



Are You Realizing Savings from Your Consumption-Based IT?

Moving to the cloud was supposed to trim costs, right? Then why are so many businesses struggling to find savings there?

To really understand this issue, let's take a step back.

In the past, businesses incurred high costs with the purchase of physical servers, racks, storage, and all things infrastructure (not to mention the maintenance of said systems). But that type of expenditure requires a detailed analysis to estimate future capacity needs for static hardware and software. Without that level of insight, IT managers ended up purchasing more product than they needed—product they were ultimately stuck with.

Then came the answer to all their problems: the cloud and a consumption-based approach to technology spending. The idea is, pay only for what you need, scale as you go and marvel at its impact on your bottom line. Only—that's not *exactly* what happened. Turns out, businesses weren't saving money under the new consumption-based model, and business leaders didn't know why. Moving from CapEx to OPEX was supposed to provide predictability of monthly expenditures and notable savings. So, where was the disconnect?

Moving to the cloud, in and of itself, is not the whole story; it's not a one-and-done deal. The notion that a cloud-based IT approach will automatically translate to cost savings is false. The fact is, just as IT managers were overprovisioning within the CapEx purchasing model, the same danger lays in wait for them in the cloud as well.

Not only are many cloud users underestimating their wasted spend in the cloud, but they're also overlooking critical actions required to optimize their on-demand computing costs, like shutting down forgotten or unused cloud resources. They're not tracking as they go, which makes it harder to justify the monthly spend—and possibly even perpetuating a perception that IT is a financial burden to an organization.

That's not to say all hope is lost. Just the opposite, in fact. Experts were not wrong when they said that on-demand computing holds tremendous opportunities for financial gain. But there's a caveat to that promise: *only* when usage and spend are monitored and tracked.

The good news is that's not nearly as complicated as it seems—not with the help of an active capacity management solution like HPE GreenLake Flex Capacity, for example. Using a capacity management solution, you can easily monitor and measure use and provision capacity within minutes, scale up or down as needed without overprovisioning for growth and plan better for future infrastructure needs—all while paying only for what you use. Plus, unlike other public cloud offerings, the OPEX-based pricing models do not charge for data ingress or egress.

With greater visibility and control, you can realize tremendous financial and operational benefits from your consumption-based IT model. With a complete and transparent understanding of your technology operating expenditures, you can predict monthly costs more accurately, justify your spend and ultimately turn the promise of savings through consumption-based IT into a reality.