

The Cost Optimization Factor of Cloud

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The past eighteen months have been a turning point for businesses in the modern age. The pandemic not only transformed conventional notions, but it also shattered multiple barriers of culture and technology.

As a response to navigating the challenges of these disruptions, enterprises have been betting big on cloud computing. With employees & consumers shifting to a work from home scenario and with ecommerce & supply-chain thriving, cloud adoption has been inevitable for enterprises, even if it meant getting creative with financing due to the pandemic. In fact, according to a recent [“Find your essential” study](#) by IBM Institute for Business Value (IBV) which polled 3000 CEOs across the world, including 111 in India, six out of every ten Indian CEOs expect cloud computing to deliver results by 2023.

In this shift to cloud, of the many factors that enterprises need to take into consideration, cost is a significant one. If the enterprises opt for a multi-cloud strategy to transfer their data over the different platforms, then a fine balancing ability in cost requires attention. As per another [IBV survey](#), the value derived from hybrid, multi-cloud platform technology and operating model at scale is 2.5 times the value derived from a single platform, single cloud.

Cloud helps enterprises optimize the investments in on-premise infrastructure and lets them scale data storage and computing power on demand. Enterprises need to take a call on asset and technology management, on deployment of cloud management platforms as well as judicious use of high and low demand servers – all of which can reduce overall bandwidth, storage, energy and traffic costs. One of the best ways to optimize costs is to use the processing power on the device whenever possible instead of using the one at the data centre.

Cost optimization approaches are multiple

One way of lowering costs is leveraging Function-as-a-Service (FaaS) - a serverless cloud computing service model that allows developers to deploy individual functions to the cloud. The enterprise then deploys the application code to a service provider’s platform and the application logic is executed, scaled and billed on demand. In FaaS, when an application is not being used, there is no billing. Cloud engineers can update the architecture to FaaS to benefit the enterprise.

Deploying cloud management platform is another approach that can bring down costs as it helps in identifying unused or over-provisioned resources. Enterprises can resize their requirements as cloud has the ability to scale up or down as the business dictates.

In addition to benefits of cost optimization, enterprises that have cloud automation strategies stand to benefit with improved security and resilience, enhanced backup processes and better governance (it allows them to set

up and run resources in a standardized and controlled manner across the enterprise). In cloud computing, scheduling work and workloads are keys to efficient utilization of resources, while ensuring that the execution of the submitted tasks take place within a minimum time frame. Enterprises often need to purge data as and when it is not required, making room for optimum utilisation of capacity.

In summary, with immense benefits of cost optimization, agility and security the focus of Indian enterprises towards cloud adoption is truly justified. While the pandemic did fuel the rush to cloud, it has also fast-tracked the future along with it.

This blogpost is authored by Nisar Rayadurg, Partner - Hybrid Cloud Management – GIC, Global Business Services, IBM India

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