

Maximize Savings with Convertible Reserved Instance Exchanges

The Challenge

Purchasing Amazon EC2 Reserved Instances (RIs) is one of the most effective ways to reduce your cloud spend, however, RIs require continuous monitoring and management.

AWS offers Convertible Reserved Instances which can be exchanged in a variety of ways, but the number of options for making exchanges can be a source of confusion. The power of Convertible RIs is that they provide additional flexibility, at a slightly higher price, which is why enterprises should ensure that they are utilizing them to their full potential.

Exchanging Convertible RIs

When you exchange a Convertible Reserved Instance, you are essentially ‘purchasing’ a new reservation of equal or higher value than your existing reservation. The exchange is free, however you may be required to pay a true-up cost, which is the prorated upfront cost of the difference between your existing and new Convertible RIs.

Convertible Reserved Instances can be exchanged for a different instance type, instance size, operating system, or tenancy, without resetting the term (1 or 3-years). The possibilities don’t end there, you are also able to exchange a portion of a Convertible RI by splitting it into two or more reservations. This flexibility does come with additional guidelines, such as, AWS does not allow you to exchange All Upfront and Partial Upfronts for No Upfront Convertible RIs, but you can exchange All Upfronts for Partial Upfronts and vice versa.



44%

Of the more than one million active RIs CloudHealth customers currently have, today about 44% of them are Convertibles.

How CloudHealth Can Help

Calculating exchanges with spreadsheets presents the possibility of error and takes countless hours. CloudHealth offers the industry's first solution for maximizing your return on investment from exchanging Convertible RIs. The CloudHealth EC2 Convertible RI Exchanger is a recommendation engine that provides the highest savings while limiting additional investment, saving you tens or even hundreds of thousands of dollars in a matter of minutes.

Welcome to the CRI Exchanger! For any support or help using this tool, check out our [documentation](#).

EVALUATION PERIOD: 08/03/2018 - 09/01/2018 | ACCOUNTS: All | REGION: All | TOTAL TRUE UP BUDGET: \$ max | Advanced | UPDATE

Recommendation Summary as of 9/4/18, 12:53 PM

RESERVATIONS EXCHANGED	TRUE UP COST	WASTE REDUCED BY	LIFETIME SAVINGS
7.9% of inventory	\$44	\$9,580 <small>\$499 in first mo.</small>	\$20,234 How did we calculate this?

COLUMNS: (10) | RECOMMENDATIONS BY: BILLING ACCOUNT | EXPORT

Billing Account	Account	Location	Reservations	Remaining Total Value	Monthly Waste	Reservations After	Monthly Savings	Lifetime Savings	True Up Cost
CloudHealth	Redshirt		3	\$9,580	\$499	111	\$847	\$20,234	\$44
CloudHealth	Redshirt	us-east-1	1 c3.2xlarge	\$7,040	\$333	105 t2.nano	\$444	\$14,085	\$0
CloudHealth	Redshirt	us-east-1	1 m4.xlarge	\$2,539	\$166	6 m4.large	\$403	\$6,149	\$44

Here's how it works, the CloudHealth EC2 convertible RI Exchanger:

- Identifies all active Convertible RIs that are underutilized
- Identifies On-Demand usage candidates
- Selects the best savings opportunity and recommends Convertible RI exchanges of the same offering type (e.g. All Upfront)
- Builds you a quote that you can use to perform exchanges



“CloudHealth’s Convertible RI Exchanger makes it easy for us to take advantage of Convertible RI Exchanges within our AWS environment. With CloudHealth, not only are we able to benefit from considerable cost and resource savings, but we are more efficient and effective as an organization.”

CHARMAINE HONEYCUTT
Senior Director of Operations



Want to Learn More?

Let us walk you through our solution rich platform and show how we can help you maximize savings from purchasing and exchanging Amazon EC2 Convertible RIs. Visit us online [here](#) or email cloudhealth@vmware.com to schedule a demo.