SUNK COST FALLACY AND THE PRIVATE CLOUD

IT'S A TRAP!

大学 あい

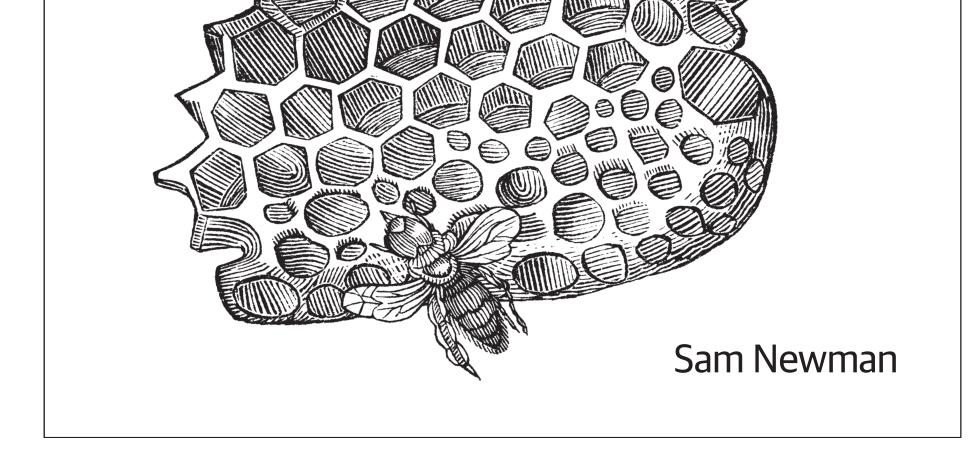
Sam Newman







DESIGNING FINE-GRAINED SYSTEMS



Sam Newman & Associates

NEW BOOK!

Monolith To Microservices.

Monolith To Microservices is a forthcoming book on system decomposition from O'Reilly

How do you detangle a monolithic system and migrate it to a microservices architecture? How do you do it while maintaining business-as-usual? As a companion to Building Microservices, this new book details a multiple approaches for helping you transition from existing monolthic systems to microservice architectures. This book is ideal if you're looking to evolve your existing systems, rather than just rewriting everything from scratch.

Topics include:

- Should you migrate to microservices, and if you should, how do you prioritise where to start
- → How do you incrementally decompose an application
- Discusses multiple migration patterns and where they apply
- Delves into details of database decomposition, including the impact of breaking referential and transactional integrity, new failure modes, and more
- The growing pains you'll experience as your microservice architecture grows.

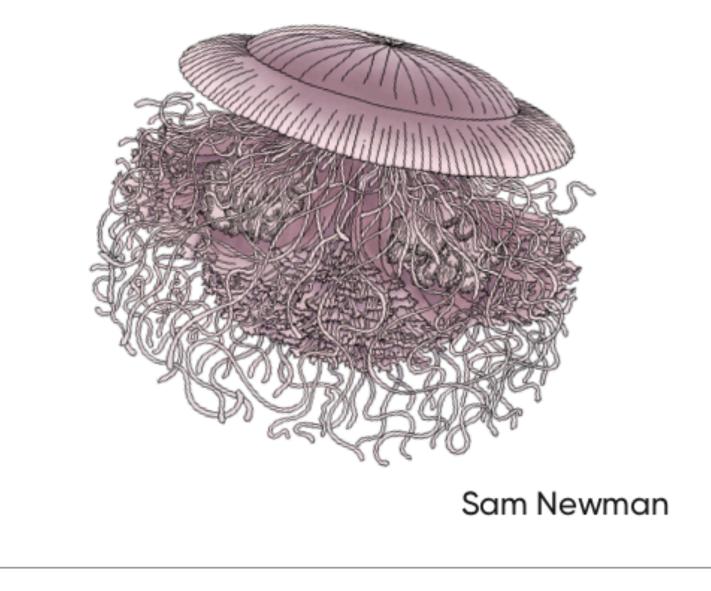
Read The Early Access Version!

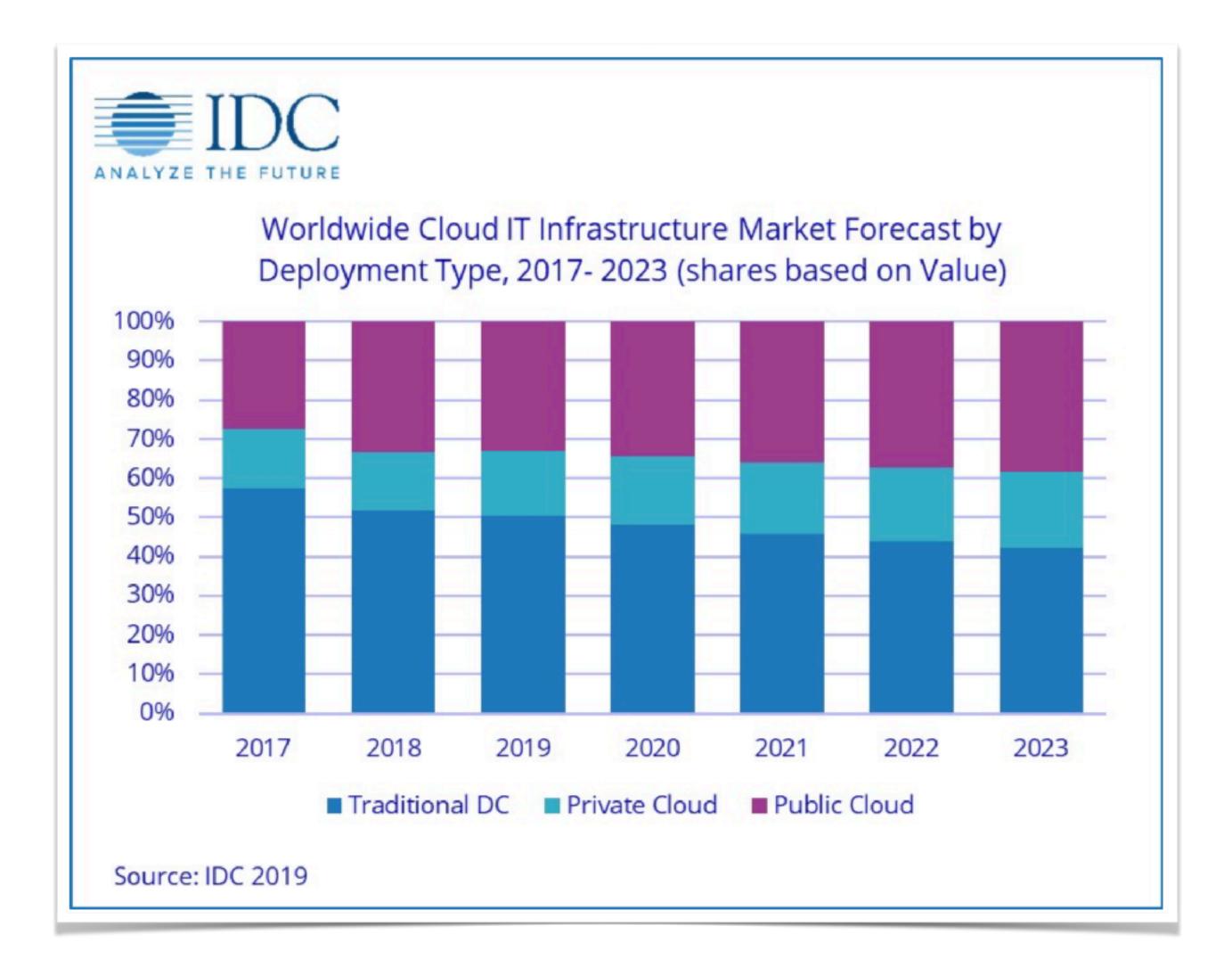
https://samnewman.io/books/monolith-to-microservices/

