

Why Cloud Cost Management Is So Hard — and How To Radically Simplify It



As an enterprise organization with any number of applications running in the cloud, you need to understand your cloud costs. Because hybrid cloud environments are complex and expensive, it's not enough to simply look at your cloud bills at the end of the month. You need insights into your cloud costs with views that reflect your specific requirements. Furthermore—because it's not enough to understand your costs, you need to be able to do something about them—you need to be able to proactively adjust your capacity and spend. There is no shortage of tools available that promise to help enterprises manage their cloud costs. The problem is that the vast majority of them fall short in one or more areas—and then your team has to take on the burden of filling those gaps, which requires additional time, effort, and expertise that you can't spare. Here are the most common approaches, their disadvantages that make cloud cost management much harder than it should be, and what to look for instead.

Approach #1: Using native cloud tools

What it is: The leading cloud service providers (CSPs) offer tools with capabilities for cost analysis, alerting and notifications for budget management, and recommendations for cost savings.

Pros: These tools are typically built right into your environment and some are free.

Cons: These simple tools only provide a snapshot of your overall costs and they lack the flexibility to create custom views that align with your business structure and requirements. Also, if you are using multiple CSPs—which the vast majority of enterprises currently are—you can't integrate them so you can't get a consolidated view of your overall cloud environment. Also, each CSP's native tool has its own views and limitations, which means that the information you can get and how you get it will differ from tool to tool. The bottom line is that unless you're a small business operating only a few workloads with a single CSP, native cloud cost tools just don't cut it.

A better alternative: A cloud-agnostic platform that enables you to easily and consistently understand cloud costs across all of your CSPs—and even your private cloud and on-premises deployments—will provide you with a complete view of global cloud costs.

Approach #2: Implementing cloud cost optimization tools

What it is: To overcome the limitations of native cloud tools, many organizations deploy tools from third-party vendors that are explicitly developed for cloud cost optimization.

Pros: These tools offer more robust functionality and/or provide the ability to get consistent views across multiple CSPs.

Cons: While these tools do offer enhanced capabilities compared to the native cloud tools, they often don't allow for customizations. Every business is different—different workloads, different organizational structures, different accounting structures, different risk tolerances, you get the point. If you can't customize the tools or slice and dice cloud cost data based on your specific business parameters, then you're not getting the insight and control you need. Even if customization is possible, the tools aren't easy to use, which adds burden to your already overtaxed team. Either way, these solutions aren't serving you well.

A better alternative: A flexible and easy-to-use platform with customizable views and reports allows you to analyze your cloud cost data in a way that aligns with your business requirements and structure—even over time as your business evolves.

Approach #3: Deploying custom cost models

What it is: Some organizations that want to add sophisticated cloud cost analysis and management capabilities to their arsenal create custom cost models to keep their workloads rightsized.

Pros: You can develop a framework based on the metrics and entities (projects, business units, customer segments, etc.) that are specific to your business.

Cons: Building effective cost models requires data science expertise that your organization may not have on staff, or may not have in sufficient quantity for the scale you need. And this resource challenge will only grow with the increasing complexity of hybrid cloud environments and rising volumes of data. Even if your company is willing to invest in data scientists, the number of jobs available continues to outpace the number of candidates so you may not even be able to fill those roles. When your ability to properly understand and manage your cloud costs is bottlenecked by limited resources, then you're not getting the full value of advanced analytics.

A better alternative: A platform that leverages AIOps, machine learning, and data-driven analytics, which is both sophisticated and easy to use, enables you to rightsize cloud workloads to optimize your capacity and costs without a team of data scientists.

Checklist of capabilities to radically simplify cloud cost management

- ✓ Cloud-agnostic for visibility across CSPs
- ✓ Customizable views and reports
- ✓ Rightsize cloud workloads on an ongoing basis
- ✓ Can grow as your business grows
- ✓ Leverages AI, ML, and data-driven analytics
- ✓ Easy to use
- ✓ All from a single platform

If you're ready for a better alternative that checks all the boxes for radically simplified cloud cost management, you're ready for Virtana Optimize. This multi-cloud SaaS cost optimization module, which is part of the Virtana Platform, provides you with the cloud-agnostic flexibility you need to easily understand all your cloud costs across providers. And The combination of AIOps, machine learning, and data-driven analytics enables you to rightsize your cloud workloads for ongoing performance, capacity, and cost optimization.

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