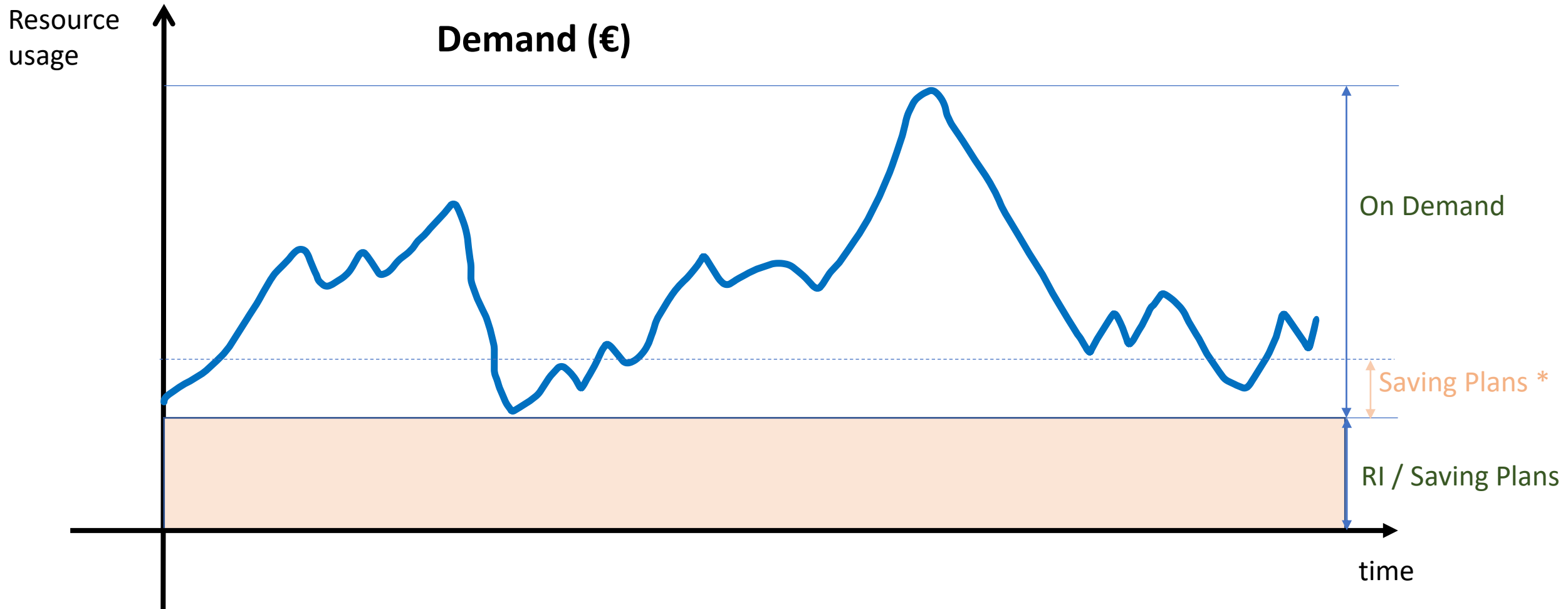
on-demand vs saving no-upfront vs full-upfront



on-demand vs saving full-upfront vs spot



Generic consumption split



Real Use Cases

- “How to align on sizes for Reservations in a multinational enterprise”
 - Multinational teams with different goals
- “Usually reserving appliances, like NVAs”
 - Static loads
- AWS Organizations, permissions and view - a hell
 - RIs at Account level can not be grouped at AWS Organizations
- Migrations
 - Analyze usage during the initial months before applying RIs or Saving Plans

Spot recommendations

- Historic shutdown of instance types per region:

<https://aws.amazon.com/ec2/spot/instance-advisor/>

“The average frequency of interruption across all Regions and instance types is <5%.”

- Be flexible in family/size and AZ:
 - Automated with [EC2 fleet](#) able to use both on-demand and spot
 - price-capacity-optimized (recommended)
 - capacity-optimized
 - diversified
 - lowest-price

Prices are going down...