O'REILLY°

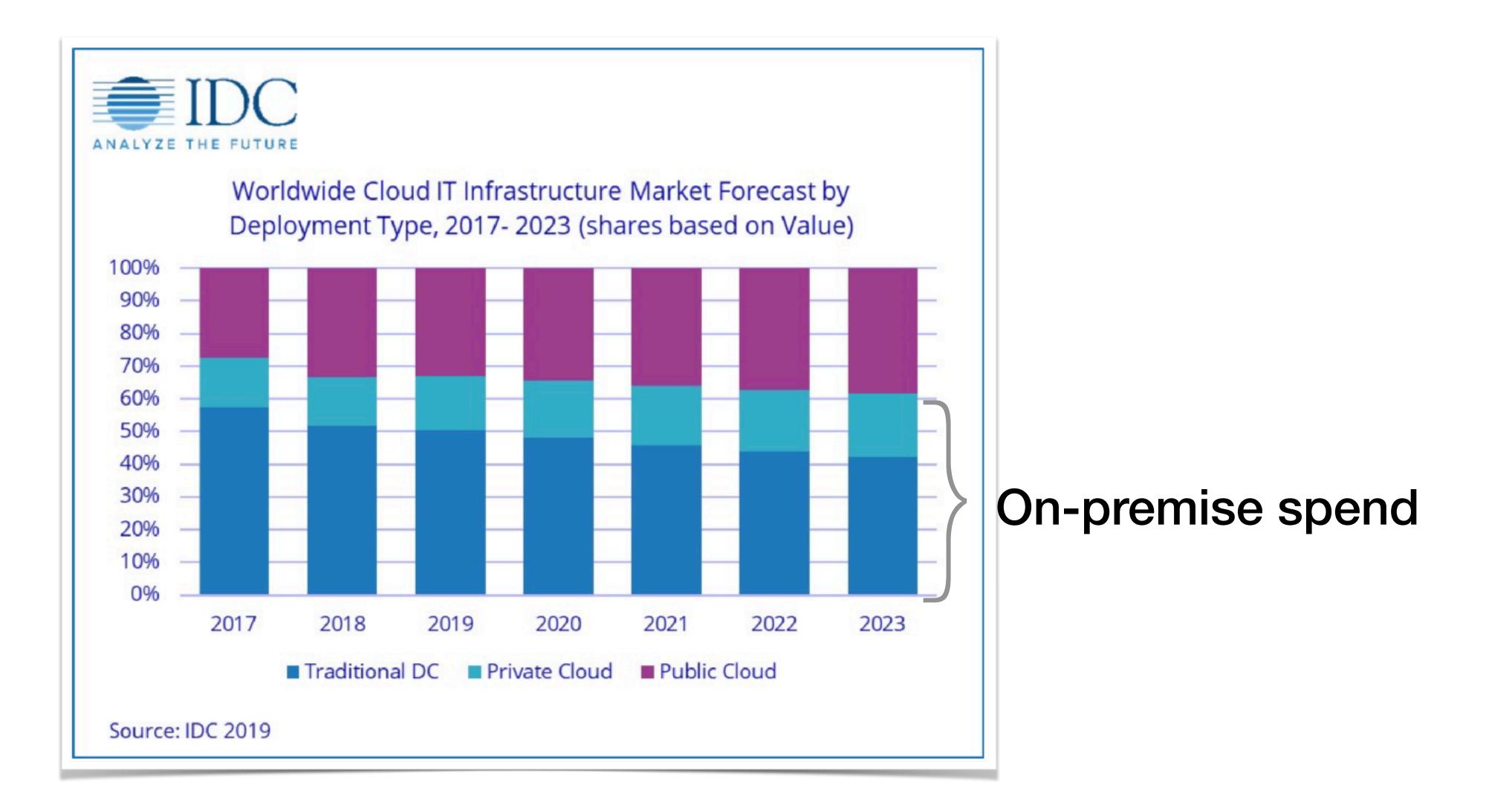
Monolith to Microservices

Evolutionary Patterns to Transform Your Monolith

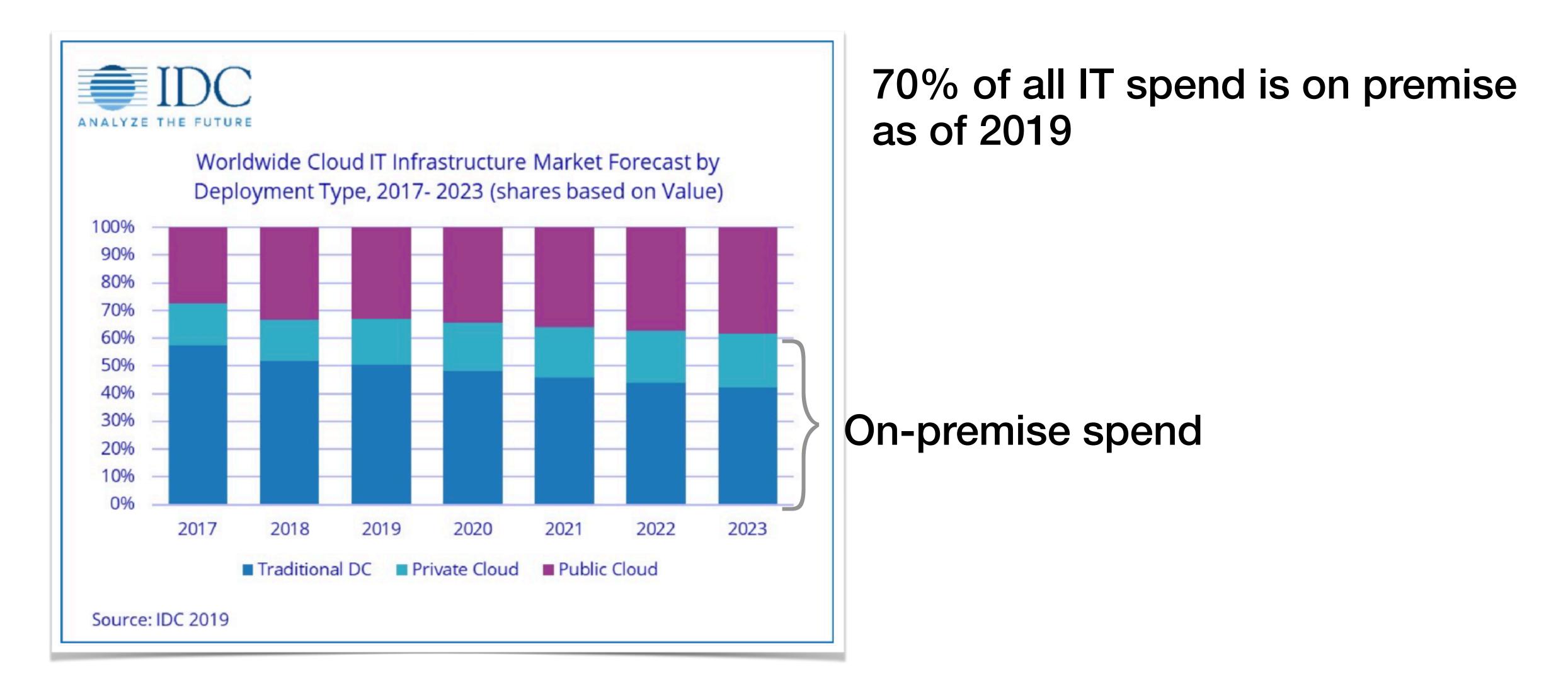




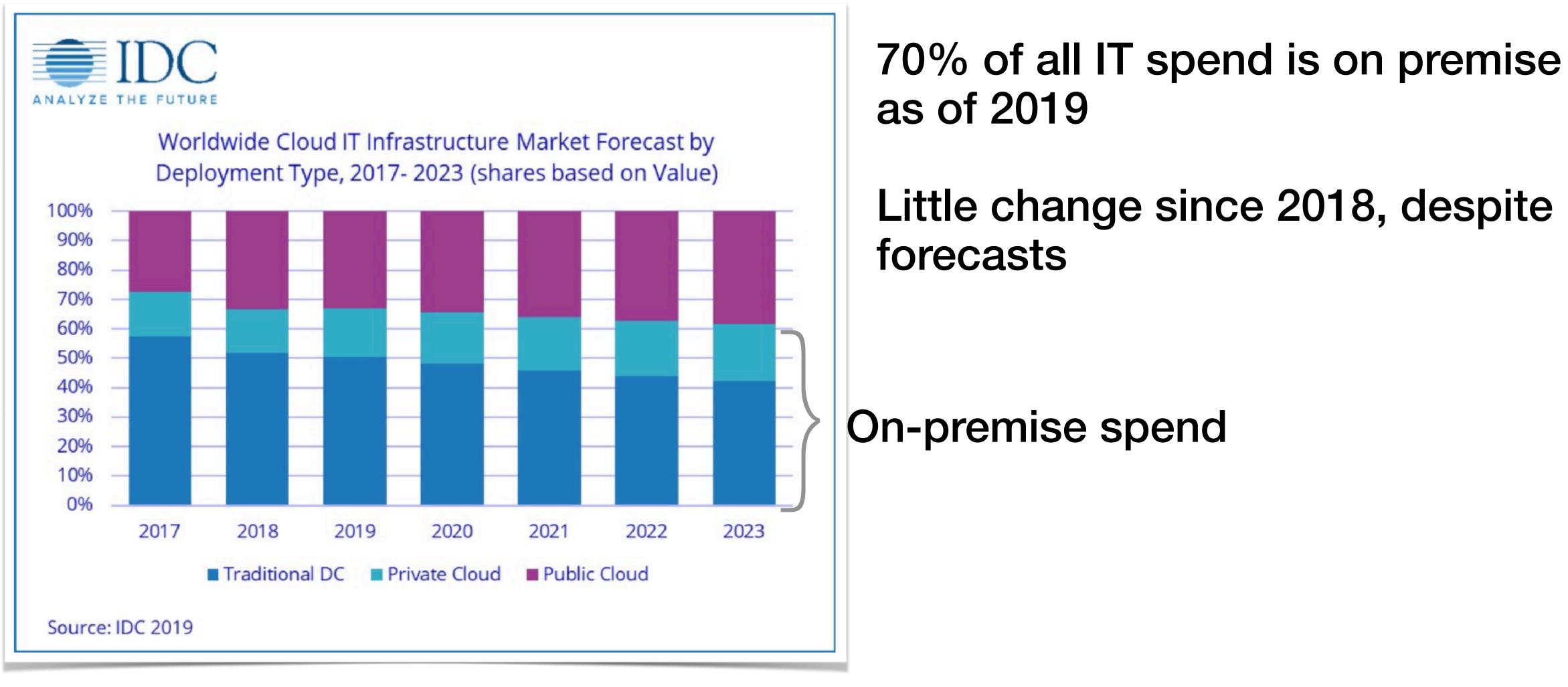
https://www.idc.com/getdoc.jsp?containerId=prUS45293719



https://www.idc.com/getdoc.jsp?containerId=prUS45293719



https://www.idc.com/getdoc.jsp?containerId=prUS45293719



https://www.idc.com/getdoc.jsp?containerId=prUS45293719





The proportion of IT spend on public cloud is increasing...

The proportion of IT spend on public cloud is increasing...

...albeit slower than we might expect...

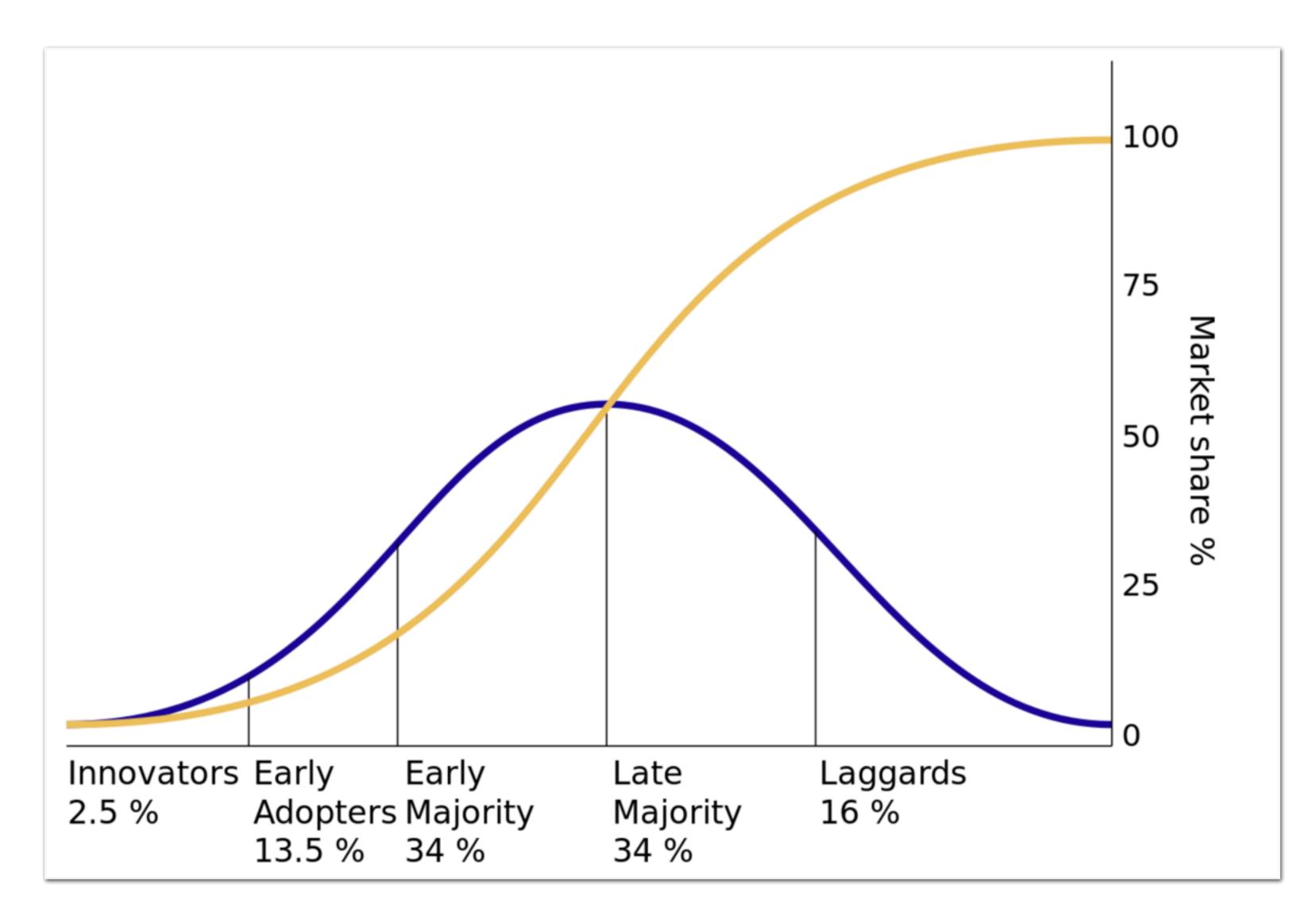
The proportion of IT spend on public cloud is increasing...

...albeit slower than we might expect...

...but the overall market is growing, so we're spending more on "private" infrastructure year on year

So what's going on?

LAGGING ADOPTERS?



https://en.wikipedia.org/wiki/Diffusion_of_innovations

Or maybe we should blame...



kubernetes



Too many of us are indulging in a fantasy that we can have our own private cloud

ELITE PERFORMERS USE CLOUD!



