

Telco in 20: Episode 4: Right-size your public cloud spending  
Guest: Corey Quinn  
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Speaker 1 00:00:04 I'm Danielle Royston and this is telco in 20.

Speaker 1 00:00:18 Welcome to telco in 20 I'm, Danielle Royston and you can call me dr. Today. We're wrapping up our three-part series called liftoff, which is all about getting going on your move to the public cloud today on the share, we have Corey Quinn, the lead cloud economist from The Duckbill Group. He's super smart about cloud finances and you're in for a wild and crazy ride. Before we get started. Make sure you go back and listen to the first two podcasts. In our first episode, we talked with Troy O'Brien who gave us some great information about how to take a large its state and start moving it to the public cloud. Next, we talked with Forrest Brazeal about how lift and shift is a ticking time bomb. And today, Corey Quinn will take us across the finish line when he talks about his expertise in finances and managing costs in the public cloud. Let's take 20.

I am talking today to Corey Quinn, cloud economist and cynic and chief at the duck bill group. And he has a way more Twitter followers than me -- 40,000 Twitter followers. And his handle is @QuinnyPig, which is awesome. You should follow him. Welcome, Corey.

Speaker 0 00:01:27 Thank you. It's an absolute pleasure to once again, indulge my ongoing love affair with the sound of my own voice. Thanks for having me.

Speaker 1 00:01:33 Thanks for coming. I'm super excited. I think I saw today the top 100 cloud influencers and you were at the center of it.

Speaker 0 00:01:44 A while back. I started calling myself the greatest cloud influencer in the world, all with initial caps, because it's something that I find hilarious. It amuses me, but what shocked me was that there are people that take this stuff very seriously.

Speaker 1 00:01:58 You were at the top of the list and they had a score and your score was perfect at 100.

Speaker 0 00:02:03 Exactly. I break the curve.

Speaker 1 00:02:05 Yeah, it was awesome. So you call yourself a cloud economist.

Speaker 0 00:02:10 Two words that no one understands or can define. So who in the world would ever call me on it?

Speaker 1 00:02:13 Tell me about that. Tell me what that is and how you sort of define your job and what you do ...

Speaker 0 00:02:18 Back when I started as an independent consultant four years ago, it was this idea of all right, it's time for me to admit that I'm a terrible employee and that's not likely to change anytime soon. So let's try it consulting one more time but do it right. What's an expensive problem that I've solved before, that I know how to solve and that I would have gladly paid to make, go away? Well, what about fixing that horrifying AWS bill? It has turned from that into four years later, a 10-person consultancy and the questions have gotten more complex. It's not always about how do we make the bill smaller, but also how do we analyze it? How do we predict what our spend is going to be in the next 18 to 36 months?

Speaker 1 00:03:02 Totally. And do you find your customers that first move into the public cloud have this element of sticker shock? Cause they're not really used to seeing their usage billed on a monthly basis, but now when you're in the public cloud, you're seeing these bills all the time. Do people tend to have this like, oh my God, we had no idea. And how, you know, the horror.

Speaker 0 00:03:22 It stands out like a beacon on your chart of accounts. It's something that inherently invites an awful lot of scrutiny. The first time one of those things comes in. It's, "that's an enormous bill to Amazon. How many books is engineering buying? I don't see them reading all that much." And then it gets down into an ongoing and broadening awareness. A lot of what we do is effectively marriage counseling for engineering and finance.

Speaker 1 00:03:45 I mean, it is an intersection of technology and finance. And so do you see your clients forming organizations within their companies that has that combination or you guys are providing that sort of technology and finance combination.

Speaker 0 00:04:02 Both models are correct and more as well. There's often a hybrid approach and what's fascinating is there is a community starting to emerge around this because these are global problems that everyone winds up encountering. It does not matter what the business functionally does. It doesn't matter if you're a streaming company or if you're selling shoes or whatever it is your company does, it's going to have the same type of problems. How do we predict spend, how do we allocate that back between cogs and R and D? How do we effectively allocate spend to different cost centers? There's a whole world out there of common problems that don't necessarily vary between company to company.

Speaker 1 00:04:46 Yeah. I mean, here's a good story for you. Back in the day, I managed a software business that I moved to AWS. They were in legacy data centers. The application used Apache solar to index, literally tens of millions of emails a day. You can either buy GB2 solid state drives or EBS magnetic, hard disc drives. And at the time in 2016, GB2 was more expensive than EBS. It still is. Yep. Okay.

