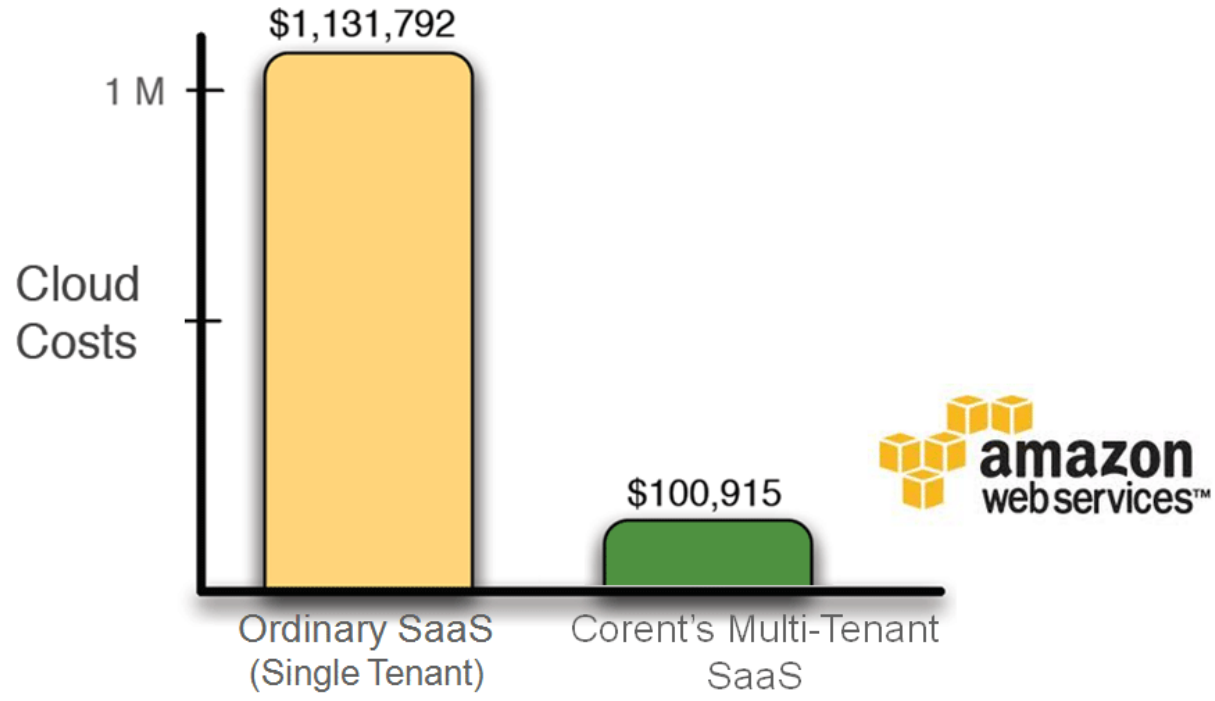
Corent

Multi-Tenant vs. Single-Tenant "Hosted" SaaS: 10X Cost Difference!



* A study of direct costs for 100 tenants.

Amazon Web Services Pricing

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	Instance Type	US Region Linux per hour	US Region Windows per hour	EU Region Linux per hour
Amazon Services Standard AMI	Standard small	$ 0.10	$ 0.12	$ 0.11
	Large	$ 0.40	$ 0.48	$ 0.44
	Extra Large	$ 0.80	$ 0.96	$ 0.88
	High CPU Medium	$ 0.20	$ 0.29	$ 0.22
	High CPU X-Large	$ 0.80	$ 1.16	$ 0.88
	Hgh_Mem X-Large		$ 0.62	
	High-mem 2X-Large		$ 1.44	
	High-Mem 4X-Large		$ 2.88	
	Large plus SQL Server		$ 1.08	
	High_mem 4X SQl Server		$ 4.08	

Amazon and IBM AMI's (Linux)

IBM DB2 Express Edition			
	Standard small	$ 0.38	$ 0.39
	High CPU Medium	$ 0.65	$ 0.67
IBM DB2 Workgroup Edition			
	Standard small	$ 1.31	$ 1.35
	High CPU Medium	$ 2.50	$ 2.58
	High CPU X-Large	$ 3.30	$ 3.38
WebSphere sMASH			
	Standard small	$ 0.50	$ 0.51
	High CPU Medium	$ 0.60	$ 0.62
IBM Lotus Notes Web Content Management Server			
	Standard small	$ 2.48	$ 2.52
	High CPU Medium	$ 4.82	$ 4.90
	High CPU X-Large	$ 8.71	$ 8.79
IBM WebSphere Portal Server and Web Content Mgmt Server Standard Edition			
	Standard small	$ 6.39	$ 6.43
	High CPU Medium	$ 12.64	$ 12.72
	High CPU X-Large	$ 24.35	$ 24.43

Scenario planning

Average days per month 30.44

	Per year	Per Month
Amazon standard small	$ 876	$ 73
Amazon High CPU Medium	$ 1,752	$ 146
Amazon High CPU Extra Large	$ 7,008	$ 584
IBM sMASH standard small	$ 4,380	$ 365
IBM DB2 Express Edition High CPU Medium	$ 5,694	$ 475
IBM DB2 Workgroup Edition High CPU Med.	$ 21,900	$ 1,825

Typical application Cloud based SaaS Provisioning vs. Multi-Tenant

Scenario:				App. Svrs
50	Number of small tenants	users in tenant	50	1
30	Number of medium tenants	users in tenant	100	1
20	Number of medium large tenants	users in tenant	500	2
		Total users :	15500	

Model assumptions:

Windows application server 250 users serviced by one sm.
Windows Database server running MS SQL Server
Ordinary Cloud provisioning requires minimum 1 app server and 1 DB server
No significant difference in network, storage, backup or other costs.
Compare A and B implementations, with A being ordinary, B being the multi-tenant approach.
Subscription fee per month per user (avg) $ 15

		Ordinary	Multi-Tenant
	Per year/ea	Instances cost	Instances cost
Amazon standard small with Windows	$ 1,051	$ 185,712	$ 65,174
Amazon High CPU Medium with Windows	$ 2,540		
Amazon High CPU Extra Large with Windows	$ 10,162		
Amazon std. Large plus SQL Server	$ 9,461	$ 946,080	
Amazon High-Mem X-Lg with SQL Server	$ 35,741		$ 35,741
TOTAL ANNUAL COST		$ 1,131,792	$ 100,915
Difference		**$1,030,877**	**Savings**

Revenue:

Users	Average Fee per month	Monthly	Yearly
15500	$ 15	$ 232,500	$ 2,790,000

Gross Profit:		$ 1,658,208	$2,689,085
Profit difference	$ 1,030,877		
Profit % difference	62.2		