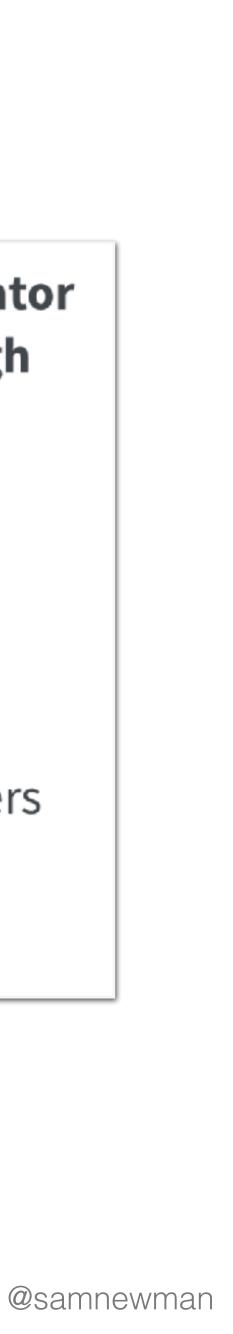
https://cloud.google.com/devops/state-of-devops/

ELITE PERFORMERS USE CLOUD!

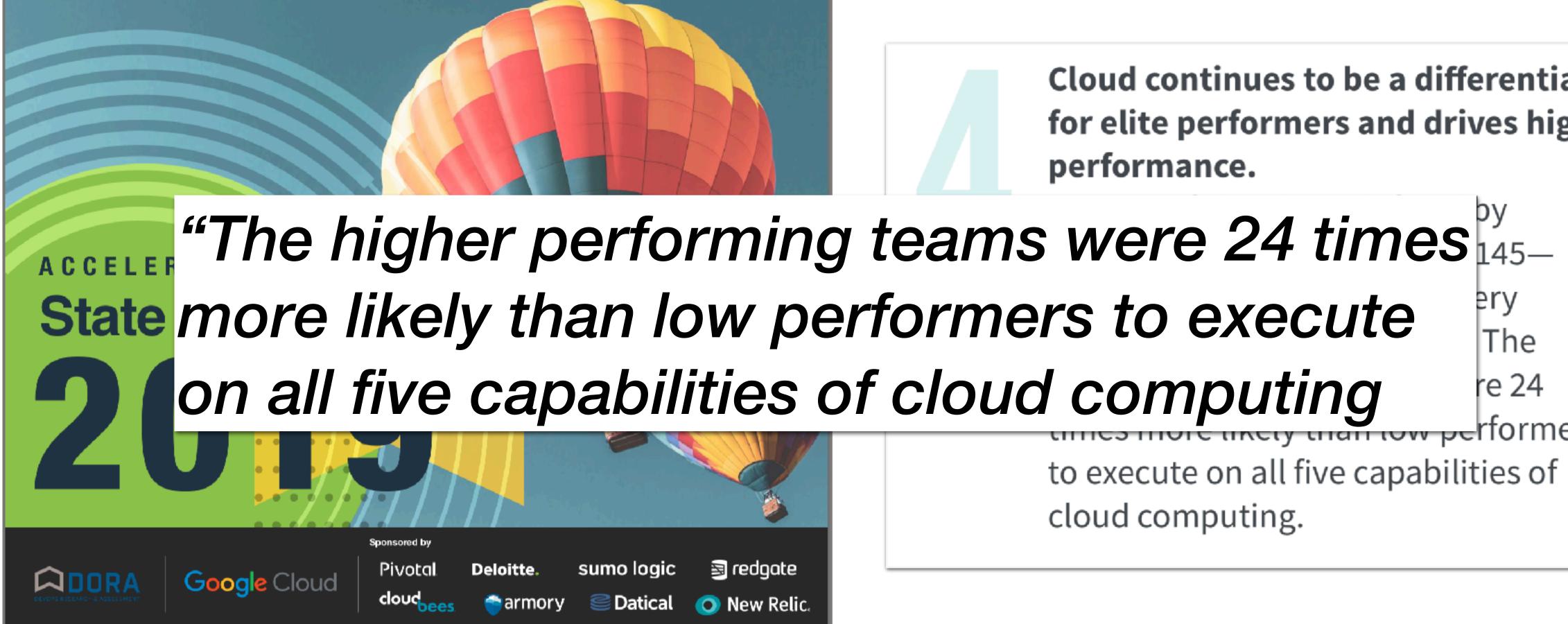


Cloud continues to be a differentiator for elite performers and drives high performance.

The use of cloud—as defined by NIST Special Publication 800-145 is predictive of software delivery performance and availability. The highest performing teams were 24 times more likely than low performers to execute on all five capabilities of cloud computing.



ELITE PERFORMERS USE CLOUD!

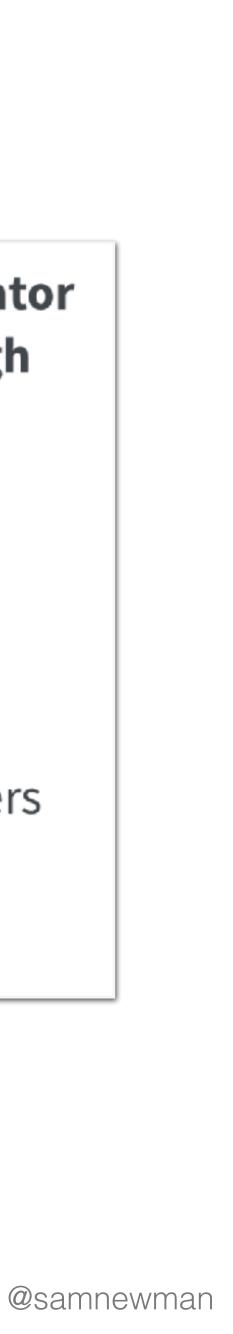


https://cloud.google.com/devops/state-of-devops/

Cloud continues to be a differentiator for elite performers and drives high performance.

re 24 rtormers than tow

to execute on all five capabilities of cloud computing.



But Sam, they didn't say you had to use public cloud!

more likely than low performers to execute on all five capabilities of cloud computing

"The higher performing teams were 24 times

more likely than low performers to execute on all five capabilities of cloud computing

"The higher performing teams were 24 times

How many of you are using a private cloud?

On-demand self-service



"A consumer can unilaterally provision computing capabilities, such as server time and network storage, as needed automatically without requiring human interaction with each service's provider."

https://www.nist.gov/sites/default/files/documents/itl/cloud/cloud-def-v15.pdf

- The NIST Definition of Cloud Computing



"A consumer can unilaterally provision computing capabilities, such as server time and network storage, as needed automatically without requiring human interaction with each service's provider."

https://www.nist.gov/sites/default/files/documents/itl/cloud/cloud-def-v15.pdf

- The NIST Definition of Cloud Computing

https://en.wikipedia.org/wiki/Facepalm#/media/File:Paris_Tuileries_Garden_Facepalm_statue.jpg

On-demand self-service

On-demand self-service

Broad network access



Broad network access

Resource pooling

On-demand self-service



RESOURCE POOLING

"The provider's computing resources are pooled to serve multiple consumers using a multi-tenant model, with different physical and virtual resources dynamically assigned and reassigned according to consumer demand."

https://www.nist.gov/sites/default/files/documents/itl/cloud/cloud-def-v15.pdf

- The NIST Definition of Cloud Computing

KUBERNETES & MULTI-TENANCY?

"Kubernetes is not designed with multi-tenancy in mind"

- Alexis Richardson, CEO Weave, ex-chair of the CNCF Technical Committee



Broad network access

Resource pooling

On-demand self-service



On-demand self-service

Broad network access

Resource pooling

Rapid Elasticity



RAPID ELASTICITY

"Capabilities can be rapidly and elastically provisioned, in some cases automatically, to quickly scale out and rapidly released to quickly scale in. To the consumer, the capabilities available for provisioning often appear to be unlimited and can be purchased in any quantity at any time."

- The NIST Definition of Cloud Computing

https://www.nist.gov/sites/default/files/documents/itl/cloud/cloud-def-v15.pdf

RAPID ELASTICITY

some cases automatically, to quickly scale out and rapidly can be purchased in any quantity at any time."

https://www.nist.gov/sites/default/files/documents/itl/cloud/cloud-def-v15.pdf

"Capabilities can be rapidly and elastically provisioned, in released to quickly scale in. To the consumer, the capabilities available for provisioning often appear to be unlimited and

- The NIST Definition of Cloud Computing

On-demand self-service

Broad network access

Resource pooling

Rapid Elasticity



Broad network access

Resource pooling

Rapid Elasticity

Measured Service

On-demand self-service

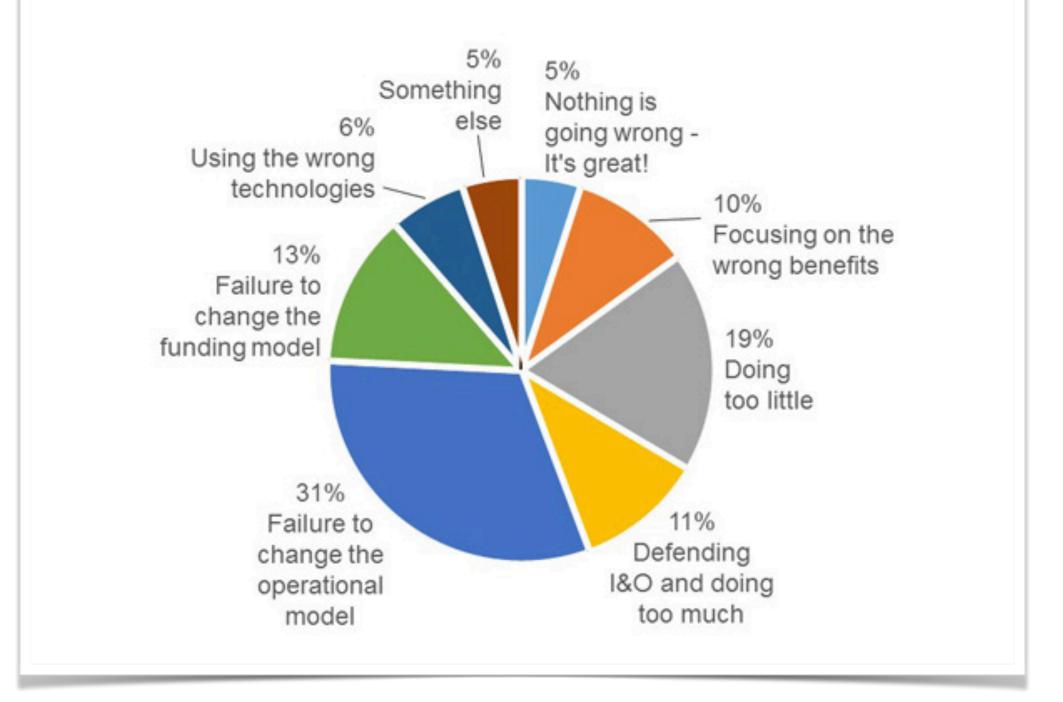
So many "private clouds" fail at these things

WHY DO PRIVATE CLOUDS FAIL?

Problems Encountered by 95% of Private Clouds

by Tom Bittman | February 5, 2015 | 52 Comments

In my last blog post, I identified ten reasons private clouds were failing. I consolidated that list to six items (below), and polled attendees at Gartner's Datacenter Conference in Las Vegas in December. I asked the question "What is going wrong with your private cloud?" I was a little surprised that 95% of the 140 respondents (who had private clouds in place) said something was wrong with their private cloud.



