

Azure savings plan for compute

Related resources will be live at GA date.



Agenda



01 Introducing Azure savings plan for compute

- Unlock significant cost savings
- Optimize savings automatically
- Save on your terms

02 How savings plan works

- Purchasing a plan
- Using the plan

03 Options for different usage needs and patterns

- Azure savings plan for compute and Reserved Instances
- Identifying workload patterns
- Meeting customer needs with each offer

04 Resources

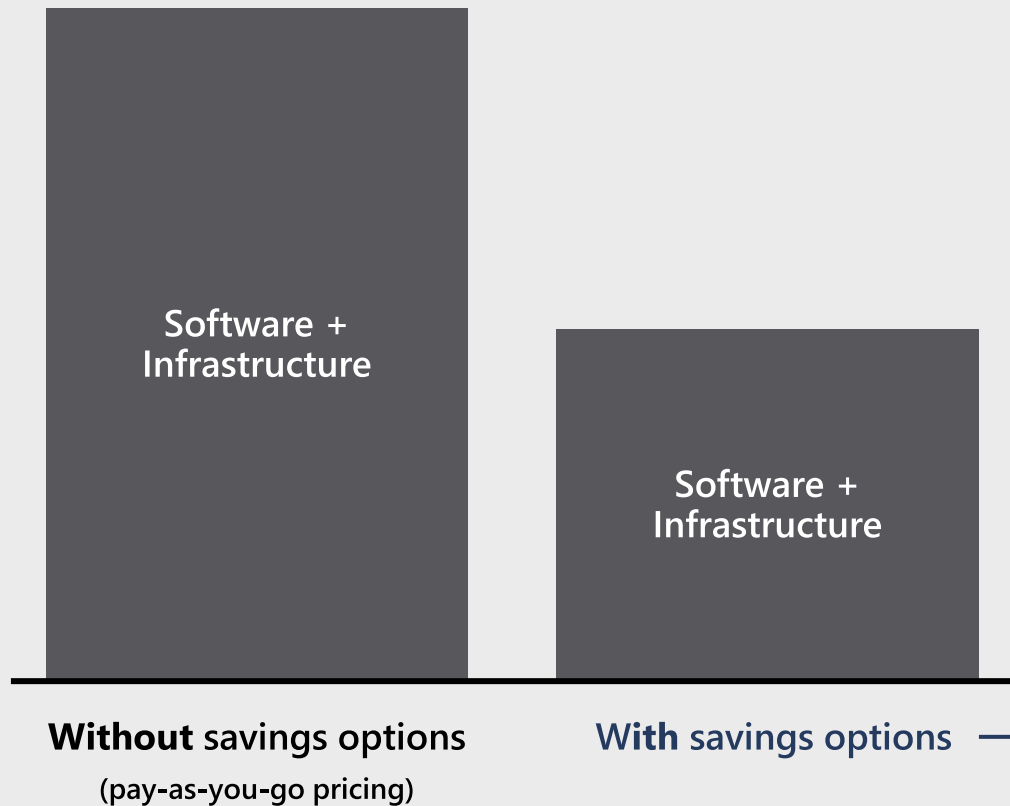
01 - Introducing Azure savings plan for compute

What it is and associated customer benefits

Expanding our cost saving options for Azure compute

Accelerate cloud adoption with new growth opportunities

Compute cost



Savings options

Software

Windows Server and SQL Server workloads → Bring your existing on-premises licenses to Azure with **Azure Hybrid Benefit**

Infrastructure

Stable, predictable workloads → Get lower prices on a specific virtual machine in a particular Azure region with **Reserved Instances**

Interruptible workloads → Access low-cost unused Azure compute capacity at scale with **Spot Virtual Machines**

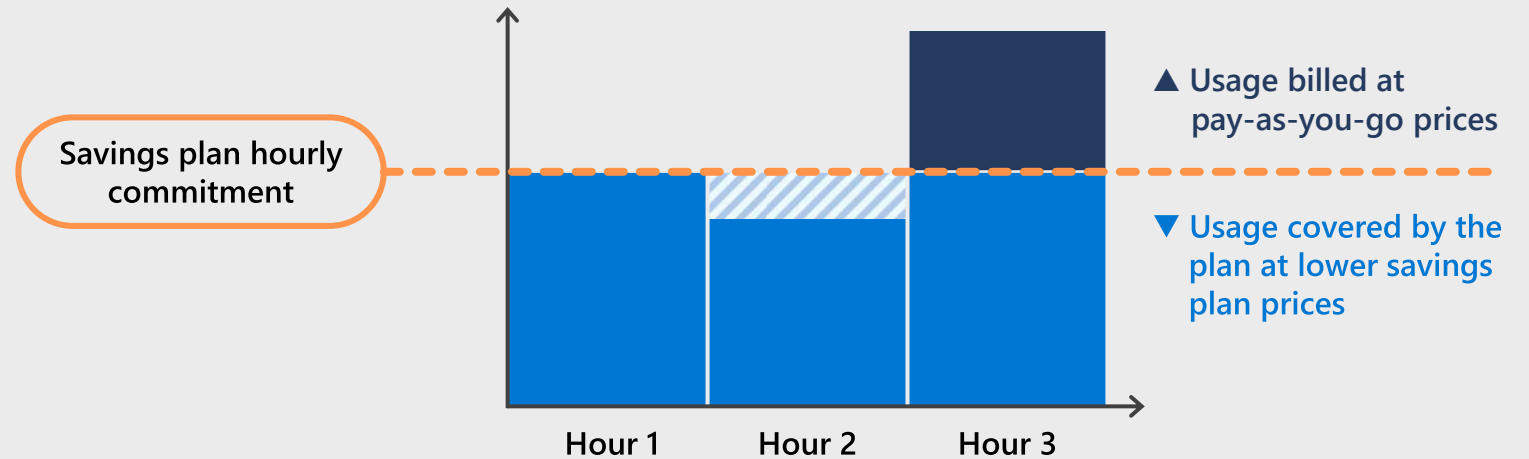
NEW!