- ...until inflation arrives:
 - <https://news.microsoft.com/europe/2023/01/05/consistent-global-pricing-for-the-microsoft-cloud/>

Cost Optimization strategies



**Resource
Rightsizing**

Resource Rightsizing

- Always design and later monitor that **resources are adapted to the demand**. Overprovision and under provision are wrong design choices and a Cloud Engineer must take this into account always.
 - Example: adapt resources to each environment requirements

DEV << UAT/INT < PRE = PRO

- AWS Trusted advisor and similar tools provide **automatic recommendations** for selecting the most appropriate size

Resource Rightsizing

- **Newer EC2 families:** better performance for same price=> cost optimization
- Low usage systems: **serverless alternatives**

Real Use Cases

- Vendors requiring specific sizes like SAP
- 10TB disks resized to 4TB=>annual savings of around \$ 80K

Cost Optimization strategies

**Remove
Unused/orphan
resources**

Remove Unused/orphan resources

Detect those resources that are not used

- First easy win when optimizing costs:
 - Follow recommendations from cost tools to detect forgotten resources and to remove them
- Snapshots and AMIs
- Non used public IPs
- Automate Data Life Cycles

Cost Optimization strategies

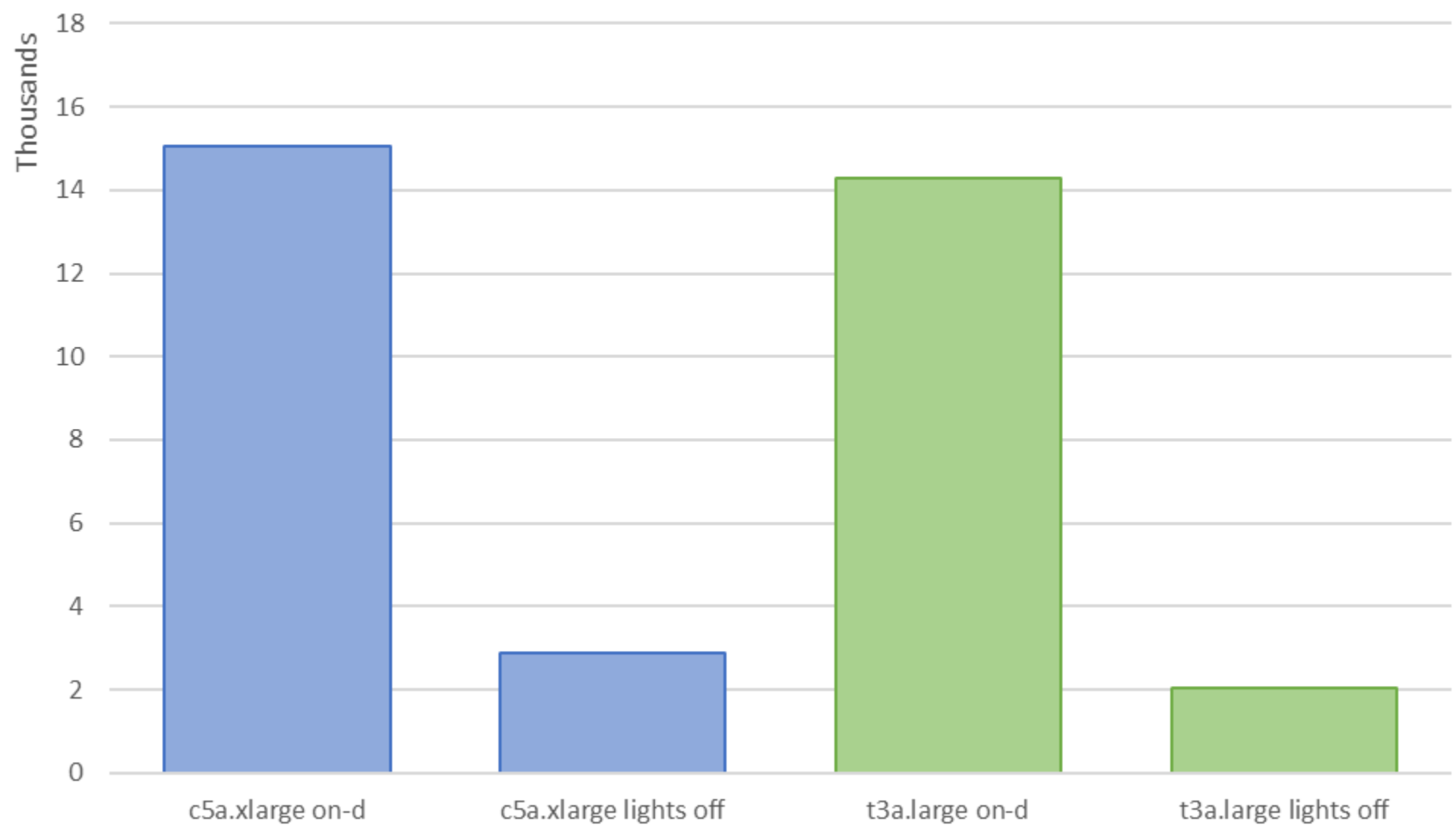
Lights
ON/OFF

Lights ON/OFF

Switching off resources when they are not needed provides huge cost reductions with minimal impact on processes

- Example:
 - Business hours 8 hours 20 days a month: 160
 - 24/7 hours a month: 744
 - By enabling services only when needed: **savings up to 80%.**