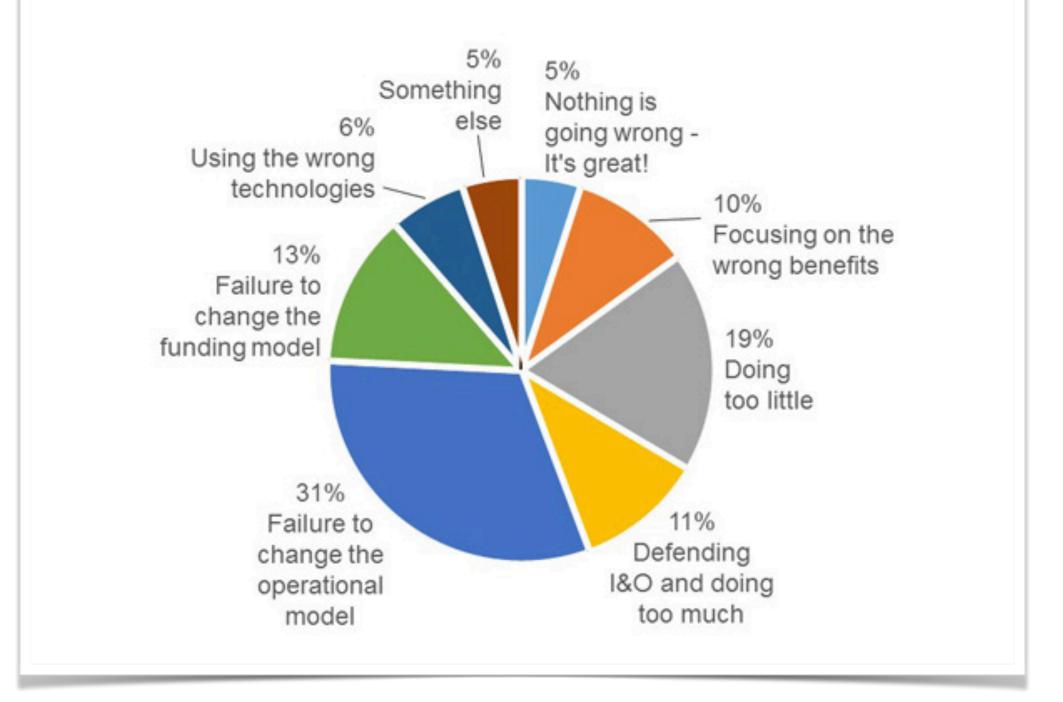
https://blogs.gartner.com/thomas_bittman/2015/02/05/why-are-95-of-private-clouds-failing/

WHY DO PRIVATE CLOUDS FAIL?

Problems Encountered by 95% of Private Clouds

by Tom Bittman | February 5, 2015 | 52 Comments

In my last blog post, I identified ten reasons private clouds were failing. I consolidated that list to six items (below), and polled attendees at Gartner's Datacenter Conference in Las Vegas in December. I asked the question "What is going wrong with your private cloud?" I was a little surprised that 95% of the 140 respondents (who had private clouds in place) said something was wrong with their private cloud.



https://blogs.gartner.com/thomas_bittman/2015/02/05/why-are-95-of-private-clouds-failing/

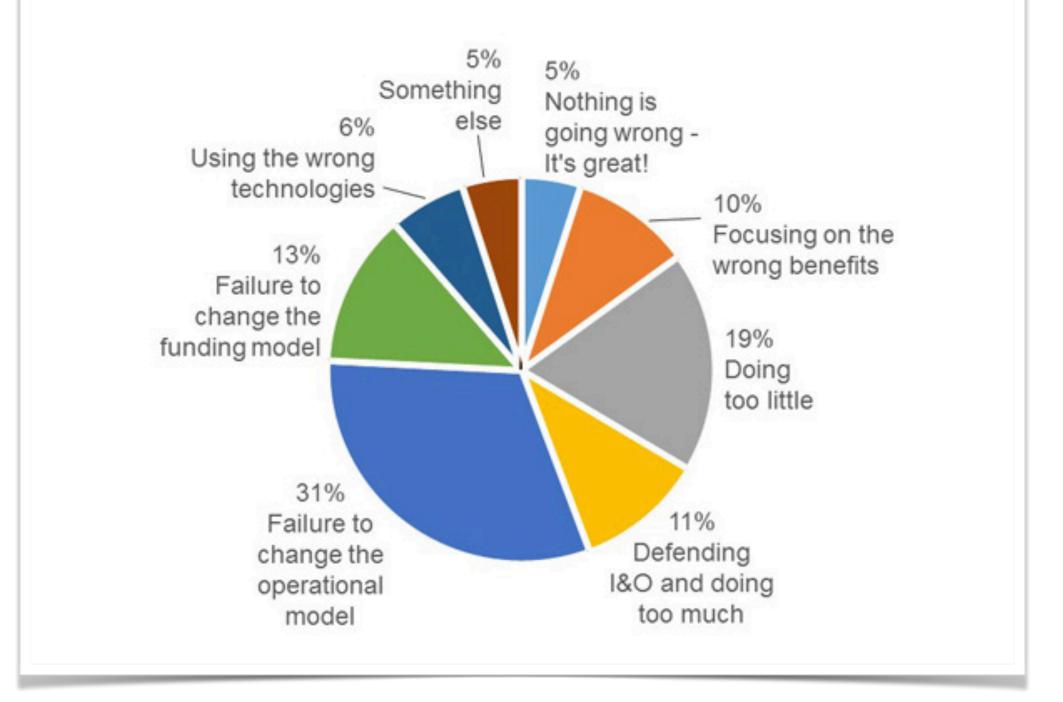
Focusing on the wrong thing - costsavings, not "agility"

WHY DO PRIVATE CLOUDS FAIL?

Problems Encountered by 95% of Private Clouds

by Tom Bittman | February 5, 2015 | 52 Comments

In my last blog post, I identified ten reasons private clouds were failing. I consolidated that list to six items (below), and polled attendees at Gartner's Datacenter Conference in Las Vegas in December. I asked the question "What is going wrong with your private cloud?" I was a little surprised that 95% of the 140 respondents (who had private clouds in place) said something was wrong with their private cloud.



https://blogs.gartner.com/thomas_bittman/2015/02/05/why-are-95-of-private-clouds-failing/

Focusing on the wrong thing - costsavings, not "agility"

Not changing the operational or funding models

Public cloud forces us into new ways of doing things

Private cloud lets us stick to old working practices



Public cloud used well, delivers on these promises

Nore features

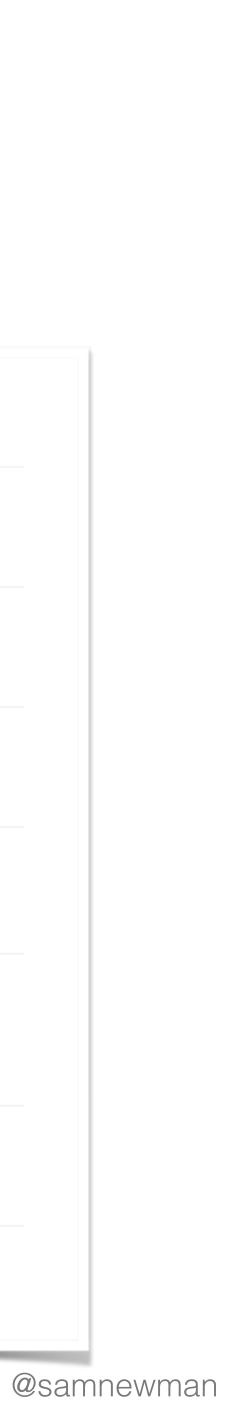
aws Newsletter	
Featured	Announcements
ଟିବ	Lumberyard Beta 1.21 Now Available »
	Introducing the Smart Product Solution »
	Announcing General Availability of Amazon Quantum Ledger Database (QLDB) »
	ew for You: A Weekly Review of the Latest ments from AWS
	Amazon EKS Now Supports the EBS CSI Driver
	AWS App Mesh now supports retry policies »



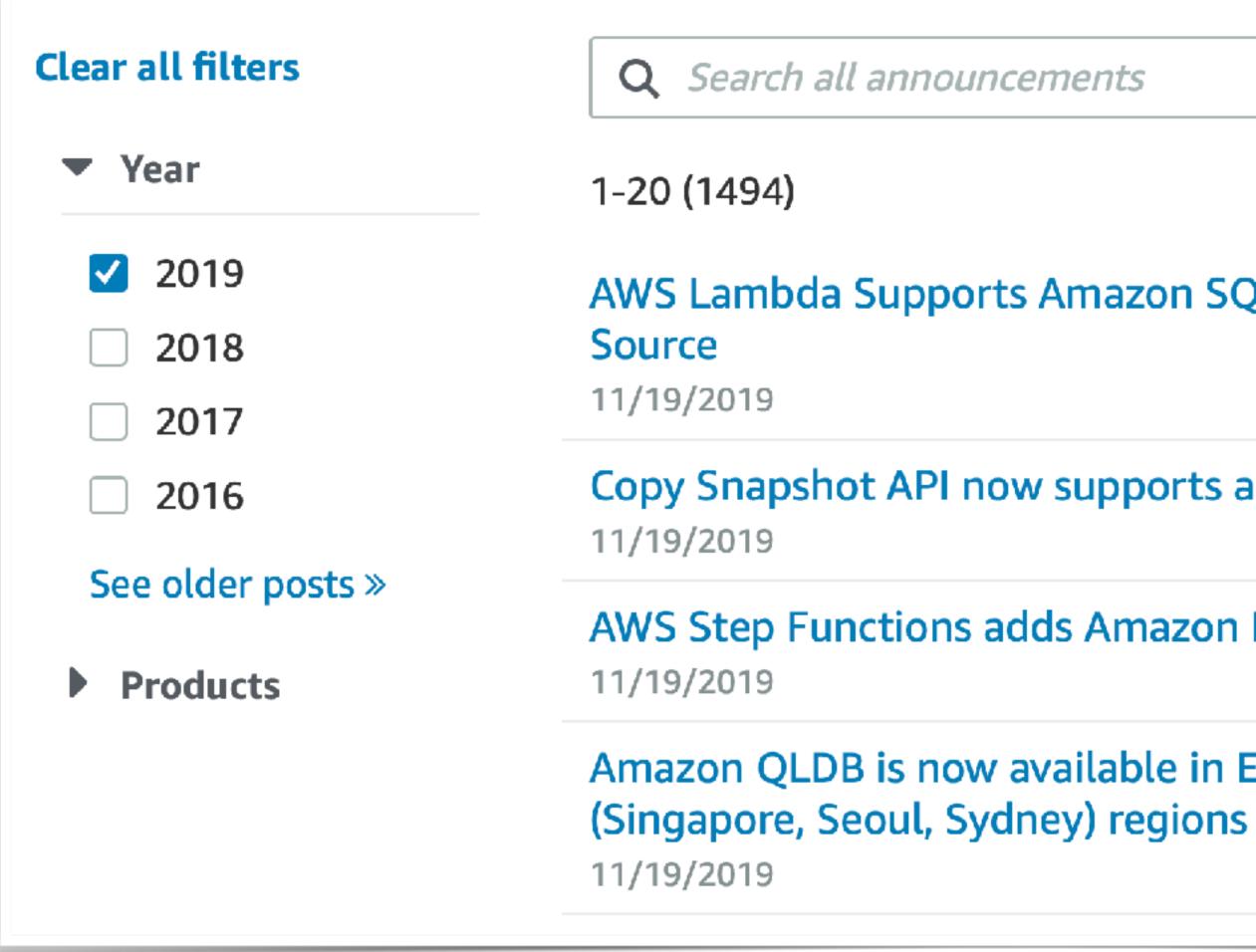
aws	1					Now Ad Flow Lo	
	Newsletter Featured	Announce	ments			Manage Service	-
	ଡ଼ୖୄୄୄଡ଼	Lumberya	rd Beta 1.	21 Now Available »	Ä	AWS Sto Protect	-
	83)	Introducin	ig the Sma	art Product Solution »		AWS Sto CloudW Gateway	atch lo
		Announcir Quantur	ng Genera	l Availability of Amazon AWS RoboMaker now supp	Conts connec	Amazon tivity to	Pinpo Pus
		ew for Yo ements fron	Yo a simulation job »				
		Amazon »		Updated Training Courses Gain New Customer Oppo		artners	now s usi
		AWS App		New Quick Start deploys on the AWS Cloud »	lickstream a	nalytics	enta col a
				AWS Marketplace Makes It Lambda Functions with AM		eploy	enta 4K/I
				AISPL Now Accepts Netba	nking Payme	ents »	

