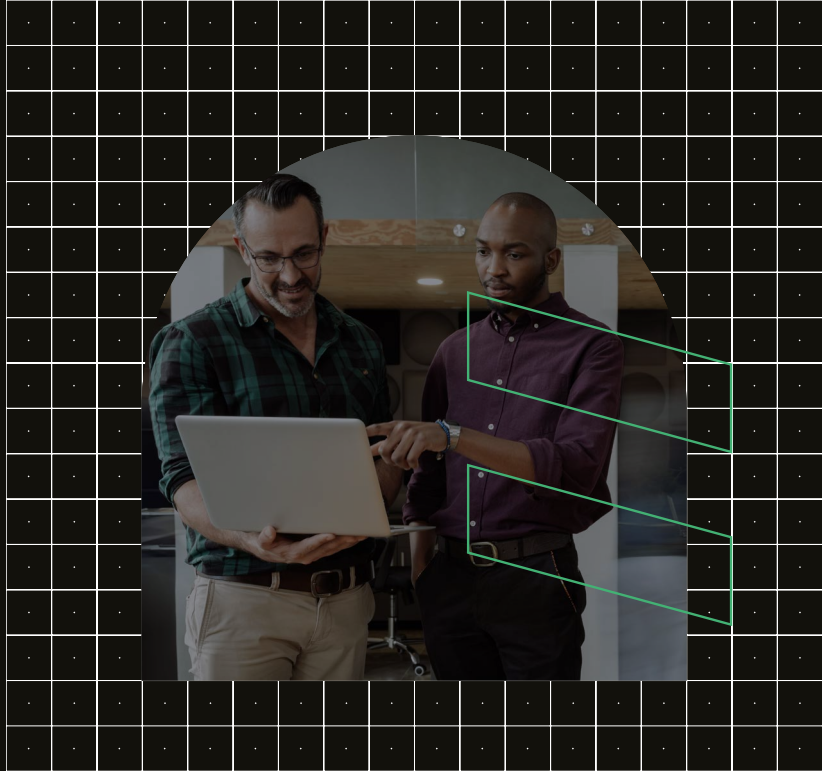


Minimise Cloud waste and stay in control of your Cloud spend

Discover how to manage your Cloud costs and eliminate wasted resources, while improving efficiencies and reducing risk across your organisation.



In today’s technologically-advanced landscape, there exists a wealth of innovative tools designed to drive digital transformation while enabling organisations to achieve significant savings in time, costs and resources.

For a growing number of companies, Cloud infrastructures are one such technology.

According to the 2022 Cloud Infrastructure Report from CloudCheckr¹, while only 2% of surveyed organisations are fully in the Cloud at present, most companies (84%) expect full adoption at some point, including almost 60% who believe this will happen within five years.

And with the wide-ranging benefits offered by Cloud models - from reduced costs to greater efficiency and collaboration - it’s not hard to see why everyone from SMBs to large enterprises are eager to move to the Cloud in order to store, manage and secure their data.

A world of benefits in the Cloud

Reduced costs

Consolidating into a secure, flexible and reliable Cloud environment can reduce your operational costs.



Improved productivity and collaboration

Cloud models can streamline communication, boost collaboration, and empower teams to work from anywhere, at any time, on any device.



Unlimited, secure data storage

Cloud backups and disaster recovery let you securely store your data at massive scale, with minimal (if any) interruptions to product or service provision.



Valuable business insights

Real-time data access gives you the insights you need to make informed decisions, respond faster, improve your bottom line, and boost employee and customer satisfaction.



However, despite all the advantages the Cloud can bring, controlling costs and avoiding wastage can present a major challenge for many organisations.

A survey on Cloud challenges² discovered that:

80%

of respondents say poor Cloud financial management has negatively impacted their business.

85%

of respondents reported overspending their budgets.

57%

of respondents reported that Cloud cost management was a daily worry.

From paying for underutilised Cloud resources to a lack of policy enforcement around spending, there are many reasons why organisations quickly find themselves paying far more than they had planned for their Cloud resources, without realising the value of their investment.

So, what’s the solution to avoiding out-of-control Cloud spending and optimising your Cloud budget, now and in the future?

Through powerful automation, streamlined workflows, and a standardised approach that leverages infrastructure as code and policy as code, organisations can be empowered to take control of their Cloud spend and significantly reduce wastage—allowing them to fully capitalise on the many benefits the Cloud can bring.

In this whitepaper, we explore the main reasons behind wasted Cloud spend and how to reduce your Cloud costs by minimising unnecessary resources, improving developer productivity, and reducing your risk—so you can get the most out of your Cloud investment.

¹ <https://click.cloudcheckr.com/rs/222-ENM-584/images/2022-Cloud-Infrastructure-Report.pdf>

² <https://explore.apptio.com/Cloud-financial-management/finops-new-approach-Cloud-financial-management>

How does Cloud wastage occur?

