AWS Savings Plans present an enormous opportunity for enterprises to reduce their cloud compute costs. Like Reserved Instances (RIs), Savings Plans give customers a discount on their compute spend in exchange for an upfront commitment. While this sounds simple, planning for, purchasing, and fully utilizing Savings Plans adds complexity to your environment, especially when managed alongside previous RI commitments. CloudHealth helps customers through every phase of the Savings Plan lifecycle, from planning and analysis, to making purchases, to tracking and accounting.

Customers face challenges with savings plans

**CHOOSING A SAVINGS PLAN**
Determining which Savings Plan to purchase for your organization is not a simple decision. It’s important to take several factors into account, including budgets, confidence in future usage rates, and the KPIs most of interest to your business, whether it’s coverage rates, discount rates, or net savings.

**DETERMINING SPEND COMMITMENT**
Because Savings Plans can’t be exchanged, modified, or resold, it’s critical that customers get the maximum benefit from the investments they make, without overcommitting.

**TRACKING AND ATTRIBUTING SPEND**
Because Savings Plans float across accounts, instance families, and regions, attributing the savings benefit to different groups, and reporting on the net costs of these services per business group is challenging. Additionally, upfront Savings Plan purchases must be amortized and allocated to the correct groups.

Key capabilities of CloudHealth

<table>
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<th>A Simple, Flexible, Tunable Solution</th>
<th>KPI-Based Scenario Modeling</th>
<th>Trusted Recommendations</th>
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<tr>
<td>Adjust evaluation period, commitment level, and targeted coverage to choose the best plan for your organization.</td>
<td>Conduct your own what-if analysis to understand how key KPIs would be affected by different commitment levels.</td>
<td>Confidently commit to Savings Plans with CloudHealth's independent analysis, insights, and recommendations.</td>
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</table>
How CloudHealth helps

CloudHealth gives customers all the tools they need to choose the right Savings Plan, purchase Savings Plans directly within the Platform, track and analyze Savings Plan benefits, identify Savings Plan waste, and amortize Savings Plan purchases.

01 PREPARING FOR A SAVINGS PLAN PURCHASE

Before making a Savings Plan purchase, customers must first get a clear picture into their existing discount coverage and optimize existing RI’s before making additional commitments via Savings Plans. The CloudHealth Convertible Reservation Exchanger recommends which of your Convertible RIs should be exchanged and what they should be exchanged to. Then, with a click of a button, CloudHealth will make the exchange on your behalf.

02 CHOOSING A SAVINGS PLAN

There are two types of Savings Plans available today: EC2 Instance Savings Plans, offering up to 72% off on-demand prices, and Compute Savings Plans, offering slightly less savings– up to 66% off on-demand prices– but with more flexibility than EC2 Savings Plans. Further, AWS offers several purchase options (three payment terms: full, partial, or no upfront; and two commitment durations: 1 year or 3 year). Customers need a way to understand their different options and the financial trade-offs of each.

CloudHealth gives users a side-by-side comparison of all Savings Plan options, and allows you to tune the evaluation period, commitment level, and targeted coverage so you can make the best choice for your organization. CloudHealth Savings Plan Recommendations are the only offering on the market that enables customers to model out different scenarios in order to land on the best Savings Plan purchase based on their budget, target coverage, minimum discount rate, or savings, and then make purchases directly from within the CloudHealth Platform.

03 MANAGING SAVINGS PLANS

Once purchased, companies need to understand which groups got the benefit of a Savings Plan so they can account for it appropriately. CloudHealth’s granular allocation allows customers to slice their data based on perspectives, enabling teams to look at which business unit, team, or project received the benefit of a Savings Plan. Customers can then use the cost history report to

Still have questions?

CloudHealth expert advisors are ready to help. Our Strategic Savings Desk— a complimentary service for CloudHealth customers—is here to advise you on how discounts work, which one is best for you, and best practices for Savings Plan management. Reach out to us at cht-savingsdesk@groups.vmware.com.

If you want to read more about the AWS Savings Plans then check out our free eBook: The Ultimate Guide to AWS Savings Plans.