the second s

	Amazon Athena is now available in A (Hong Kong) region »	sia Pacific	
~	Amazon QuickSight Launches Leve Calculations, Larger SPICE Data Set	⊳ ⊅	AWS Elemental MediaStore Now Supports Stale Manifest Deletion »
د م	» Amazon SNS Now Supports the Ne push-type Header Field in Apple Pu	⊳ ⊅	AWS Elemental MediaTailor Server-Side Ad Insertion Now Supports Live Pre-roll »
 	Notification Service »	Ē	AWS Service Catalog Announces Budget Visibility »
	WorkMail Message Flow SDK » Amazon AppStream 2.0 enables AV	\bigcirc	Amazon GuardDuty Now Available in AWS Middle East (Bahrain) Region »
4	and Access Management Role supp Image Builders and Fleets »	ß	Amazon SageMaker Now Supports More Refined Access Control using Amazon
×	AWS CodePipeline is Now Available (Stockholm) Region »		SageMaker-specific Condition Keys »
أ	NXP i.MX-RT1060, i.MX-RT1050, ar K64 are Qualified for Amazon Freel	\$ \$\$	Amazon FreeRTOS Now Available in the Americas (São Paulo), Americas (Montreal), Americas (Northern California), Europe (Paris) and Europe (Stockholm) Regions »
Ş	AWS Transfer for SFTP now suppor directories for Amazon S3 »	8 3	Announcing AWS PrivateLink support for Amazon Rekognition »
		8))	AWS IoT Core and AWS IoT Device Management Now Available in the AWS Asia Pacific (Hong Kong) Region »



That was just one week's worth of new feature releases



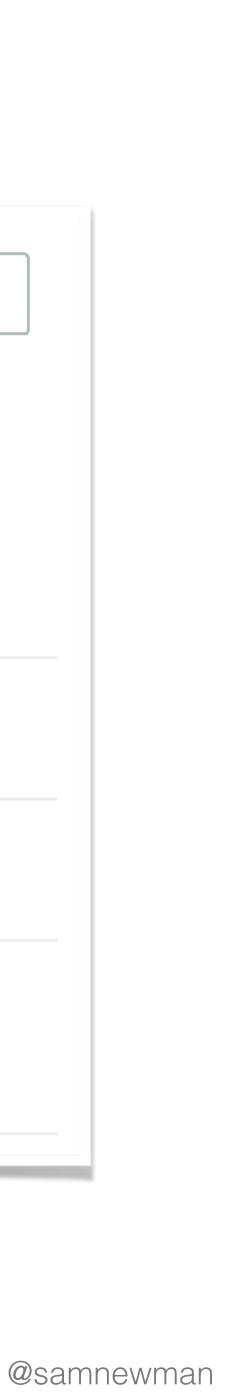
https://aws.amazon.com/new/

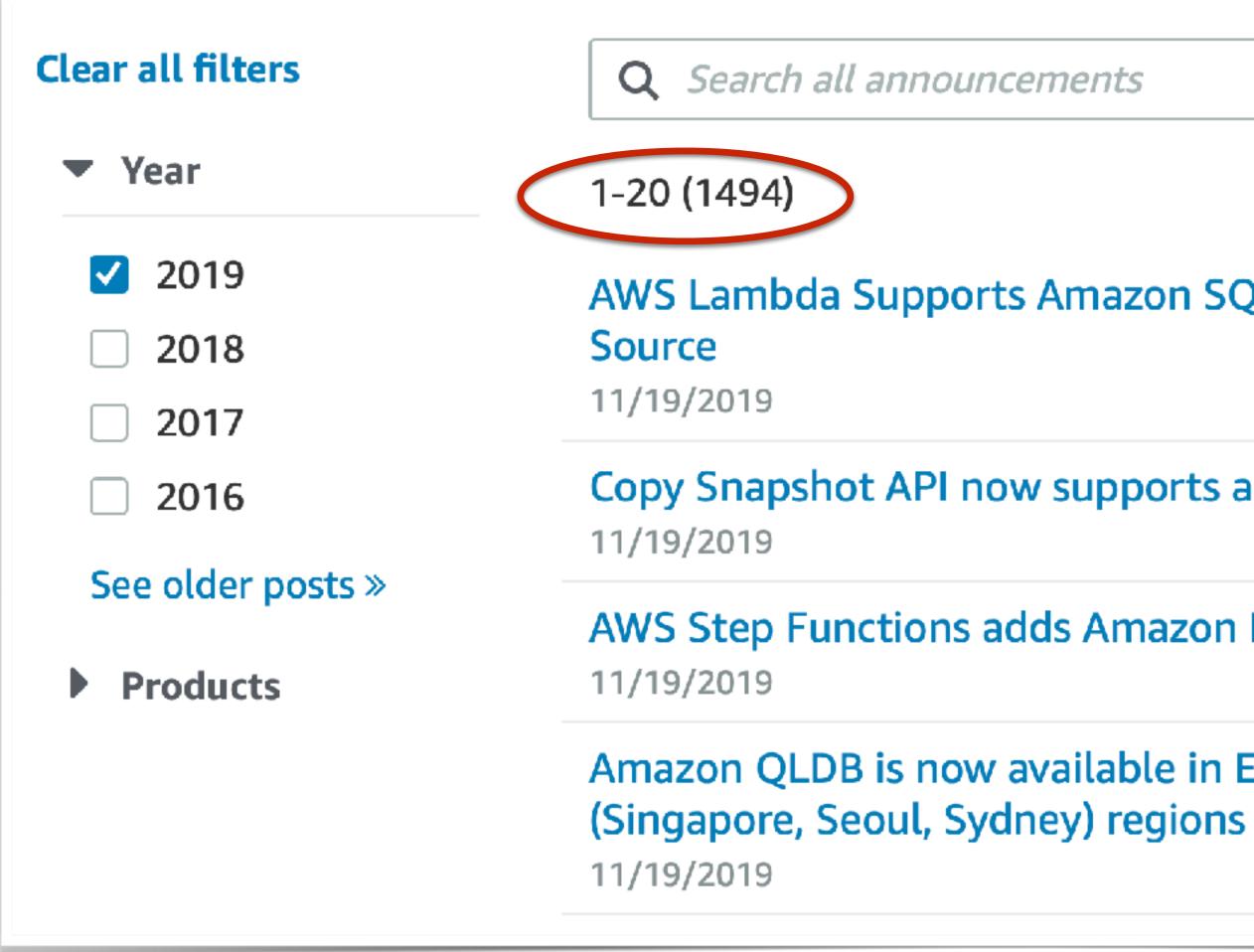
AWS Lambda Supports Amazon SQS FIFO (First-In-First-Out) as an Event