Speaker 0 00:05:15 Why would they call them those esoteric things? Instead of actual things, a human being can understand, no one knows it's Amazon. Their core competency is the exact opposite of whatever, giving things, good names.

Speaker 1 00:05:26 It's not marketing, right? So even though GB2 is more expensive, we would need significantly less machines and therefore much less compute. So we switched everything to GB2, and we saved a lot of money. And so I think that's that intersection of technology and financial acumen. So it's just like constant treadmill. You're on to make sure you're optimizing your cloud spend. That was kind of

Speaker 0 00:05:50 The entire reason we built the company, the way that we did for us, it's a combination of software and conversations. It, otherwise, you wind up with these moronic tools that are, Oh, turn off that idle pile of resources that no one's using. And you look at it, you mean, Oh, the dr. Site, there's gotta be something that applies context to what a workload is or how it works. Okay. This is a very chatty application that talks to different availability zones within an AWS region, an awful lot, given that that costs a couple cents per gigabyte. What is all of that traffic? Is there a more efficient way of doing that? It it's chattering internally 50 times more than it is talking to the outside world what's going on here. That should be manifesting differently probably, but let's understand it and figure it out. We approach from a position of inquiry rather than well, you're clearly doing it wrong. Cause sometimes there's a great reason. Things are the way that they are context matters.

Speaker 1 00:06:46 Yeah. And so I think if finance is just doing the exercise, they don't really have that insight. And if the technologists are like, well, that's the way I designed it. You know, I'm a God, don't ask me any questions. As telcos, start to look at this and start to move to public cloud. They either need to contact your organization or, you know, consultants that help them understand that or build this capability within their organizations and be ready for it as they start their move.

Speaker 0 00:07:13 That's the trick. We had to expand at some point into cloud migration consulting because we never wanted to wind up doing the architecture of the migration and we do no implementation ourselves. And instead it was, we want to make sure that we architect for cost visibility and cost optimization from the beginning, rather than having to track you down in three years and pay you a lot more to unwind a giant mess. Does it help us get it right? The first time, these really are global problems. And no one I've ever spoken to is confident in their level of cost optimization and visibility into where their cloud spend goes. Everyone is still figuring this out across the board.

Speaker 1 00:07:54 I didn't even think about that as you're migrating, as you're starting this big move to start to think through how you tag your instances, rather than, you know, now you're here, it's a big fat mess now figure out how to optimize it. And so I think that's a really smart idea for you to expand your practice, helping customers plan their migration. Um, when I became CEO of Optiva almost four years ago, cloud was never spoken about everything was running still on bare metal in legacy data centers sort of felt like I was in a time machine back in like 1998. I was like, why aren't you guys like using all this awesome technology that's available? And so I think a lot of the debate is should we move to a public cloud or not? Should we go private cloud? Um, and I keep running into people who think multi-cloud is a great idea. And so

I read an essay that you wrote called multi-cloud is the worst practice on why multi-cloud is a super bad idea. And I keep forwarding it to people. And so I, I decided to engage on LinkedIn. It was with an analyst, but he told me that your article was not relevant because you have a business based on the public cloud. And so of course you're biased. I don't agree with him. I really think multi-cloud is not only super hard. It's super stupid. What do you think about multi-cloud?

Speaker 0 00:09:22 Sure. Uh, let me disclaim as well. I have no partnerships with any vendor or company in this space and my company only focuses on AWS bills. This idea of building out workloads that will seamlessly migrate between your on-premises data center and Azure and GCP and AWS and Oracle cloud. And IBM cloud is a ridiculous fantasy that you will spend more time trying to get right than actually building the thing that your customers are paying you for.

Speaker 1 00:09:51 Wholly agree. And the reason why people want to do multi-cloud is to avoid vendor lock-in. And a point you brought up in your essay was guys, and I say this all the time, too. You're already locked into a vendor, either your database like Oracle. And I'm like, you can't move workloads seamlessly today in your current data center. So why are you inventing this new requirement that you can move things seamlessly?

Speaker 0 00:10:14 It is an older requirement in some respects back in the days of building out physical data centers. If you went to one vendor for all of your hardware and all of your needs start to finish, that was a little nutty. And we see that mentality coming forward. Well in the world of cloud providers, it's a very different story. You need to get over the objections to putting all of your things into someone else's managed environment. But once you've crossed that bridge vendor selection becomes super important. Pick the one that makes strategic sense for you, but then go all in.