Consistent compute spend → Unlock lower prices on compute services by committing to spend a fixed hourly amount with **Azure savings plan for compute**

Introducing Azure savings plan for compute

Easy and flexible way to save on compute costs

Save money across compute services globally by **committing to spend a fixed hourly amount for 1 or 3 years**, unlocking lower prices until you reach your hourly commitment.



Unlock significant cost savings

up to 65%* compared to pay-as-you-go pricing



Optimize savings automatically

across select services globally up to the hourly commitment



Save on your terms

by customizing the plan's term length, scope, billing frequency, and hourly commitment to fit your needs

*Customers may see savings estimated to be between 11 percent and 65 percent. The 65 percent savings is based on one M64dsv2 Azure VM for CentOS or Ubuntu Linux in the East US region running for 36 months at a pay-as-you-go rate of ~\$4,868.37/month vs. a reduced rate for a 3-year savings plan of ~\$1,703.44/month. Based on Azure pricing as of October 2022. Prices subject to change. Actual savings may vary based on location, instance type, or usage.

Unlock significant cost savings



Get better pricing across a broad set of compute services worldwide

- Save up to 65% compared to pay-as-you-go prices on select compute services
- Achieve greater savings with longer-term plans
- Save even more by combining with other saving options such as Azure Hybrid Benefit