Copy Snapshot API now supports adding tags while copying snapshots

AWS Step Functions adds Amazon EMR service integration

Amazon QLDB is now available in Europe (Frankfurt) and Asia Pacific





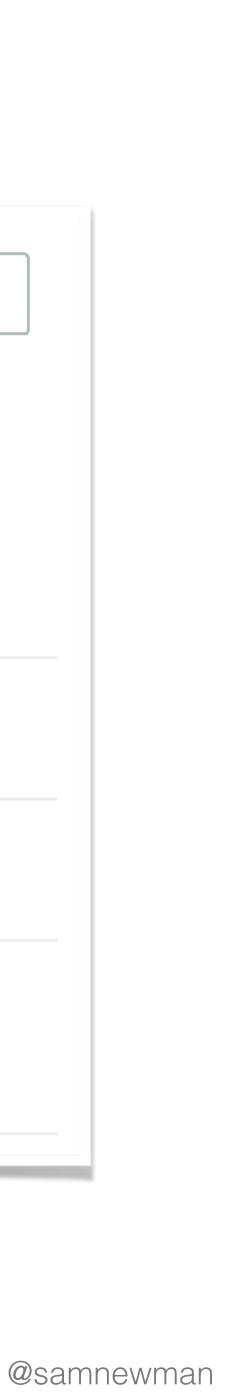
https://aws.amazon.com/new/

AWS Lambda Supports Amazon SQS FIFO (First-In-First-Out) as an Event

Copy Snapshot API now supports adding tags while copying snapshots

AWS Step Functions adds Amazon EMR service integration

Amazon QLDB is now available in Europe (Frankfurt) and Asia Pacific



Better security

Underlying Hardware



Operating System

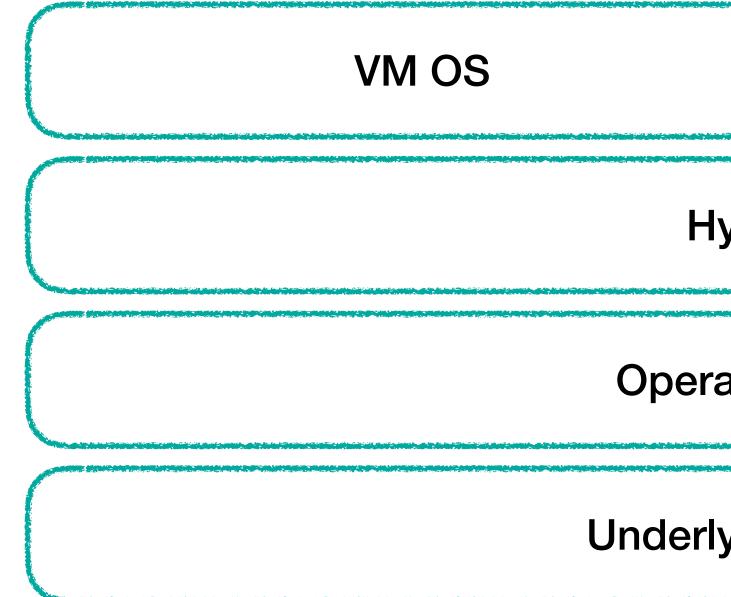
Underlying Hardware



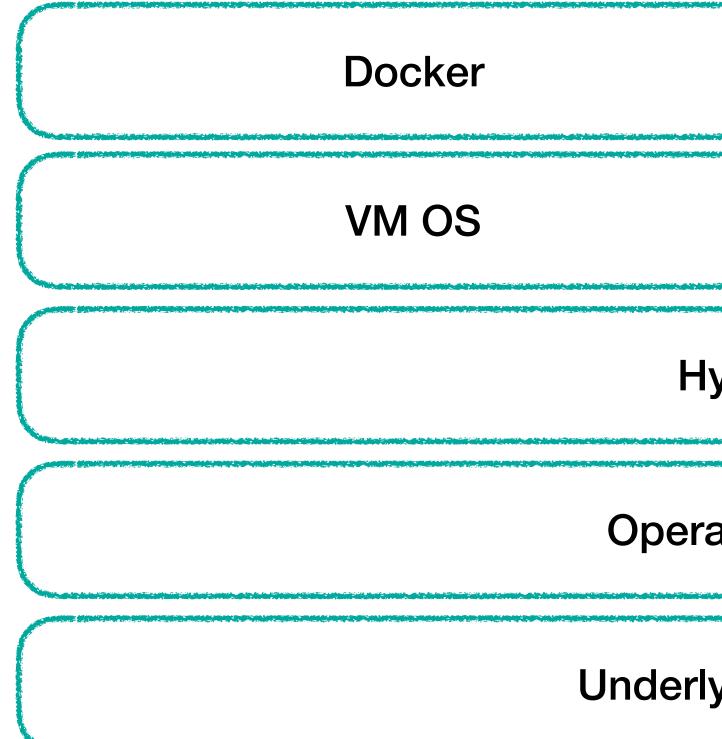
y	p	er	V	is	or	
J	Γ	• •	-		• •	

Operating System

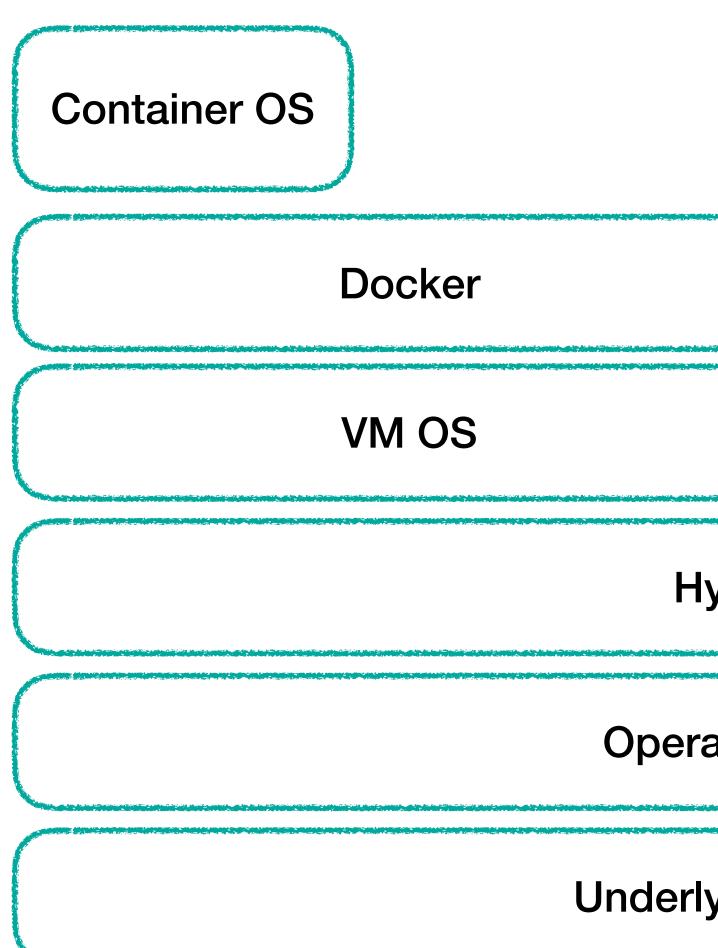
Underlying Hardware



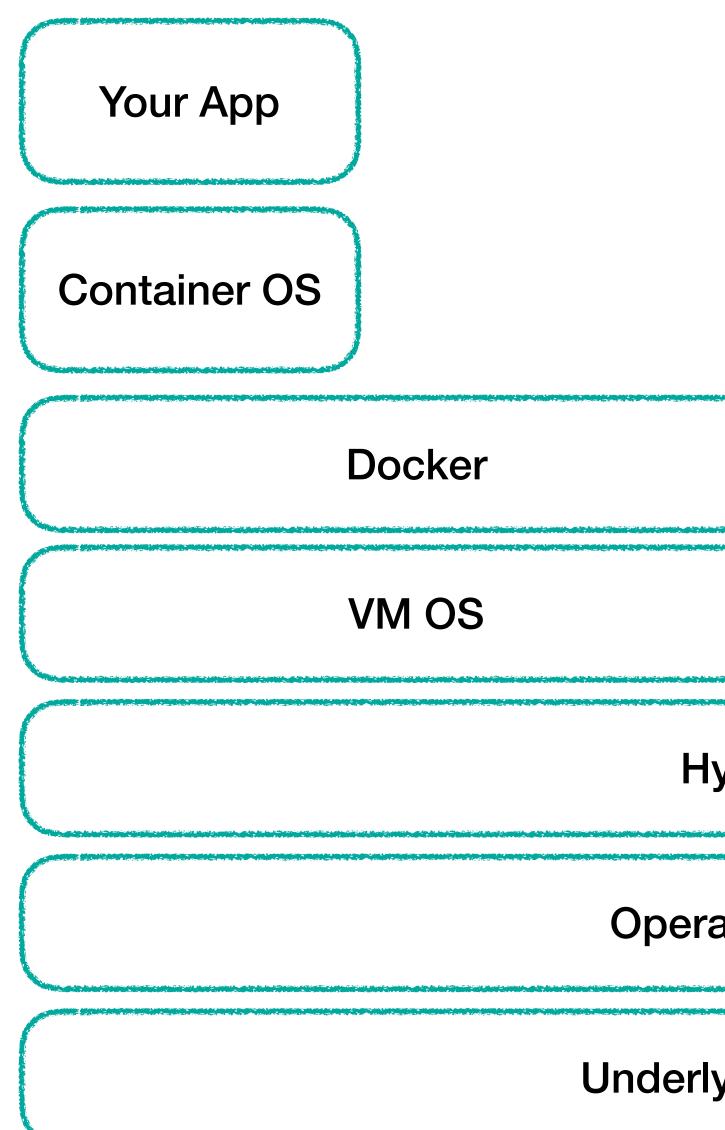
lypervisor	
rating System	
lying Hardware	



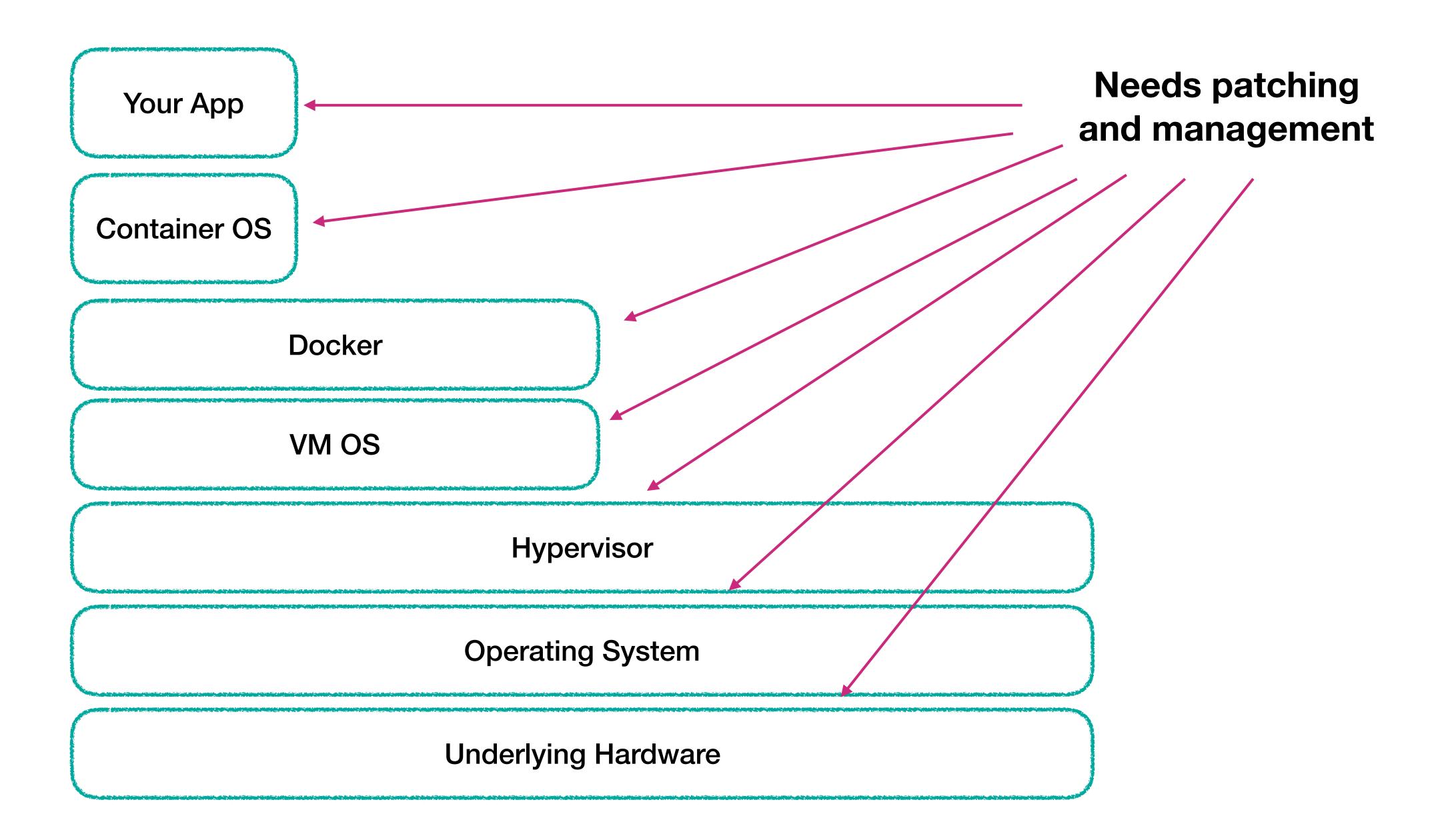
lypervisor	
rating System	
lying Hardware	



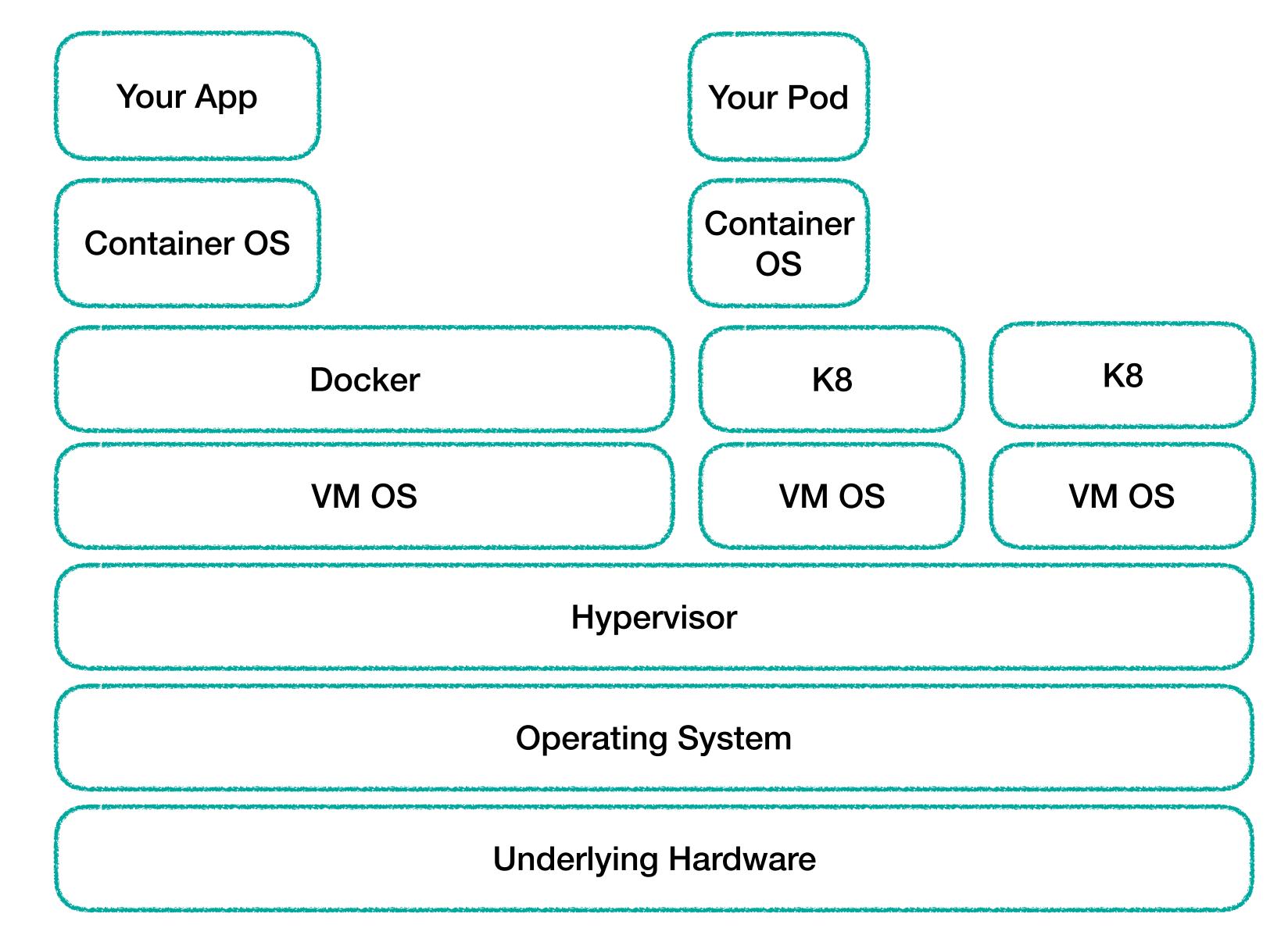
lypervisor	
rating System	
lying Hardware	