Speaker 1 00:10:49 Totally agree. Um, another point you brought up in your paper was, well, I can negotiate better pricing when I have multiple vendors and telco likes to do this a lot, right? They send out RFPs to multiple people to get multiple bids. They're constantly pitting the vendors against each other, but I think you brought up a really great point, um, in your paper about why that's a bad idea.

Speaker 0 00:11:13 It's the, the entire thesis that I found that got me started on this was every piece that I saw about multi-cloud was overwhelmingly positive and just accepted that it was the best practice and things that all companies should be considering. The problem is that there are two real constituencies that care a lot about pushing for a multi-cloud narrative. Well, three, technically one is the second tier of cloud providers who know that if you go all in on one cloud provider, it will certainly not be theirs. The second is a whole host of vendors who act as sort of middleware that disambiguate all of those cloud providers, where if you go all in on one provider, they don't have much left to sell you. And the third is analyst firms that frankly cater to those other two categories so that they're there winds up being this almost echo chamber of those folks and people who are migrating to cloud now for the first time, hear all of this and figure out, well, all these people are talking about it. It must be the right way to go. Well, I take

the opposite position. The cloud providers are making that point, but they're not exactly free from bias in this matter either. So the closest people get right now is me.

Speaker 1 00:12:22 <inaudible> I think your point there about negotiating leverage, you know, you've taken \$3 million of spend annual, um, on one provider and then split it across like two or three. You don't have the leverage that you think?

Speaker 0 00:12:38 And you get to go through the negotiation process three times instead of one. Exactly. That's one last point of encouragement for any company that decides no, no, we're going to go multi-cloud okay. That's fair. Maybe you're right. But first go active, active with a second region of your existing cloud provider, going to the one you've already got where all the API calls are going to be the same. Great. It should be relatively easy to go multi-region first, but I'm going to just have the sneaking suspicion here that you're going to have a change of heart, but as you go through that process, yeah, I think that's really harder than it looks.

Speaker 1 00:13:15 This has been a crazy, awesome conversation with you. I've really enjoyed kind of getting your thoughts, helping the telco execs out there, really think through their move towards a public cloud. If people that are listening, want to find your business and contact you, what's the best way to get ahold of you?

Speaker 0 00:13:34 Uh, probably the best way is that [duckbillgroup.com](http://duckbillgroup.com), where we have a whole bunch of stories around what we do for our customers and how we address this. There are links as well to the media side of the business, where people just want to learn how the snark and sarcasm work that'll drive them to the last week and [aws.com](http://aws.com). But for folks who actually have serious business questions, yeah.

Speaker 1 00:14:00 Four, you've been super awesome. We've been Twitter buds and now we're podcast buddies. And I know you have a new baby on the way, and just want to say congratulations. When you have to, you have to move from a zone defense demand, demand, and that I wish you guys the best of luck and the happy healthy.

Speaker 0 00:14:20 Well, thank you very much.

Speaker 1 00:14:22 Awesome. Well, thanks so much for coming on the show. Thank you very much for having me stick around because we're ending each podcast with a telco in 20 takeaway. I have 20 seconds to tell you about something you need to know. So I was talking with someone the other day about Starlink Elon. Musk's low earth orbit satellites and how he is starting to lay down the foundation to build a global telco. Now, we are a way off from that. A lot of things don't need to happen. He needs to fix his cost to launch and his payload capacity. He needs a launch, a bajillion satellites, and of course it all needs to work, but once it does, Starlink would be able to leverage the speed of light and a vacuum, Elon could have the fastest network. And once you have a fast network, you can put a data center in space.

Speaker 1 00:15:07 Remember the two biggest costs of running a data center are electricity and cooling in space. You get all the electricity you need from the sun, and it's pretty freaking cold in space. Now that's a big idea and maybe it gives you something to think about as we wrap up this episode. So I wanted to give a huge thanks to Corey Quinn and thank you to all of our listeners. Don't forget to hit that subscribe button, share our podcast with your colleagues and let's connect on LinkedIn and on Twitter at telco dr. While you're there hit up QuinnyPig too and sign up for our email newsletter at TelcoDR.com that's T E L C O D R.com. We've included that link in our episode resources, and you can text me too at nine to five telco dr. Later nerds.