Note: Pricing is for illustrative purposes only and are not actual



Example: M32dms v2 in Japan East

Pay-as-you-go
\$10/hour

Savings plan (1-year)
\$7/hour

Save 30%

Savings plan (3-year)
\$3.5/hour

Save 65%

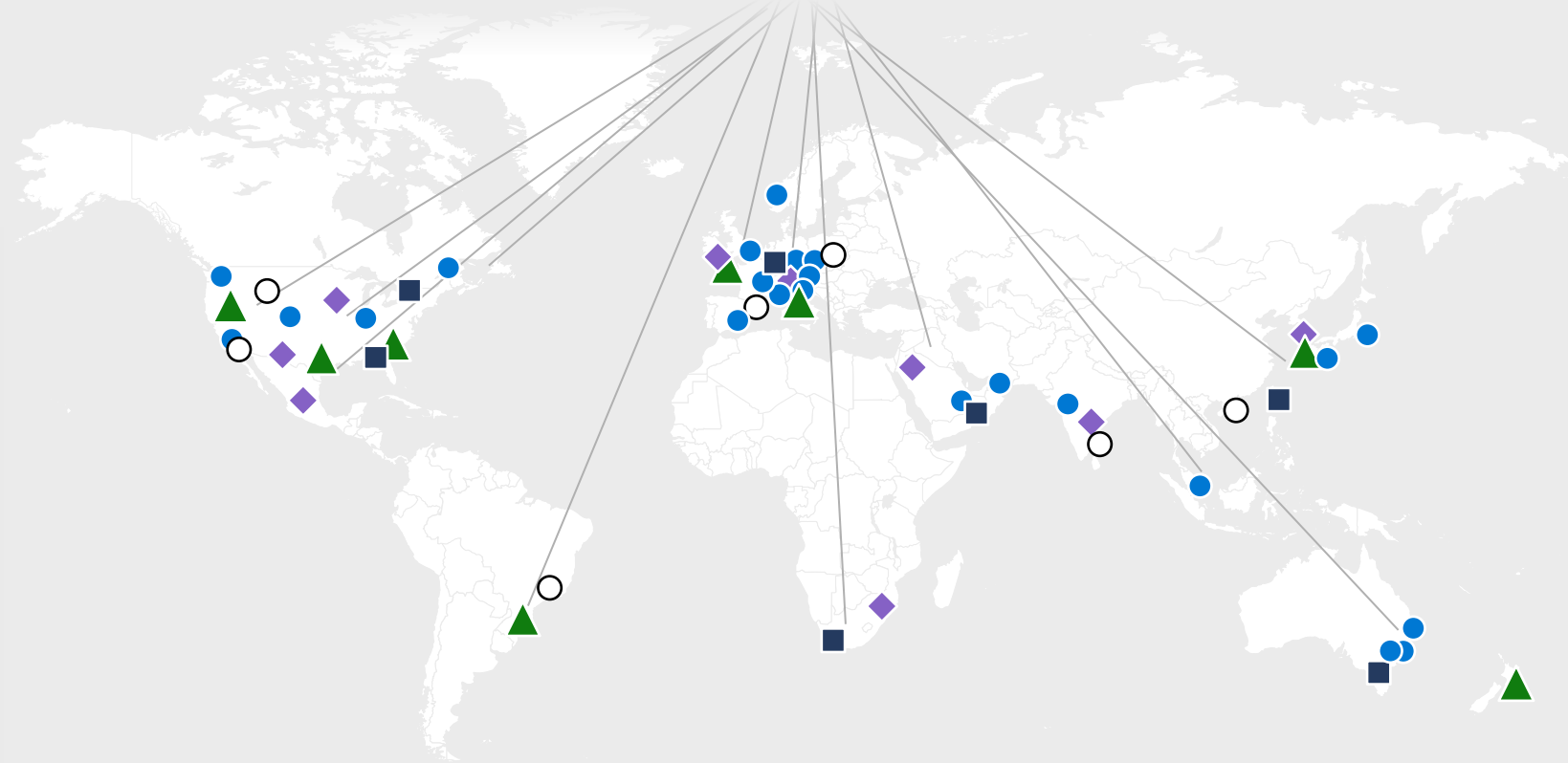
Optimize savings automatically



Azure savings plan for compute

Compute usage across the world is covered by the plan at reduced prices, helping you get more value from your cloud investment

- Save on compute usage regardless of region, instance series, or operating system
- Biggest savings are automatically applied first, allowing you get the best value from your hourly commitment
- Modernize workloads and continue saving as needs change over time



Compute products and services covered by the plan:

- Azure Virtual Machines
- ▲ Azure Functions Premium Plan
- ◆ Azure App Service*
- Azure Container Instances
- Azure Dedicated Host

For illustrative purposes only. Refer to the Azure geographies page for global availability.

* App Service includes only upgraded premium and isolated services (Premium v3 and Isolated v2).

Save on your terms



Quick and easy to purchase with flexible plan options to fit customers' needs

- 1 Save on compute usage by choosing a 1- or 3-year term
- 2 Get help setting the optimal hourly commitment amount with personalized recommendations based on your recent usage
- 3 Enjoy flexible payment options—pay all upfront or monthly at no extra cost
- 4 Streamline savings according to budget needs—scope plan to a subscription, resource group, management group or entire account

Microsoft Azure Search resources, services, and docs (G+)

Home > Cost Management + Billing > Contoso Billing Profile >

Add a plan

Basics Review + buy

Savings plan helps you save money on Azure products and services but with additional flexibility. By committing to a consistent amount of usage for 1 or 3 year terms, you receive significant savings on compute resource as you use them.

Name * Compute_SavingsPlan ✓

Billing subscription * ContosoSubscription ✓

Term length * 3 years 1 year

Hourly commitment in USD * 5.00

Billing frequency * Monthly All upfront

Apply to any eligible resource * Shared across the subscription's billing scope (Contoso Billing Profile) Only in the subscription (ContosoSubscription) In a specific resource group in the selected subscription In a management group of the selected subscription

Cost summary
USD 3,650.00/mo
USD 43,800.00 total
[See details](#)

Next: Review + buy

Example presented for illustrated purposes only

02 – How it works

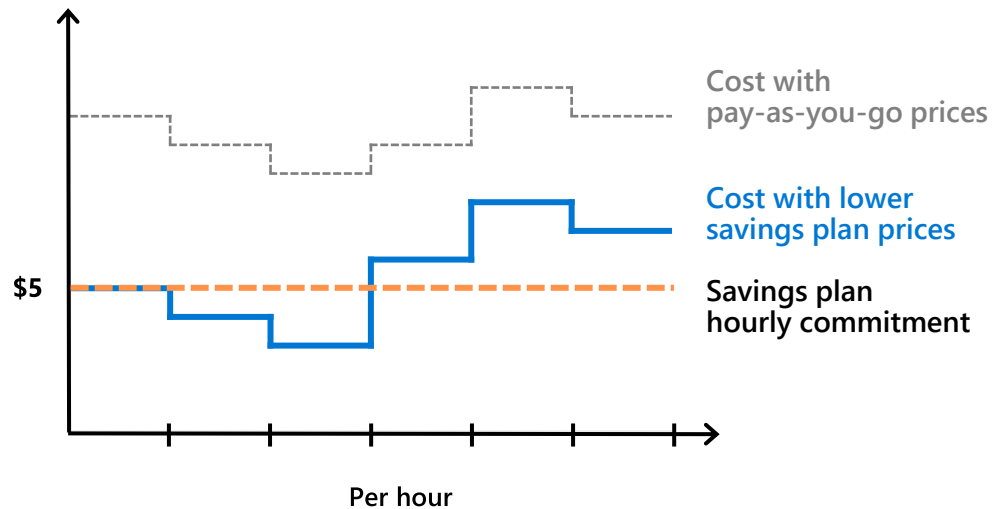
Purchasing and using it

Purchasing an Azure savings plan for compute

How Azure savings plan for compute works | example



Review **personalized recommendations** in Azure portal based on recent usage and consider future needs to determine the **optimal hourly commitment** after savings are applied.



