CloudHealth by vmware

SOLUTION BRIEF

Master Reserved Instance Management with CloudHealth

The Challenge

As your cloud usage grows, so do your costs. What seemed like a cost-effective and scalable solution can quickly feel overwhelming. Every leading cloud provider has flexible pricing structures that reward upfront commitments. For example, AWS and Microsoft Azure give users the ability to reduce their cloud costs by purchasing Reserved Instances (RIs). To ensure a positive return on your investment, RIs must be tailored to meet your specific business needs and goals, and therefore require continuous monitoring and management. However, many organizations get caught up in the complexity of purchasing RIs due to the number of options and the limited resources at their disposal for optimization.

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What are Reserved Instances?

In the simplest of terms, Reserved Instances (RIs) are a 1 or 3-year term commitment to utilize specific instance or virtual machine types in return for a discount on your compute costs, and in some cases prioritized compute capacity. You can think of them as a coupon.

Silver Microsoft Partner

While RIs from AWS and Microsoft Azure are similar at a foundational level, there are quite a few differences between the offerings. For example, Amazon EC2 RIs have an estimated cost savings of up to 75%, with a larger variety of purchasing attributes. Amazon EC2 RIs can be purchased with a No Upfront, Partial Upfront, or All Upfront payment option, Regional or Availability Zone scope, and can be Convertible, Standard, or Size Flexible.

Microsoft Azure Reserved Virtual Machine (VM) Instances, on the other hand, have an estimated cost savings of up to 72% (82% when combined with the Azure Hybrid Benefit). Azure RIs are available with a Microsoft Enterprise Agreement or pay-as-you-go, and are only available as an All Upfront payment, with the scope being for a Single Subscription or Shared. Both cloud providers offer the ability to modify RIs and Microsoft Azure even allows you to return their reservations at any time during the term for an adjusted refund.

100M

CloudHealth customers spend more than $100 million a month on RIs.

> ***"We manage a fleet of RIs worth millions; one CloudHealth modification helped save several thousand dollars in a week. Per year, I'd say we're saving hundreds of thousands."***
>
> ***BRENT STRONG***
> Manager of Cloud Engineering & Operations | CHANGE HEALTHCARE

How CloudHealth can help

CloudHealth takes the hassle out of RI management by providing the modeling, optimization, and amortization capabilities needed to help you feel confident about your purchasing decisions. The platform supports Amazon EC2 and Amazon RDS RIs, including Size Flexible and Convertible RI types, and Azure Reserved VM Instances.

With CloudHealth RI Management you can:

- Easily break down your RI purchases into smaller groups, such as account/subscription, region, or instance family/ machine series, making your analysis more consumable and speeding purchases.
- Save time modeling purchases with the CloudHealth RI Optimizer, which provides your potential savings and more importantly, the payback period.
- Analyze your RI usage to determine if your reservations are underutilized and identify opportunities to remedy this.

- Maximize your ROI from exchanging Amazon EC2 Convertible RIs with automated recommendations.
- Leverage amortization reports to see how the one-time upfront cost is distributed over the useful life of the RI, looking at either the account/group that made the purchase, or the one that received the actual discount benefit.
- Create automated policies for modifying and purchasing Amazon EC2 or Amazon RDS RIs right within the platform.

"My favorite report is probably the EC2 RI Optimizer, when planning RI purchases, I use it to create quotes and play with the numbers."

JEFF JULANDER
Senior Systems Administrator | INSTRUCTURE

Want to Learn More?
Let us walk you through our solution rich platform and show how we can help you maximize your cloud investment, all it takes is 20 minutes. Visit us online **here** or email **cloudhealth@vmware.com.**