

HPE ECONOMIC ANALYSIS FOR CLOUD



As organizations consider migrating to the cloud, understanding the cost implications and potential savings of this effort is top of mind for CFOs and CTOs alike. Decision-makers want to know the financial benefits of moving to the cloud. We can help answer their critical questions:

- What is the cost in the cloud compared to what I pay today?
- How much will it cost me to migrate?
- When will I start seeing returns?
- What are the strategies to reduce our costs in the cloud?
- What are all of my direct and indirect costs?
- How do costs differ between public cloud providers?

The HPE Economic Analysis for Cloud service is a comprehensive comparative

financial analysis between the current IT estate and a future state cloud-based environment.

There are two engagement scenarios offered under this service—the total cost of ownership (TCO) and return on investment (ROI). The TCO is done before an ROI can be evaluated.

HOW MUCH?

TCO analysis compares the cost of operating an on-prem IT footprint and a comparable cloud footprint.

WHEN?

The ROI analysis builds upon the TCO analysis to determine one-time migration costs and when the point of positive return will be reached.

QUANTITATIVE AND QUALITATIVE ANALYSIS

Many organizations focus on quantitative advantages, for example:

1. Cloud-operating costs as compared to current state
2. Comparison of whether Azure or AWS might be a better economic fit for how they do business
3. Estimation of migration costs
4. Understanding of ROI

However, there are also qualitative advantages, which an organization may need support in identifying. We seek to understand critical issues and objectives and help identify these qualitative advantages. These may include improving business agility and operational resiliency, avoiding lost-opportunity costs, and repurposing existing personnel toward more direct revenue-generating activities.

APPLICATION-LEVEL AND PORTFOLIO-LEVEL ANALYSIS

The TCO and ROI analysis can be done at two different levels: application level and portfolio level.

An **application-level** analysis includes one to three applications, an in-depth analysis of current application architecture, and a proposed future state architecture.

A **portfolio-level** analysis does not analyze specific applications but instead maps a like-for-like application footprint in the cloud.

A portfolio-level ROI analysis is typically done in conjunction with an application portfolio assessment through the [Application Migration Plan for Cloud service](#) to inform the migration cost calculations.

OUTCOMES

- Objective, fact-based analysis including people, process, and technology
- Cost reduction opportunities and strategies specific to client's situation
- Qualitative and quantitative financial information to inform business decisions

FEATURES AND BENEFITS

- Tailored approach specific to business parameters
- Customized analysis of qualitative and quantitative business drivers
- Greater accuracy in the information used to measure the financial impact for cloud adoption
- More comprehensive, vendor agnostic, and customizable than online services
- Multifactor analysis of people, process, and technology included—not just cost analysis
- Identifies high-value workloads that when migrated contributes to self-funding a high-cost IT transformation project

WHY HPE?

With specific focus on cloud strategies, this service is differentiated from competitive offerings as it incorporates multifactor analysis of people, process, and technology across the multiple domains within an enterprise. The result is greater accuracy in the information used to measure the financial impact of cloud adoption.

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