on-demand vs spot with lights-off

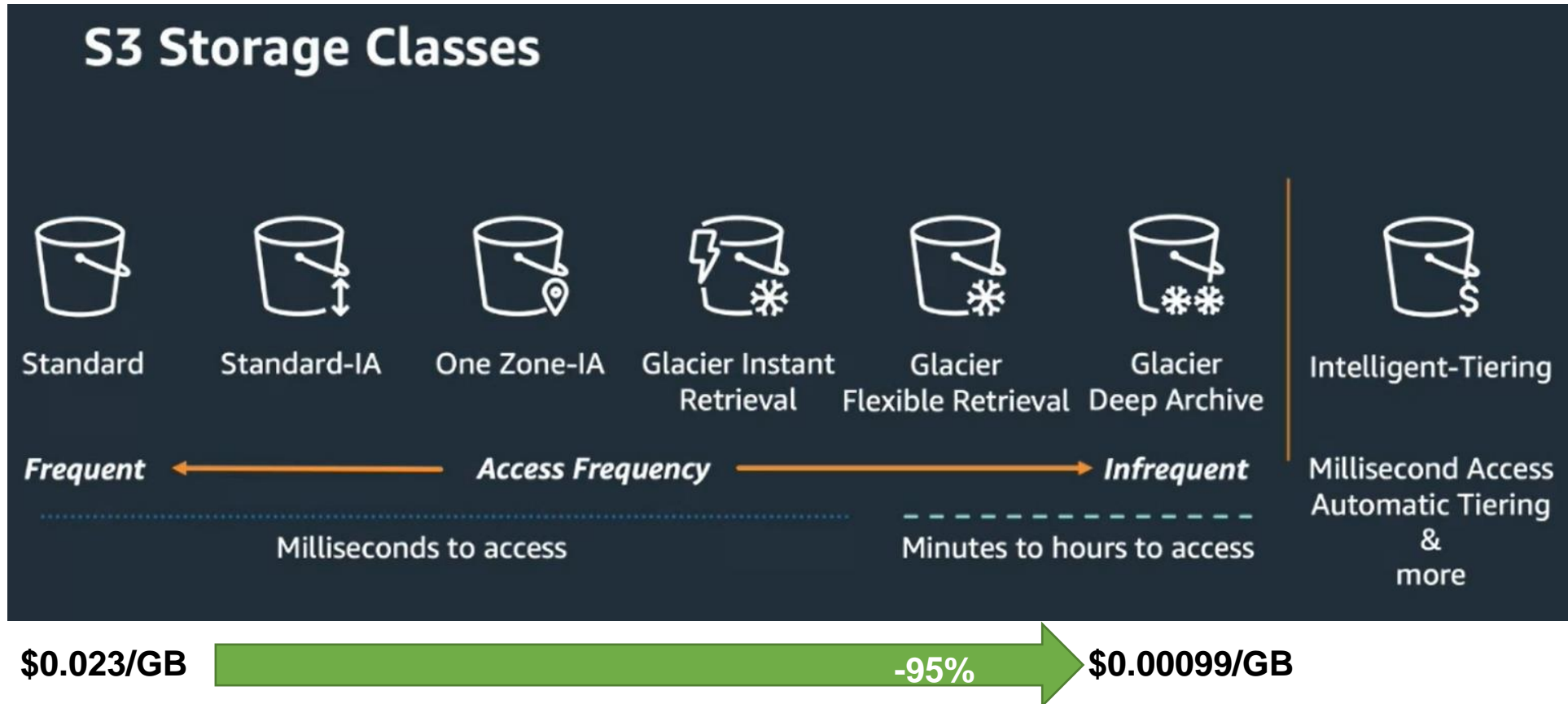


Cost Optimization strategies

Storage tiers

Storage tiers

- Design and later monitor the usage: access and reliability
- S3:



Storage tiers

- EBS: General purpose, provisioned IOPS SSD, Cold HDD, Throughput optimized

	General Purpose SSD volumes		Provisioned IOPS SSD volumes		
Volume type	gp3	gp2	io2 Block Express ‡	io2	io1




Cost Optimization strategies



Processor type

Processor Type

AWS processors available

Vendor			
Commercial names	INTEL® Xeon Scalable (Skylake and Cascade Lake) processors	AMD EPYC processor	AWS Graviton2 Processor
General base Architecture	CISC- Complex instruction set		RISC – Reduced instruction set
Productized CPU architecture	x86-64 Cross licencing-Intel: x86, AMD 64bits extension		ARM64 (Neoverse ARM1. ARM Ltd British Company, owned by Softbank, licensing to anyone)
Utilization	All server workloads		Mobile apps and now servers!

Processor Type

- Graviton are the new AWS processors, based on ARM. Graviton instances are always **20% cheaper** than corresponding x86 instances, and more performing for many workloads (up to **40% better price performance**).
- Graviton instances **are up to 60% more energy efficient** vs x86. They work with many managed services (RDS , Aurora, OpenSearch, ASG...) and with Linux workloads.