When it comes to potential wastage in Cloud operating models, the figures paint a stark picture.

Studies reveal that between 20% and 35% of Cloud costs are totally wasted, equating to an annual wasted spend of \$17.6B³.

A recent survey⁴ on Cloud spending found that:

- 45% of organisations were over budget for their Cloud spending.
- More than 55% are using either cumbersome manual processes or don't implement actions and changes to optimise their Cloud resources.
- When asked how much of their Cloud spend they think they can save:
 - 34% believe they can save up to 25%
 - 15% believe they can save up to 50%
 - 27% (worryingly) responded with "I don't know"

You may be wondering where this significant wasted Cloud spend comes from. The answer lies in three key areas:

1 Unutilised Cloud infrastructure

When migrating to the Cloud, many organisations struggle to achieve the visibility and control they need to effectively manage what gets provisioned. This can result in wasted spending on over-provisioning, idle and orphaned resources.

In fact, a recent report⁵ found that respondents' confidence in the visibility of their company's public Cloud costs is dropping—in 2022, just 21% were "very confident", compared with over 30% in 2021.

2 Reduced developer productivity

Without a standardised approach to infrastructure deployment, developers are unable to work efficiently. To streamline and accelerate this key area of your business, your developers need the ability to reuse and collaborate with ease.

In addition, bottlenecks caused by cumbersome steps such as manual checks can further stand in the way of productivity, reducing efficiency and making the deployment process more time-consuming.

3 Higher level of risk

According to a recent study⁶ into Cloud challenges, "security" is the top concern faced by companies—with 81% citing this as an issue—while "governance" was a problem for 77%.

When you lack a single source of truth for your Cloud infrastructure, it can be difficult to ensure governance and compliance, leading to greater risk. Manual policy enforcement can slow down the process, while limited visibility can present additional security challenges.

Finally, without effective guardrails in place for future deployments, the risk of over-spending or over-provisioning is increased.

By automating governance and compliance checks, you'll minimise wasted time spent waiting for approvals, as well as reduce risk by ensuring all infrastructure and services managed through automation are built according to requirements, every time.

Reduce wasted Cloud spend and get more value from your investment

By taking control of your Cloud costs and gaining visibility into your investment—such as through an infrastructure as code approach to provisioning with a policy as code approach to cost control—you can expect to increase efficiencies, improve productivity, and, crucially, reduce your Cloud spend significantly.

For most organisations, cost reductions can be achieved by a combination of:

- Reduction of unnecessary Cloud resources, e.g. over-provisioning or idle and orphaned resources.
- Cost-centric policy enforcement via policy as code.
- Workflow automation and elimination of bottlenecks
- Improved visibility into your infrastructure.
- Centralised management and control across your platforms.

³ <https://www.hashicorp.com/minimize-Cloud-waste>

⁴ <https://www.hashicorp.com/blog/a-guide-to-Cloud-cost-optimization-with-hashicorp-terraform>

⁵ <https://click.Cloudcheckr.com/rs/222-ENM-584/images/2022-Cloud-Infrastructure-Report.pdf>

⁶ <https://resources.flexera.com/web/pdf/Flexera-State-of-the-Cloud-Report-2022.pdf?elqTrackId=f3bb660986704d2980404386aa003141&elqaid=6925&elqat=2>



Increase productivity and efficiency with infrastructure as code

Infrastructure as code empowers organisations to dramatically reduce their Cloud waste and achieve significant productivity gains.

By allowing you to provision and manage infrastructure with configuration files rather than a graphical user interface, infrastructure as code makes the process of building and modifying your infrastructure faster, safer and more streamlined, while offering a consistent and repeatable approach to infrastructure development.



Version control systems (VCS) make it easier and more efficient for your teams to share, version and reuse Cloud resources, with the ability to codify resources and integrate with VCS.

Mitigate risk and improve governance through standardisation and management

From standardised, pre-approved modules for infrastructure deployment to a policy as code framework that allows you to create cost-centric policies and improve compliance and governance, adopting a standardised approach to infrastructure provisioning can help you reduce both your risk and your Cloud spend.



Modules provide customised templates for infrastructure deployment within your organisation, allowing you to speed up deployment processes while ensuring best practices are followed.



Policy as code allows you to create consistent workflows for the provisioning, securing, governing and auditing of infrastructure, helping you to control Cloud costs by avoiding spending on unnecessary resources—all while boosting productivity and mitigating risk.



Cost-centric policies act as guardrails to prevent future over-spending or unnecessary provisioning, while still offering the flexibility to create tailored rules to suit your organisation as its needs change.