2 Purchase

Select a 1-year savings plan for **\$5 per hour** to be applied across entire account.

Total commitment dollar value is **\$43,800**.

$$\begin{array}{r} \$5 \text{ per hour} \\ 24 \text{ hours per day} \\ \times \quad 365 \text{ days per year} \\ \hline \$43,800 \text{ amount due} \end{array}$$

3 Pay

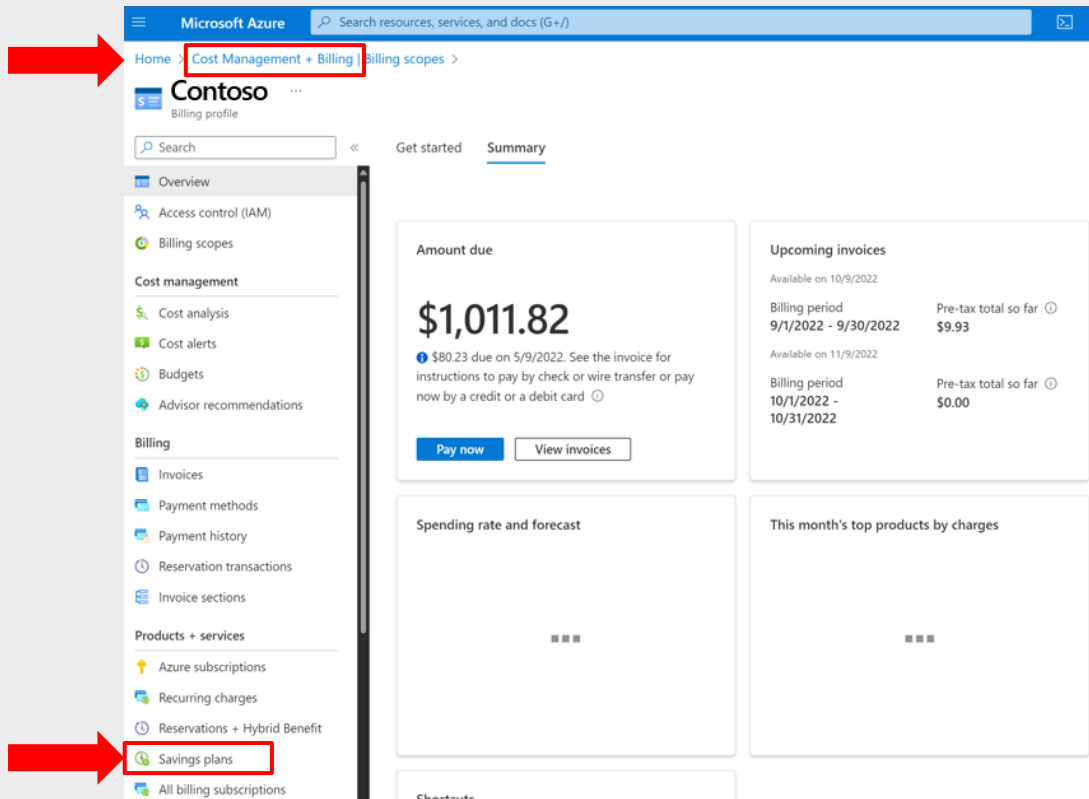
Choose to pay **\$43,800 upfront** or **\$3,650 monthly** for no extra cost.



Example presented for illustrated purposes only, not actual pricing and spend.

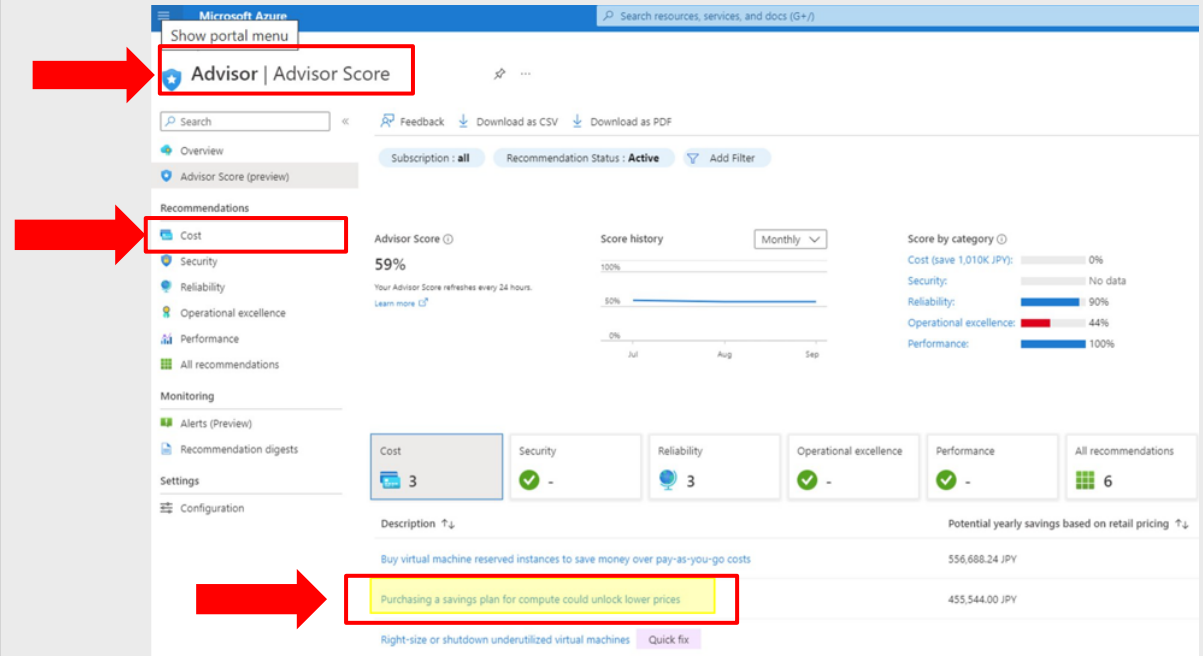
Purchasing an Azure savings plan for compute