- Transition to Graviton is easy for managed services and for Linux if programming language is interpreted (Python, Java...) and more involved if it is compiled (C, C++..).

Cost Optimization strategies



**Network
topology**

Network topology

- Data Transfer
 - Inter-Region replication
- NAT GWs
- Position of endpoints:
 - CloudFront
 - LB
 - AZs

Numbers and data transfer costs are shown in \$/GB



Inbound traffic is typically free – outbound is not. Some (but not all) internal traffic is **free**.

Outbound traffic costs are shown **per transmission.**

Direct outbound data starts at **\$.09/GB** for less than 10TB, and discounts with volume. **First 1GB is free.**

Region-to-region traffic is **\$.02/GB** when it exits a region for indicated services except between us-east-1 and us-east-2, where it's **\$.01/GB**. Even data wants to get out of Ohio.

Outbound CloudFront prices are highly variable by geography and regional edge cache and start at **\$0.085/GB** in US/Canada.

Internal traffic via public or elastic IPs incurs **additional fees** in both directions.

Cross-AZ EC2 traffic within a region costs as much as region-to-region. ELB-EC2 traffic is **free** except outbound crossing AZs.

Elastic Load Balancing: Classic and Network LB is priced per GB. Application LB costs are in LCUs, not \$/GB.

Traffic via Managed NAT Gateway – regardless of destination – costs an additional **\$.045/GB** on top of other transfer, including internal transfer (S3, Kinesis, etc.).

