

# Manage AWS Savings Plans with VMware Tanzu CloudHealth



- Public Sector
- Marketplace Seller
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**Figure 1:** We're an AWS partner.

AWS Savings Plans present an enormous opportunity for enterprises to reduce their cloud compute costs. Like AWS 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 RI commitments.

## Challenges customers face 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 key performance indicators (KPIs) most of interest to your business, whether it's coverage rates, discount rates, or net savings.

### Determining the spend commitment

Because Savings Plans can't be exchanged, modified or resold, it's critical that you get the maximum benefit from your investments, without overcommitting.

### Tracking and attributing spend

It's challenging attributing savings benefits to different groups and reporting on the net costs of these services per business group because Savings Plans float across accounts, instance families and regions. Additionally, upfront Savings Plan purchases must be amortized and allocated to the correct groups.

## How we can help

Tanzu CloudHealth® helps you through every phase of the Savings Plan lifecycle. Determining which Savings Plan to commit to is not a simple decision. Tanzu CloudHealth gives you all the tools you need to choose, purchase and manage the right Savings Plan.

### Choosing and purchasing a Savings Plan

Tanzu CloudHealth gives you 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. Savings Plan Recommendations from Tanzu CloudHealth enable you to model out different scenarios to land on the best Savings Plan purchase based on your budget, target coverage, minimum discount rate, or savings, and then make purchases directly from within the Tanzu CloudHealth platform.

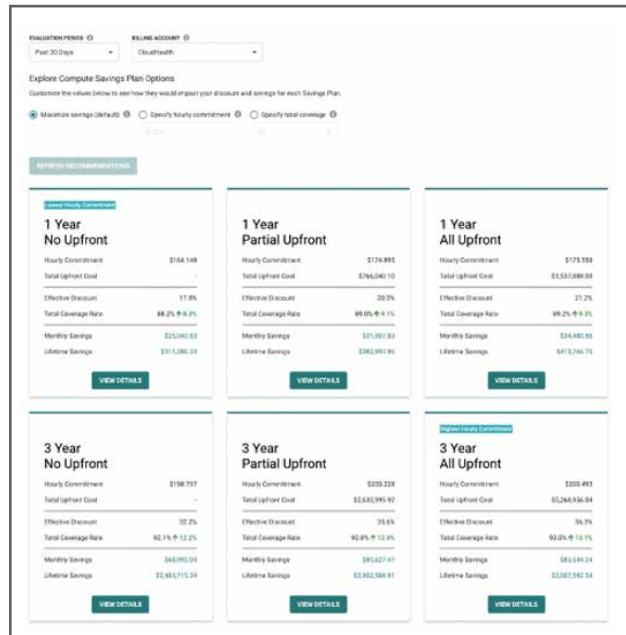


Figure 2: Tanzu CloudHealth gives users a side-by-side comparison of all Savings Plan options.

## Managing a Savings Plan

Due to AWS applying RIs first and then applying Savings Plans, recommendations from Tanzu CloudHealth ensure you get the greatest value possible from your RI investment. Savings Plan discounts apply to on-demand usage not covered by reservations. The EC2 Convertible RI Exchanger in Tanzu CloudHealth recommends which of your Convertible RIs should be exchanged and what they should be exchanged to. Then, with the click of a button, Tanzu CloudHealth will make the exchange on your behalf.

Once purchased, your company needs to understand which groups got the benefit of a Savings Plan to account for it appropriately. The granular allocation in Tanzu CloudHealth allows you to slice your data based on dynamic business groups called Perspectives, enabling teams to look at which business unit, team or project received the benefit of a Savings Plan. You can then use the Cost History Report to chargeback Savings Plans costs appropriately within your organization.

## Key capabilities of Tanzu CloudHealth

- A simple, flexible, customized tool – Adjust the evaluation period, commitment level, and targeted coverage to choose the best plan for your organization.
- KPI-based scenario modeling – Conduct your own what-if analysis to understand how KPIs would be affected by different commitment levels.
- Trusted recommendations – Confidently commit to Savings Plans with the independent analysis, insights and recommendations from Tanzu CloudHealth.

## Learn more

Visit [tanzu.vmware.com/cloudhealth](https://tanzu.vmware.com/cloudhealth) to try Tanzu CloudHealth for free.