

Four key strategies for Oracle Cloud cost optimisation

Understand Oracle Cloud services, their associated costs and contract structures for effective cost optimisation

Cloud spend forecast

Businesses are increasingly moving to cloud platforms to migrate away from legacy data centres, leverage scalability, flexibility, and drive cost-efficiencies.

Gartner forecasts worldwide public cloud end-user spending will surpass

\$675 billion

in 2024.

	2023 Spending	2023 Growth (%)	2024 Spending	2024 Growth (%)	2025 Spending	2025 Growth (%)
Cloud Application Infrastructure Services (PaaS)	142,934	19.5	172,449	20.6	211,589	22.7
Cloud Application Services (SaaS)	205,998	18.1	247,203	20.0	295,083	19.4
Cloud Business Process Services (BPaaS)	66,162	7.5	72,675	9.8	82,262	13.2
Cloud Desktop-as-a-Service (DaaS)	2,708	11.4	3,062	13.1	3,437	12.3
Cloud System Infrastructure Services (IaaS)	143,302	19.1	180,044	25.6	232,391	29.1
Total Market	561,104	17.3	675,433	20.4	824,763	22.1

Source : Gartner May 2024 - Press Release

Note- Totals may not add up due to rounding.

The Oracle cloud market

Oracle's cloud market share is approx.

3%

Statista Feb 25

Oracle claims significant lower costs around compute (50% less) and storage (70% less) in to entice new customers

Oracle 2025

Oracle states that customers can save 72% on annual costs.

Oracle 2025

Cost optimisation in Oracle Cloud

Managing costs in the cloud can be challenging with many organisations overlooking opportunities to reduce cloud spend.

Lower cost compute and storage when migrating from other cloud providers can have a significant compound effect on organisations

Additionally, by considering cloud-native features such as auto-scaling and easy configuration changes, both license and cloud credit costs can be reduced by over

70%

Customers can often switch to license-included models which provides a dynamic subscription-model rather than fixed cost licensing; this can lead to savings in excess of

60%

compared to on-premises licensing

Understanding Oracle Cloud services

Oracle Cloud provides a wide range of services which although 'classically' used for supporting Oracle technologies and Oracle applications, can be used like any other cloud.

Each service offering comes with its own pricing model and billing structure;

- Consumption via Universal Credits for IaaS/PaaS offerings
- SaaS subscription for enterprise applications

Understanding these services, their associated costs and contract structures is crucial for effective cost optimisation.

The following 4 key strategies will help you manage your Oracle cloud cost on an ongoing basis.

Four key strategies for Oracle cloud cost optimisation

1

Right-sizing resources

2

Buy low, buy right

3

Understand cost management tool limitations

4

Implement auto-scaling

1

Right-sizing resources

Right-size your cloud resources to match actual workload needs, avoiding over-allocation. This often-overlooked step significantly reduces costs by ensuring resources are not based on previous, likely oversized, on-premises configurations.



Over-provisioning leads to unnecessary expenses for unused resources and likely over-consumed licenses.

2

Buy low, buy right

Forecasting your Oracle cloud commitment is challenging. Base it on an optimised view of your requirements rather than a 'lift and shift' of workloads. This ensures you pay the right amount for services consumed and should you need more, pay the same rate for any overage.



You are minimising the potential for wasted committed spend.

Watch our video on **Oracle Cloud Infrastructure** cost optimisation budgeting and forecasting

3

Understand cost management tool limitations

The Cost Management and Billing dashboard offers insights into your spending patterns, which may help to identify cost-saving opportunities. They are limited in their capability and, of course, are ultimately 'detrimental' to cloud providers such as Oracle.



There are many 'non-obvious' optimisation steps that can be applied to a given estate - a FinOps or license expert can often easily identify savings quickly.

Watch our video on what **FinOps** is and why it's important for cloud cost optimisation and ongoing cloud cost management.

4

Implement auto-scaling

Auto-scaling adjusts compute instances based on demand, optimising costs and ensuring performance. It scales up during peak times and down during low usage periods, maintaining efficiency and resource management.

Case study

Our global engineering client moved their Oracle applications from on-premises to Oracle Cloud Infrastructure (OCI).

By engaging with Version 1, we projected annual savings of approximately

\$540k

in their cloud environment.

Cost optimisation in Oracle Cloud is a continuous process that requires ongoing monitoring, analysis, and adjustment.

By understanding the services available and engaging with the right external consultants, such as Version 1, you can achieve significant cost savings while maximising the value of your cloud investment.