

Controlling cloud egress costs with Taos



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01

What's up with the digital economy?

Customer network demand is one of the biggest pressures on modern enterprises. Most organizations realize their client base demands high availability, low latency and ease of use. If your organization doesn't meet those expectations, your brand loyalty may suffer. To help keep customers happy, enterprises have increasingly adopted multicloud environments.

92% Multicloud adoption stands extremely high at 92%.¹

42% Simultaneously, enterprise data is projected to grow 42.2% annually between 2020 and 2022.²

Moving to the cloud and adopting digital transformation offer many appealing promises, such as significantly lowering the costs of Infrastructure-as-a-Service (IaaS). However, while cloud-based environments can streamline workflows, reduce risk and lower costs, there are some easy-to-overlook areas where extra fees and charges can wreck your budget goals.

One of these often-neglected areas is data egress charges.

02

All about egress

The first step to solving a problem is understanding it. Data egress is best defined as outbound traffic from where the data originates or is stored. No matter who provides your data storage solutions, most likely they've got "digital turnstiles" at work that monitor data movement between the cloud and your on-premises environment.

Monitoring this flow allows the service provider to charge the customer (in this case, you) for the amount of data going through those gates. That metered data cost can occur between everything from databases and different cloud locations to third-party clouds and cross-cloud boundaries (including regions or zones).

These egress fees vary widely, from as low as 1 cent per GB up to 25 cents per GB (USD). Fees can also fluctuate based on the total amount of data being processed, transfer time of day and scalable cost pricing models.

If you're unaware of the data egress fees your cloud service provider charges, you could quickly undermine your financial priorities before you even realize it.

Now is the time to learn how to fix this problem.



03

Cloud cost creep

More companies are noticing the hidden costs of cloud and are reshaping their digital transformation strategies to compensate. In fact, recent reports show that 27% of companies considered cost savings a top initiative in 2021, compared to only 9% a year earlier.³

At first glance, cloud data egress seems a simple enough problem to solve. Once you know the cost of data transfers, you could just fit that into your budget planning and let it run automatically.

But should you?

Consider cloud egress charges to be your Achilles heel in cloud-based workflows. While your enterprise may enjoy the OpEx utility pricing model, you'll likely be surprised by how unpredictable and unmanageable these recurring egress charges can be. This is how you get "cloud cost creep."

27%
of companies
considered cost savings
a top initiative in 2021,
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Unfamiliar territory can create chaos

While cloud-based solutions can definitively lower overall costs compared to on-premises solutions, those cost reductions can be completely wiped out by egress charges. This is primarily because most cloud customers don't understand or plan for egress charges. In fact, even when they're identified as an issue, too few resources are devoted to keeping them from getting out of control.

Visibility must be a priority. If you aren't aware of egress charges or don't have the staff skills to monitor them, these are the first areas you must address. Otherwise, if the data processing fees continue to go unnoticed, the charges can stack sky-high far faster than many assume.

Centralized control can tame the chaos

Without centralized control of cloud spend, egress can easily become a growing problem. As soon as you become aware of the issue, your organization should establish effective control over the potential charges to avoid ongoing cost and cloud creep.

What's realistic for your business? Every organization will be different in its cloud usage and budget priorities. A good guideline to keep in mind is maintaining cloud costs below 7% of your IT budgets.

If your company isn't one of those already making these sorts of changes, consider this your wakeup call.

04

Discover your real cloud priorities

Nearly 61% of companies considered optimizing the use of the cloud for cost savings their top priority for 2021.³

Don't overlook egress cost management

We won't pretend that there's a "one size fits all" approach to egress and cloud creep for your particular business. Achieving reasonable control over egress costs requires a flexible, multipronged process that you can adapt to fit within your unique cloud environments and focus on your financial priorities.

This approach can serve as a foundation for minimizing egress cost while maximizing your cloud efficiencies. These are some suggested best practices.

1

Establish better financial reporting on cloud costs with itemized reports.

2

Adopt clear metrics for measuring cloud progress such as cost savings and cost avoidance.

3

Renegotiate your cloud contracts when possible to put limits on these charges.

4

Enhance visibility of cloud use for all providers, apps, services and resources.

Internally, you should also set clear policies that can lower operational costs, such as:



Shut down workloads after hours.



Correctly size cloud instances to avoid waste.



Eliminate inactive storage and use lowest-cost storage tiers.



Use lowest-cost cloud regions and cloud services.



Set expiration dates for services and software licenses.



Schedule large data transfers outside busy hours when possible.

05

Tame your egress stress

Don't let egress run wild in your organization. If you're invested in the cloud, you'll want to engage a holistic approach to cloud spend management. Use data egress concerns to instigate an objective assessment of your current situation. Then determine how your cloud usage aligns with your spend goals and operational objectives.

Only then can you decide the best steps to take for your specific environment and resource availability. More granular strategies can include:

- **Set guidelines for cloud spending** including monetary and percentage limits of budgets.
- **Gain complete visibility** of cloud usage by provider, cloud, resource, department and application.
- **Analyze cloud use** by apps, storage type, and time of day to reduce waste and eliminate "mystery charges" that can continue to mount because no one knows about them.
- **Monitor and rationalize licenses** for employees using role-based access to cloud resources.
- **Adopt microservices and containers** to reduce cloud footprint compared to virtual machines (VMs).

You should also consider getting help from third-party consultants. These experts have both the skills and expertise to provide a comprehensive view of your cloud spend and guide you through the process of taking better control of the cost factors.

06

Adopt Taos solutions for egress control

Taos is helping enterprises migrate to the cloud and modernize applications using cloud-native resources. Our cloud experts start their efforts by assessing your current environments and understanding your enterprise's unique business objectives.

Taos teams can identify the best path for migrating and modernizing apps, then create personalized plans accordingly. Experienced Taos experts work with you to develop and execute optimal digital transformation plans that most likely will exceed your expectations.

The Taos teams place workloads on clouds that offer the most efficient costs. Then we monitor cloud expenses with frequent reviews. We continuously report on spending levels and make ongoing recommendations for cost-saving improvements.

For more information about digital transformation and controlling cloud egress charges, visit [Taos](#) to consult with a Taos expert.





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01 Flexera 2021. "2021 State of the Cloud Report."

02 Seagate-IDC 2020. "Rethink Data."

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