Azure Portal



- Azure Portal
- Cost Management + Billing Section
- Products + Services
- Savings plans

Azure Advisor



- Azure Advisor
- Recommendations
- Cost
- Description

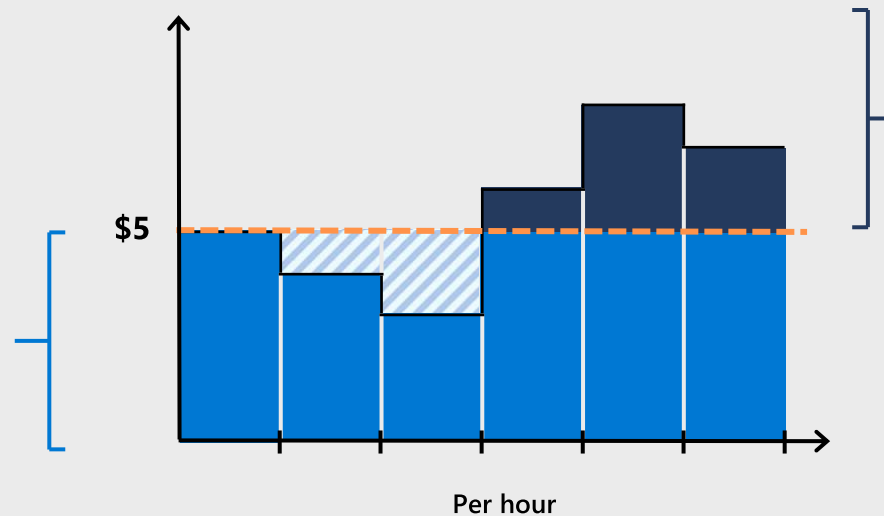
Using the Azure savings plan for compute

How Azure savings plan for compute works | example

Savings start immediately and are automatically applied every hour as you use select compute products and services, regardless of Azure region, instance series and operating system. You'll get **lower saving plan prices** on usage up to their \$5 hourly commitment.

If usage is at or below \$5 per hour

- Billed at lower prices & covered by the plan's hourly commitment.
- No additional costs are incurred.
- Note: You'll spend at least \$5 every hour no matter your usage.



If usage is above \$5 per hour

- First \$5 of usage is billed at lower prices & covered by the plan's hourly commitment.
- Amount above \$5 billed at pay-as-you-go prices and added to invoice separately.

Example presented for illustrated purposes only, not actual pricing and spend

03 - Options for different usage needs and patterns

Aligning saving option to fit customer needs

Evolving our compute saving options to better serve our customers

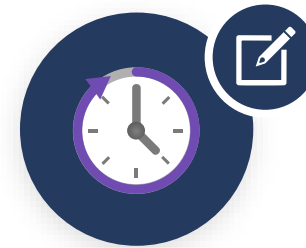
Changes to our 1- or 3-year savings options

Adding a new, flexible offer



**Azure savings plan
for compute**

Changing existing offer's exchange policy



Reserved Instances

Cost saving options for different compute usage needs and patterns



Azure savings plan for compute

Most flexible savings for dynamic workloads while accommodating for planned or unplanned changes



Reserved Instances

Greatest cost savings for stable, predictable workloads with no planned changes

Savings compared to pay-as-you-go

Save up to 65%

Save up to 72%*

Commitment type

Spend a fixed hourly dollar amount on compute services collectively (e.g. Spend \$5/hour on compute services for 1 year)

Usage of a specific virtual machine type in a particular Azure region (e.g. D2v4 virtual machine in Japan East for 1 year)