Data processing charges apply for each gigabyte sent to the AWS Transit Gateway – whether from a VPC, Direct Connect or VPN.

Inspired by Open Guide to AWS's data transfer diagram
github.com/open-guides/og-aws

Cost Optimization strategies



Region

Region

- Prices depends on region, with some surprises

Service	eu-north-1 (Stockholm)	eu-west-1 (Ireland)	eu-west-3 (Paris)	eu-south-1 (Milan)	eu-west-2 (London)	eu-central-1 (Frankfurt)	eu-central-2 (Zurich)
Amazon Aurora PostgreSQL-Compatible DB	\$449,55	\$478,78	\$500,68	\$502,76	\$506,93	\$523,48	\$575,83
Amazon CloudWatch	\$139,38	\$145,47	\$151,23	\$151,56	\$151,23	\$157,60	\$169,76
DynamoDB on-demand capacity	\$26,90	\$28,30	\$29,71	\$29,71	\$29,71	\$30,60	\$33,66
Amazon EC2	\$159,37	\$167,22	\$175,12	\$175,07	\$173,66	\$179,80	\$198,99
S3 Standard	\$23,00	\$23,00	\$24,00	\$24,00	\$24,00	\$24,50	\$26,95
Data Transfer	\$112,64	\$112,64	\$112,64	\$112,64	\$112,64	\$112,64	\$112,64
Network Address Translation (NAT) Gateway	\$114,54	\$119,52	\$124,50	\$124,50	\$124,50	\$129,48	\$142,44
Application Load Balancer	\$23,03	\$24,24	\$25,45	\$25,47	\$25,45	\$25,55	\$28,10
TOTAL	\$1.048,41	\$1.099,17	\$1.143,33	\$1.145,71	\$1.148,12	\$1.183,65	\$1.288,37

