



# 4 Ways AWS Cloud Delivers Cost Savings for the Public Sector

Government agencies, departments, municipalities, and schools are charged with many FY23 procurement priorities that could benefit from cloud cost savings. From modernizing and consolidating infrastructure to modifying workloads in the cloud, today's organizations are moving to digital business transformation. So, can moving to the cloud help Fed and SLED to cut costs? The answer is clear: nearly always, and we have the data to prove it.

At a high level, organizations running various enterprise workloads on Amazon Web Services (AWS) not only lower their cost of providing IT services but also change how they deliver IT services, helping them transform their business operations.

IDC's analysis shows surveyed AWS customers achieving a strong value at an average of:

- 6 Months to payback<sup>1</sup>
- 637% 5-year return on investment<sup>1</sup>

Below are 4 of the top ways the public sector can begin their migrations to the cloud and save on costs.

## 1 RETIRE LEGACY INFRASTRUCTURE AND APPLICATIONS

Migrating to the AWS cloud helps modernize and consolidate overlapping applications and databases. Retiring legacy tools can simplify IT processes and deliver significant operational and enterprise cost savings.

**51%**

reduction in operational costs<sup>1</sup>

**31%**

lower 5-year total cost of ownership (TCO)<sup>1</sup>

### Savings in Total Infrastructure Costs

**20%**

for an average organization<sup>2</sup>

**47%**

for a top performer<sup>2</sup>

The Defense Logistics Agency (DLA), for example, is transitioning its enterprise business systems to a cloud-based hosting solution to improve auditability, accelerate capability development and delivery, streamline business processes, decrease cybersecurity vulnerabilities, address aggregated costs, simplify upgrades, and provide better innovation as technologies evolve.<sup>3</sup>

## 2 MOVE FROM CAPEX TO OPEX

AWS saves on capital expenditures (CAPEX) like the purchase, installation, configuration, management, and constant upgrades of on-premises servers. Instead, cloud computing operations expenditures (OPEX) can include **pay-as-you-go service** and **no up-front payments**, with resources and services available on demand, and IT spending based on consumption.

The DLA is transitioning to a pay-as-you-go cloud service to manage costs and will rely on SaaS as a managed service to monitor costs incurred by various business applications.<sup>4</sup>

## 3 LEVERAGE GLOBAL INFRASTRUCTURE AT SCALE

With cloud-built and maintained global infrastructure at scale, AWS passes the cost savings on to customers. AWS pricing principles include:

No up-front investment

Pay-as-you-go approach

Pay less by using more

Pay less as AWS grows

**115** price reductions since AWS launched in 2006<sup>5</sup>

## 4 MODIFY MAINFRAME WORKLOADS

Proven methodology, automated tools, and certified expert AWS teams and partners are available to re-platform, re-factor, or augment mainframe workloads to drive cost savings, along with innovation and agility. With AWS, mission owners can confidently move critical mainframe infrastructure and applications to a secure and scalable cloud environment with global reach.<sup>6</sup>

**60-90%**

cost reduction for customers who move workloads from mainframes to AWS<sup>7</sup>

Customers can break data silos, make mainframe data available to a wider range of stakeholders, and gain access to analytic tools to get more value from this locked data.

### COMPARISON: On-premises vs. AWS Storage

With an on-premises environment, you must: **With AWS storage, for example, you get:**<sup>5</sup>

• Pre-pay for storage (no ability to easily scale up or down)	• Pay-as-you-go payment structure
• Procure, set up, manage, and monitor your storage	• Next-gen scalable storage in an instant—use only what you need when you need it
• <11 nines of data durability	• At least 99.999999999 data durability
• Build or rent and maintain data centers' daily maintenance tasks	• AWS-built & maintained data centers and technology
• Purchase multiple appliances for higher availability and redundancy—with no SLAs	• A minimum of 99.5% availability SLA over a given year and no need to buy hardware <sup>8</sup>

Purpose-built to provide the lowest cost storage for different access patterns and ideal for virtually any use case, AWS cloud provides storage options for the most demanding performance needs, data residency requirements, unknown or changing access patterns, or archival storage.

<sup>1</sup> <https://pages.awscloud.com/rs/112-TZM-766/images/AWS-BV%20IDC%202018.pdf?alid=1614258770>

<sup>2</sup> <https://di.awsstatic.com/psc-digital/2022/ge-mig/business-value-of-migration/Business-Value-of-Migration-Whitepaper-EN.pdf>

<sup>3</sup> <https://www.dla.mil/About-DLA/News/News-Article/2805983/dla-prepares-for-future-needs-with-digital-business-transformation/>

<sup>4</sup> <https://federalnewsnetwork.com/federal-insights/2022/07/dla-starts-to-answer-the-deeper-value-questions-of-cloud-services/>

<sup>5</sup> <https://aws.amazon.com/government-education/>

<sup>6</sup> <https://aws.amazon.com/blogs/publicsector/aws-selected-for-u-s-department-of-defense-joint-warfighting-cloud-capability-contract/>

<sup>7</sup> <https://aws.amazon.com/mainframe/>

<sup>8</sup> <https://aws.amazon.com/s3/cost-optimization/>

For more information on how the AWS Cloud can help you optimize your expenditures on infrastructure, storage, and cloud services, contact us today.