lypervisor	
rating System	
lying Hardware	



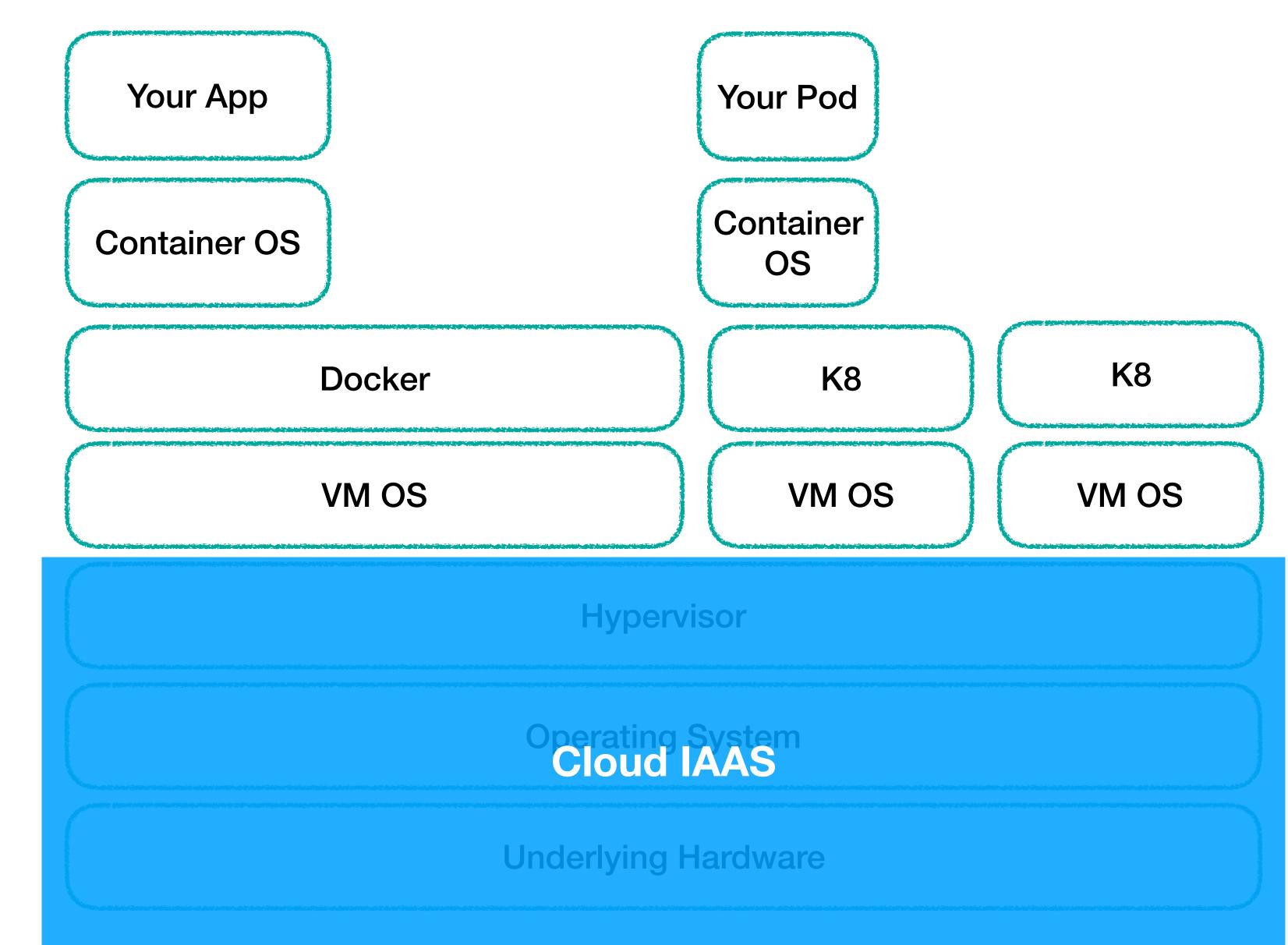
BETTER ON THE CLOUD?





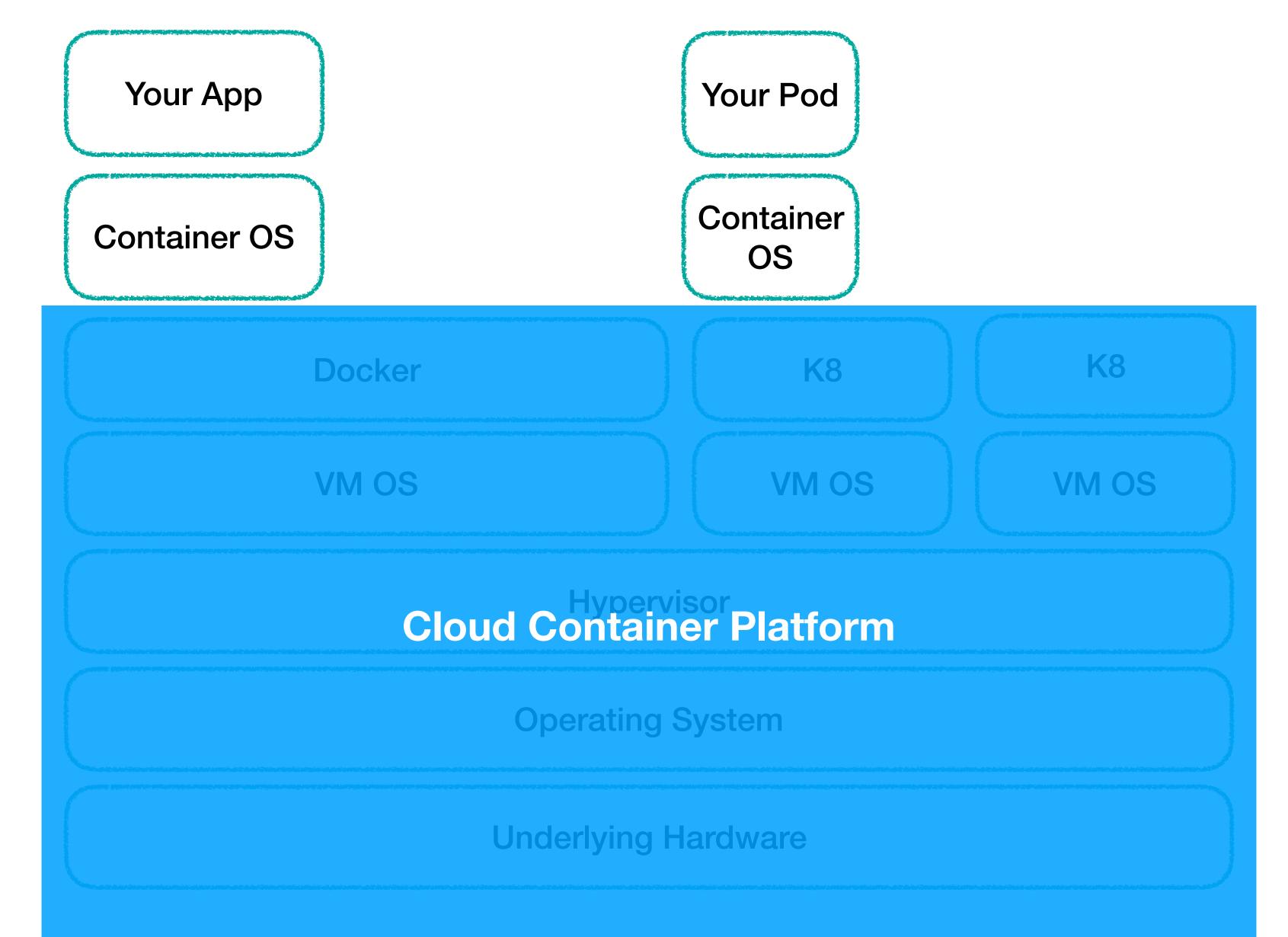


BETTER ON THE CLOUD?



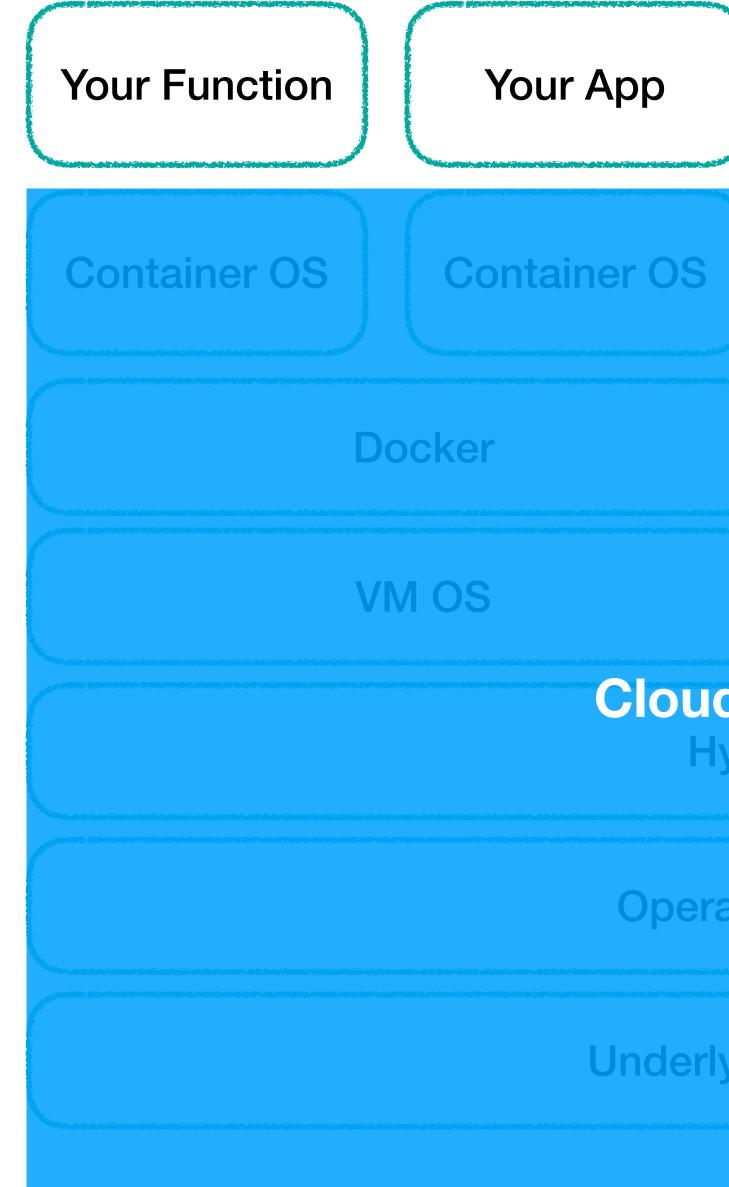


BETTER ON THE CLOUD?





