



5 Hidden Costs of the Cloud and How to Avoid Them



Allen Holmes

VP Marketing and
Platform Alliances

Many enterprises are moving applications to the cloud for the benefits of having more streamlined workflows, faster performance and ultimately to save money. But don't be fooled by the cloud providers' promises of cost efficiency until you look under the hood and analyze all of the costs involved. Oftentimes, there are hidden costs that can add up to more spending than saving.

Let's take a look at some of the cost elements, including some not so obvious costs, you should be aware of before migrating to the cloud:

Compute: When it comes to cloud computing solutions, most cloud providers can be abstract about what you get for your money. They talk about providing things such as cores from a CPU, plus memory and create a number, but it is difficult to really know what you are paying for. Sometimes this leads to companies buying more and/or larger instances than they need to make sure their cloud migration doesn't impact their workloads. While this over-provisioning may be too much, they convince themselves that they will grow and therefore pay for excess capacity and/or they forget and abandon the instance and don't come back until they get the bill.

Storage: There are so many options for storage – sell at IOPs, SSD versus premium SSD, etc. The same thing happens here where companies buy more storage than they need assuming they will grow into it or because they don't know how their workloads will perform in the cloud. Or, they may not pay attention and end up overbuying capacity to ensure performance.

Networking: There are two ways information is distributed across the network – the pipes going into the cloud and the pipes going out of the cloud. With the incoming pipe, it is usually free to bring data into the cloud. But when it is time to pull the data out for analytics or other purposes, it is expense to download that data back to an on-premise network.

A-la-cart Services: Many companies make the mistake of buying a service, getting what they want out of it, and then abandoning it. These inactive customers are still paying even when there is zero storage in their database. This is similar to having a gym membership and paying your dues every month but never making it to the gym.

Bills: Once you get a bill from your cloud provider it can be very complex with thousands of line items, each compute instance/region and each respective charge associated with that instance, etc. It makes it hard to associate the costs to your infrastructure or workload, and even harder to know where you are spending money and where you can possibly reduce your expense. To put it another way, it can be challenging to understand basic product profitability.

The good news is that there is a way to avoid these hidden costs. Using a managed database-as-a-service (DBaaS) can save yourself from these headaches and added expenses. It can help you plan the right-sized instance and storage for your needs at a fixed price each month. A fully managed service offers more predictability, consistency and support. So, you can pay-as-you-go and have the ability to scale up or down depending on your current needs and avoid overpaying for your services you don't need.