Savings apply

Across select services globally, up to the hourly commitment

Directly to the identified compute service in a particular region

Term

1 or 3 year

1 or 3 year

Payment options

Upfront or monthly

Upfront or monthly

Cancellation

No cancellations

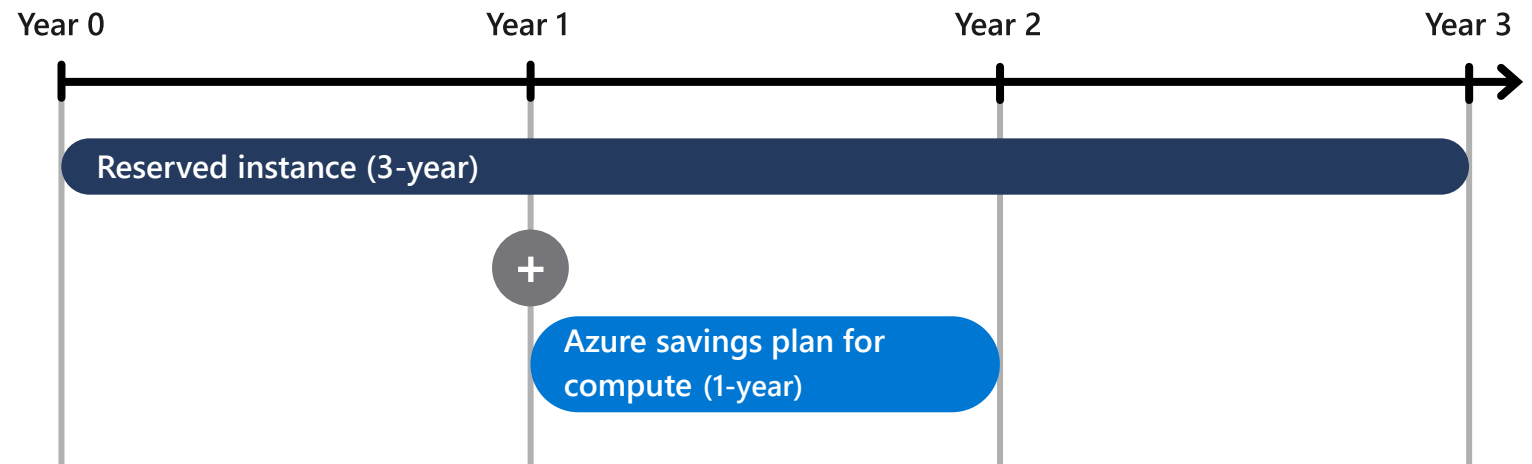
Up to \$50,000 USD

*The 72 percent saving is based on one M32ts Azure VM for SUSE Linux Enterprise + 24x7 Support OS in the West US 2 region running for 36 months at a pay-as-you-go rate of ~\$1,976.11/month; reduced rate for a 3-year reserved instance of ~\$552.85/month. Azure pricing as of February 22, 2022. Prices subject to change. Actual savings may vary based on location, instance type, or usage.

Customers may have both Azure savings plan for compute and Reserved Instances

We automatically maximize customer benefit and savings across eligible usage each hour

- When usage can be covered by either Reserved Instances or Azure savings plans for compute, reserved instances are used first, as they provide greater savings and have a more targeted scope
- Azure savings plan for compute will apply to the remaining eligible usage until the commitment is fully consumed
- Once a Reserved Instance or Azure saving plan for compute is fully consumed or expired, you will then be billed on a pay-as-you-go basis



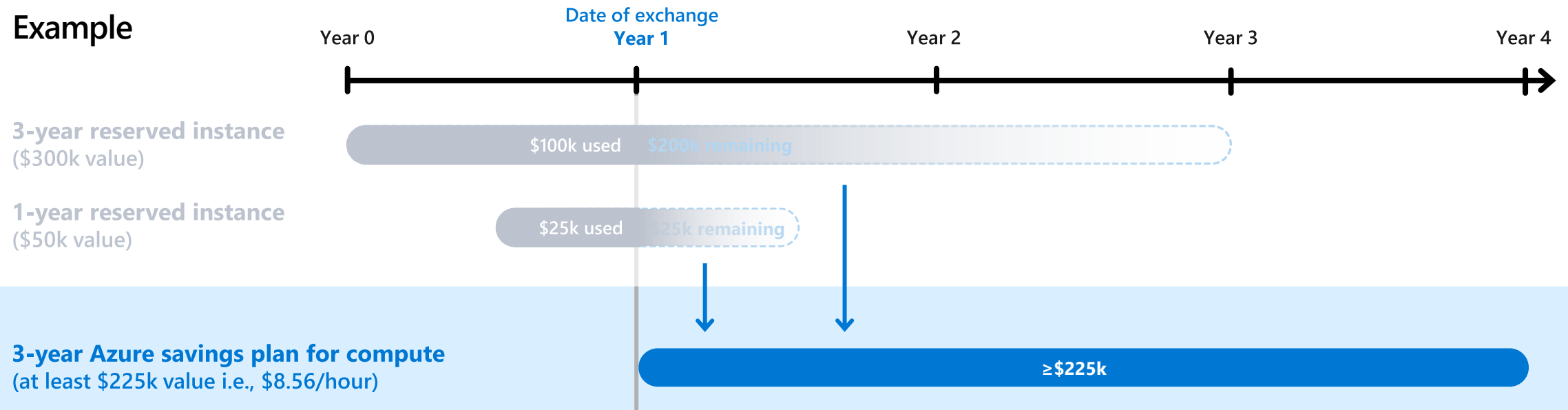
Each term is unique and based on date of purchase

Trading Reserved Instances for an Azure savings plan for compute

For a limited time, you may trade in eligible¹ Reserved Instances for an Azure savings plan for compute.

- You must purchase an Azure savings plan for compute that is **greater or equal in total value** than the prorated remaining value of their existing RI commitment
- The new Azure savings plan for compute starts a **net new term** from the trade in date

Example



¹VM, Dedicated Host, and App Service reserved instances.