Minimise resource underutilisation by improving visibility

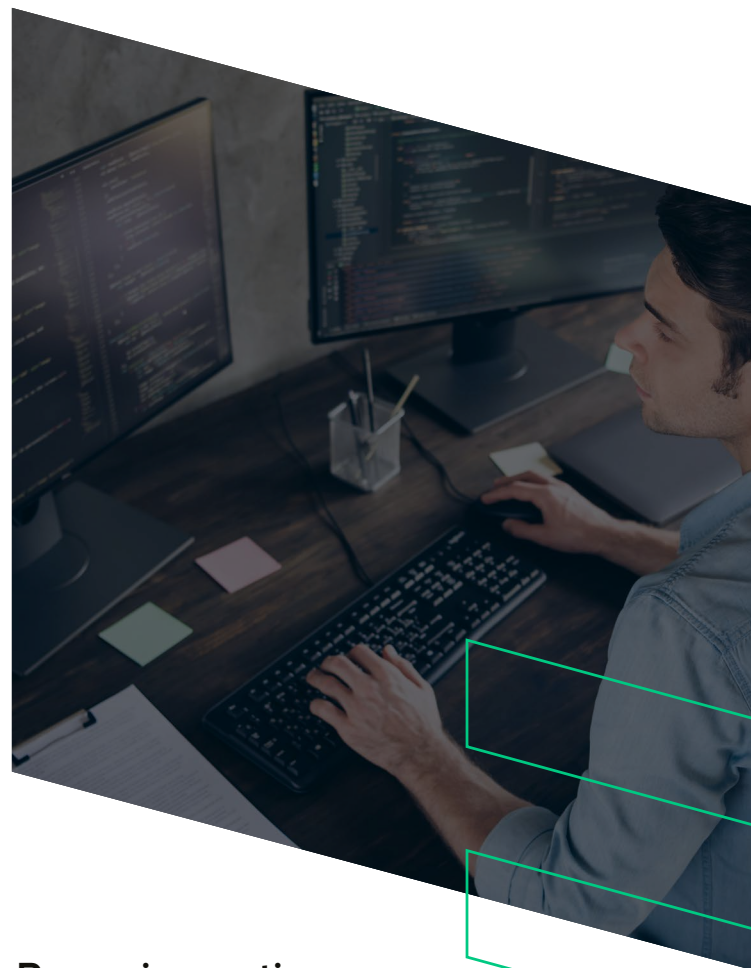
Staying in control of your Cloud costs relies on having the visibility you need into your infrastructure. With a single source of truth, you can gain greater clarity into your Cloud spend and resources, equipping you with the insights you need to make strategic decisions that minimise wastage.



Cost estimation allows you to estimate the cost of new Cloud deployments or changes to current ones in advance, providing you with an understanding of the cost implications involved before moving ahead with provisioning or applying changes.



Audit logs offer improved visibility into your resources, so you can stay up to date with changes. As a result of comprehensive audit logging, it's easier to ensure and maintain regulatory compliance.



Power innovation and collaboration via efficient infrastructure

Empower your developers to work more efficiently and drive innovation across your organisation, with self-service infrastructure that allows developers to reuse modules, collaborate with ease, and provision their own infrastructure without operator bottlenecks.



Continuous integration/Continuous delivery (CI/CD) pipelines provide a high level of programmability that allows many provisioning workflows to be automated, delivering greater efficiency while ensuring guardrails are enforced through policy as code.

From Migration to Optimisation

As a Microsoft Gold Partner and a certified HashiCorp partner, Nexon's experienced consultants can support you at every stage of your Cloud journey—from migrating your business to the Cloud with Microsoft Azure to reducing Cloud waste once you're up and running with HashiCorp's Terraform.

We can also help organisations already operating on the Cloud to take back control of their costs and provisioning.

Gold
Microsoft
Partner



Nexon's approach to minimising Cloud waste



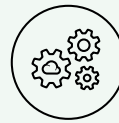
Plan

Effectively forecast costs and price Cloud resources prior to provisioning, starting with pre-Cloud migration.



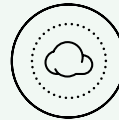
Provision

Achieve greater consistency using infrastructure as code for provisioning, with enforced best practices for a systemised approach.



Automate

Boost productivity by saving time and resources, via automated workflows for infrastructure provisioning, security and networking.



Optimise

Streamline your operations, increase efficiency, and achieve ongoing cost savings as you grow and scale your business in the Cloud.



The Nexon difference

Nexon has been helping Australian businesses navigate digital change for more than two decades. We understand the needs of the business landscape and the competitive forces driving changes across the sector.

Unlike other service providers in the marketplace, we have the unique ability to bring together a wide range of managed services to significantly improve your business operations. From network, telephony, Cloud services, unified communications, and business solutions, right through to desktop and day-to-day support, our experts handle your working environment so you can focus on what you do best.

Whether you are looking for an outsourced IT partner or an expert to help guide your digital transformation, we can help. We'll commence with a review of your organisation's objectives and create a solution that helps you adapt to the changing market demands.

Contact a Nexon expert

Contact us today to find out more about our comprehensive Cloud services, from seamless migration to ongoing optimisation. Call us at **1300 800 000**, email us at enquiry@nexon.com.au, or visit nexon.com.au/Cloud



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