Cost Optimization strategies

Payment Mode

**Resource
Rightsizing**

**Remove
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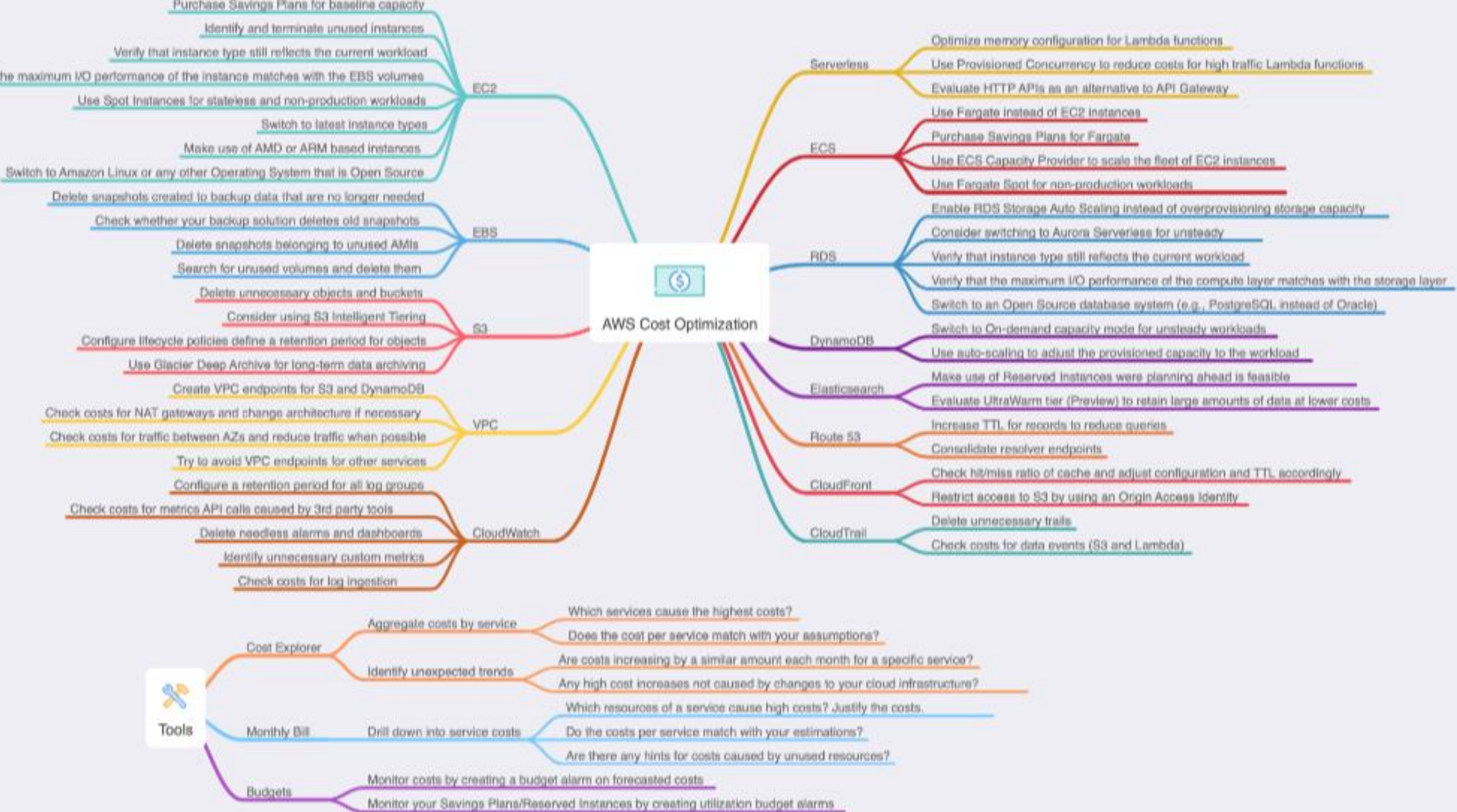
Lights ON/OFF

Storage tiers

Processor type

**Network
topology**

Region



Open Ideas

- What strategies are most applicable to your current environment?
- Other alternatives that you might share?
- **The AWS 24 Hours of Cost Optimization - Live Broadcast**
 - <https://www.twitch.tv/videos/1816367124>



Key Takeaways

Key takeaway



Migrating to Public Cloud must not be done to reduce costs



Visibility and accountability costs

Cost allocation Tags

Continuous evaluation

Rightsizing

Purchase models



Cost is part of the engineering design

A word cloud featuring the phrase "Thank You" in numerous languages and scripts. The words are arranged in a circular pattern, with "thank you" in large, bold, red letters at the center. Other prominent words include "gracias" in green, "mercies" in orange, "danke" in blue, and "شكراً" in blue. Smaller words in various colors include "spas", "tesekkür ederim", "ngiyabonga", "рахмат", "Баярлалаа", "спасибо", "faafetai lava", "vinaka", "spas", "mersi", "kia ora", "barka", "welalin", "tack", "misaoira", "matondo", "paldies", "grazzi", "mahalo", "tapadh leat", "xhala", "asante", "manana", "obrigada", "murakoze", "tenki", "mochchakkeram", "djiere dieuf", "tau", "dyaquyo", "mamnun", "go raibh maith agat", "arigatō", "takk", "dakujem", "trugarez", "merci", "shukriya", "merce", "merpsi", "xiexie", "감사합니다", "তোমাকে ধন্যবাদ", "rahmat", "kam sah hamnida", "najiis tuke", "sagolun", "dikuji", "sobodi", "mesii", "didi madloba", "chnorakaloutioun", "gratias ago", "gracies", "sulpay", "kop khun krap", "taiku", "griez", "tanemirt", "rahmet", "arigatō", "dhanyavadagalu", "diolch", "euchariotw", "bedankt", "nami", "nandri", "kiitos", "dankie", "dhanyavadi", "bayarlalaa", "gracie", "hvala", "mauriuru", "kösönöm", "enzosi", "nami", "nandri", "kiitos", "dankie", "dhanyavadi", "bayarlalaa", "gracie", "hvala", "mauriuru", "kösönöm", "enzosi".