Identify workload patterns that best align to savings options

Categorizing compute costs by usage behavior | example

Highly stable workloads like domain controllers

- Run continuously on D2v4 virtual machines in Japan East datacenter near headquarters
- No expected changes to the machine series or region



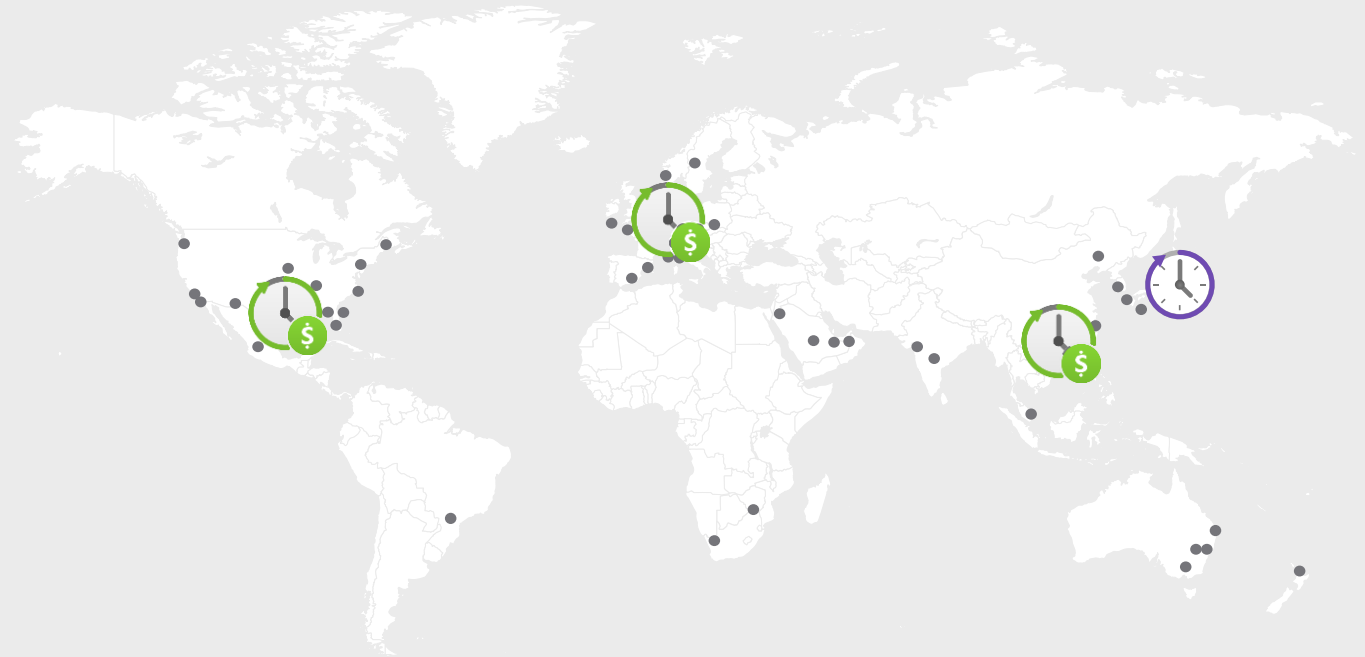
Consider a **Reserved Instance** for the greatest savings

Dynamic workloads like those that power the case management solution of the 24-hour global help desk

- Run on different sized virtual machines based on expected volume of each distributed service center
- Change regions throughout the day (follow-the-sun)



Consider **Azure savings plan for compute** for savings with built-in flexibility and automatic optimization



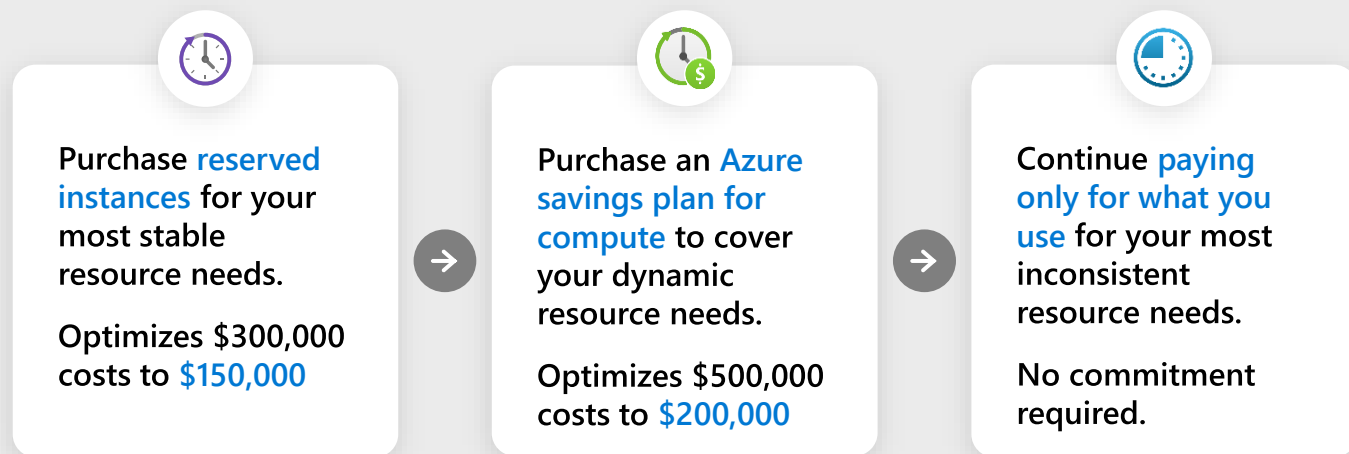
For illustrative purposes only.

