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# **Top Five Tips for Successfully Managing Cloud Costs**

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**We have always suspected it: Using cloud resources is convenient but not automatically cost-effective. This is true for Amazon Web Services or Google just as much as for your own private cloud. However, one German software company was astonished when they saw how much money could be saved by using a cloud cost management solution – and all without any loss of performance. The only thing they needed was some help from the right tool.**

Fujitsu Enabling Software Technology GmbH (Fujitsu EST) is an innovative Fujitsu group software company located in Munich, Germany. It does not just develop cloud software, but also uses it heavily in production. Many of their in-house resources are virtualized and made available to developers in a self-service mode. They were therefore pretty confident that they were using their IT infrastructure in an efficient way. Unfortunately, the actual development costs did not meet those expectations – causing them to take a closer look. It turned out – to everyone's surprise – that they could save almost 20% of their costs with little effort – saving them tens of thousands of euros over the course of a year!

Five basic tricks helped them to solve the problem – and while they are well known they are not easy to put into practice without the right data:

**Create transparency** – When invoices from different cloud providers arrived in the accounting department they did not have easily comparable formats. The first requirement for any tool was therefore to aggregate data and provide a common and clearly arranged view. Using provider APIs the tool was used to import invoice data at the highest possible level of detail. This ensured that no costs were hidden.

**Analyze the origin of the costs** – To really understand what's going on, costs must be assigned to individual projects, departments, users, or groups – a tedious business if not automated. In addition billing records do not always fit into any clear pre-defined pattern, meaning that tools must also provide an opportunity for people to flexibly define allocation rules. Some of the budget owners at Fujitsu EST were surprised at the amount of „unassigned costs“ they were incurring – and at how quickly the deactivation of one unused VM could save 50 to 100 Euro per month.

**Remember that private clouds also cost money** – While the incremental costs of public infrastructure can make overall spend difficult to control we cannot assume that private cloud infrastructures provide a solution. Fujitsu EST used a range of private cloud resources that also needed to be accounted for. It was therefore critical that the tool provided visibility into the entire hybrid-cloud estate of the business by aggregating the costs of technologies such as VMWare and OpenStack alongside those of public cloud resources. In this context it was very important that rating support – i.e. translating usage information into cost – was available. OpenStack Ceilometer, for example, offers information on unused resource volumes but does not translate such data into Euros and Cents.

**Empower your people** – „The team is the star“ is an important enabler to success in getting control of your cloud costs. Cloud resources by their very nature are federated and easy to consume and so organizational cost optimization processes are more efficient and sustainable when tools enable employees to directly check and manage their own costs. This empowerment can be further enabled by offering customizable budget limits that monitor usage and automatically trigger alarms in the case of problems.

**Making a long story short** – The management at Fujitsu EST were pretty surprised by the level of visibility they could achieve into their IT usage by visualizing and allocating their cloud costs appropriately. As well as saving money without any impact on performance they could also plan and budget for future activities with more confidence – helping them to move more quickly.

Equally importantly developers, operators and administrators are happy that the value of their work is now clear – and that they don't need to waste valuable time justifying the expense of „unnecessary“ costs to their management!

Want to read more on this topic? [Click here](#) to learn how you could also gain control over your cloud costs.