Plan for known usage needs and realize instant savings

Optimizing compute costs at scale | example

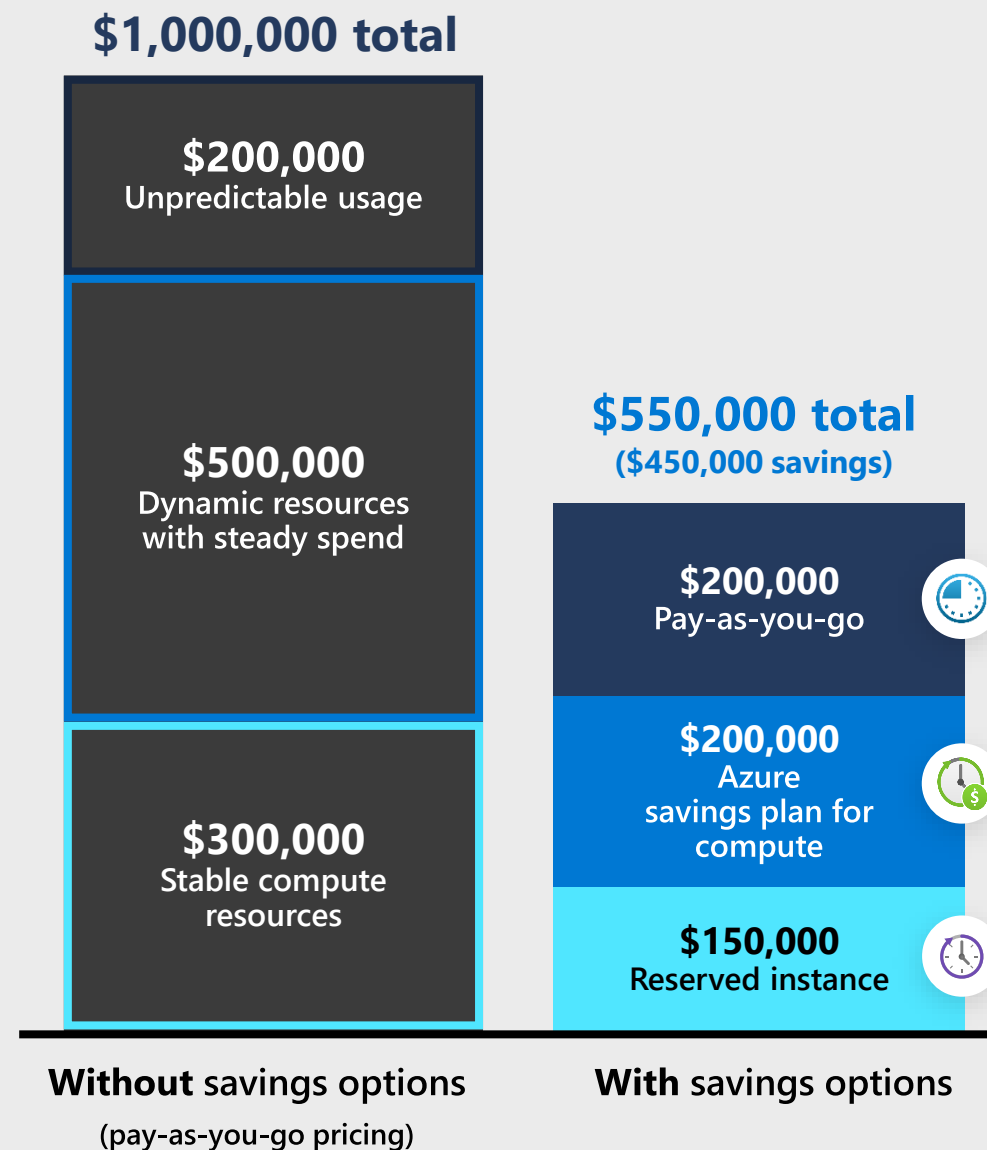
Your compute cost totals **\$1,000,000** billed on a **pay-as-you-go basis**.

By allocating spend to the appropriate savings options based on usage needs, you can take your budget further.



→ Your optimized compute cost totals **\$550,000 with savings options**.

→ **With \$450,000 savings**, you may fund **additional new projects** on your IT transformation journey.



Resources

Start saving today!



Azure savings plan for compute

- Learn more: [Azure savings plan for compute homepage](#)
- View your recommendation: [Azure Advisor](#)
- Purchase a plan: [Azure portal](#)
- Review documentation: [Microsoft Documentation](#)
- Training and Skilling: [Learning Module](#)

Additional resources:

- [Azure Reserved Virtual Machine Instances](#)
- [Azure Hybrid Benefit](#)
- [Azure Spot Virtual Machines](#)

Thank you