BETTER WITH FAAS?



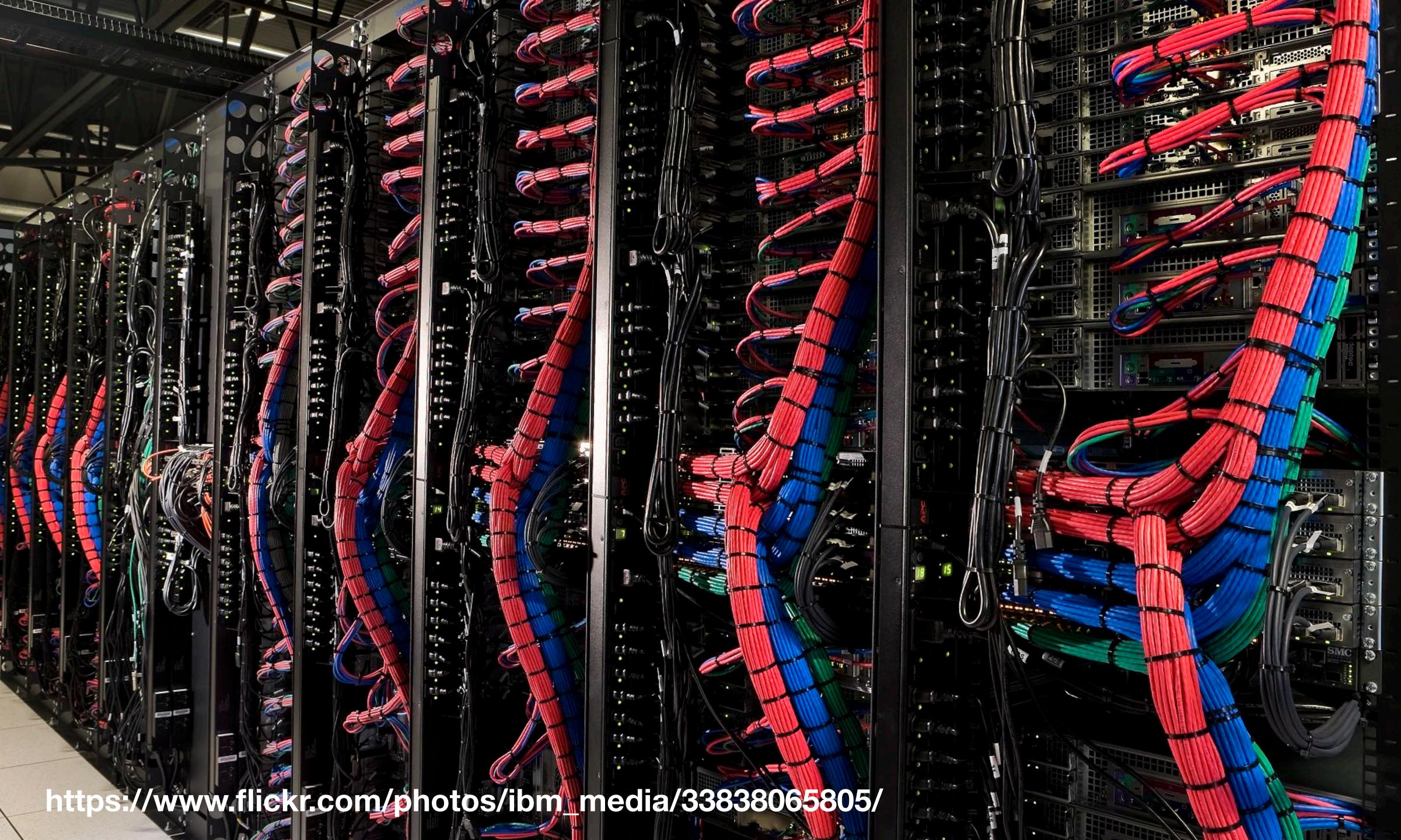
Cloud FAAS/PAAS Hypervisor

Operating System

Underlying Hardware









So why doesn't everyone use a public cloud vendor?



We already have computers!

I don't want to be locked in!

They'll learn all about my business then take my business away from me!

They'll learn all about my business then take my business away from me!

They might turn the service off

They'll learn all about my business then take my business away from me!

They might turn the service off

The prices might go up!

They'll learn all about my business then take my business away from me!

They might turn the service off



The prices might go up!

PRICES ACTUALLY SEEM FLAT

ALT + E S V

IaaS Pricing Patterns and Trends 2019

By Rachel Stephens | @rstephensme | August 1, 2019

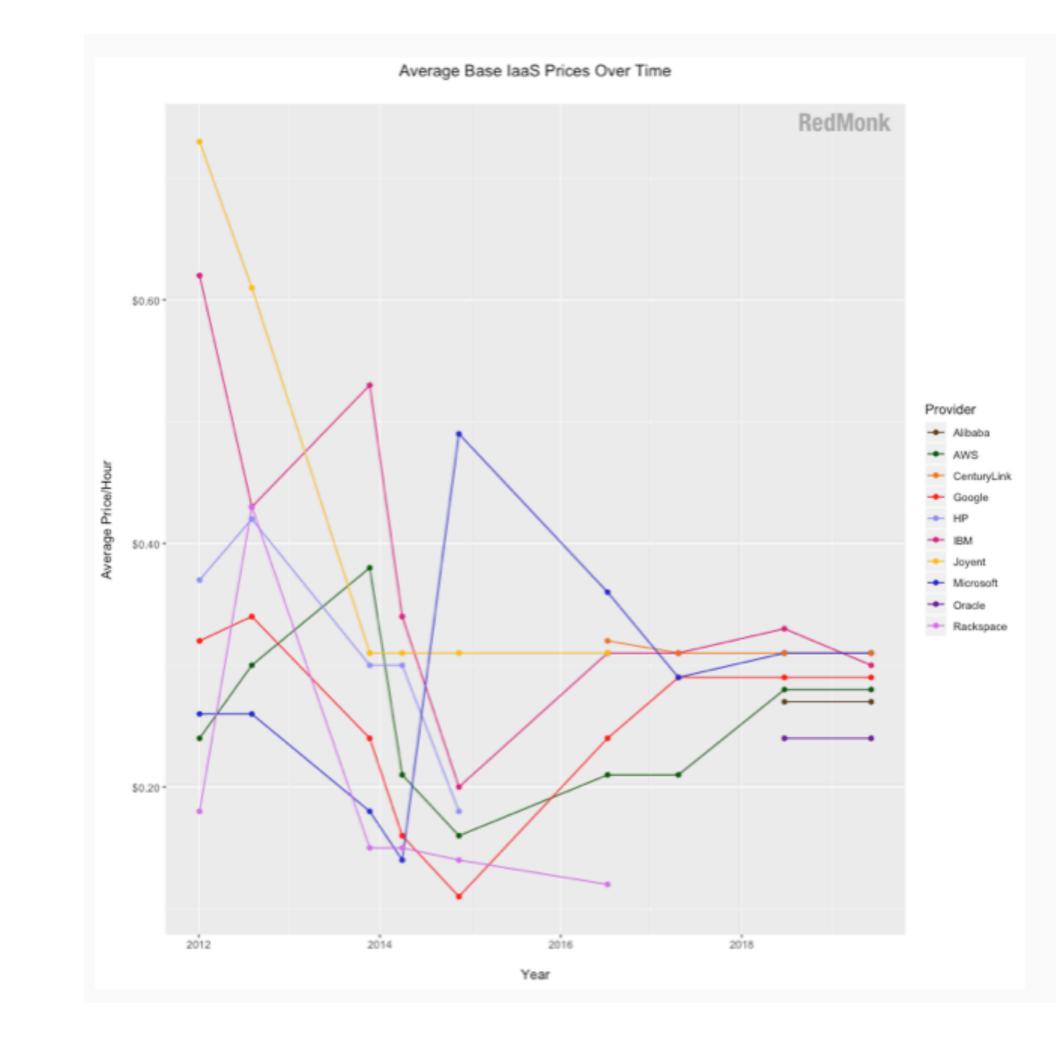


Since our last update of infrastructure as a service pricing trends, adoption of cloud compute continues to grow. A growing number of enterprises across verticals are pursing cloud strategies and taking advantage of cloud services.

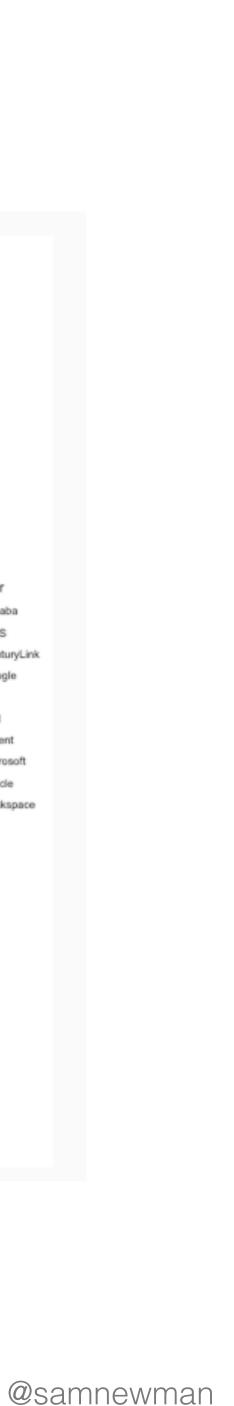
However, it can be difficult to properly assess how competitive cloud providers are with one another because their non-standardized packaging makes it effectively impossible to compare services on an equal footing.

To this end we offer the following deconstruction of IaaS cloud pricing models. This analysis is intended not as a literal expression of cost per service; this is not an attempt to estimate the actual component costs for compute, disk, and memory per provider. Such numbers would be speculative and unreliable, as they would rely on non-public information. Instead, this analysis compares base, retail hourly instance costs against the individual service offerings.

What this attempts to highlight is how providers may be differentiating from each other via their pricing models. In other words, it's an attempt to answer the question for a given hourly cost, who's offering the most compute, disk or memory?



https://redmonk.com/rstephens/2019/08/01/iaas-pricing-patterns-and-trends-2019/



It's not lock-in that's the problem, it's the potential impact *if* you have to change vendors

Think less about lock-in, more about *potential* migration cost

Use a cloud product today? Benefit now, maybe pay later

Use a cloud product today? Benefit now, maybe pay later

Don't use a cloud product today? Avoid potential migration cost later, but pay the cost now



Don't get locked up into avoiding lock-in

A significant share of architectural energy is spent on reducing or avoiding lock-in. That's a rather noble objective: architecture is meant to give us options and lock-in does the opposite. However, lock-in isn't a simple true-or-false matter: avoiding being locked into one aspect often locks you into another. Also, popular notions, such as open source automagically eliminating lock-in, turn out to be not entirely true. Time to have a closer look at lock-in, so you don't get locked up into avoiding it!

09 September 2019



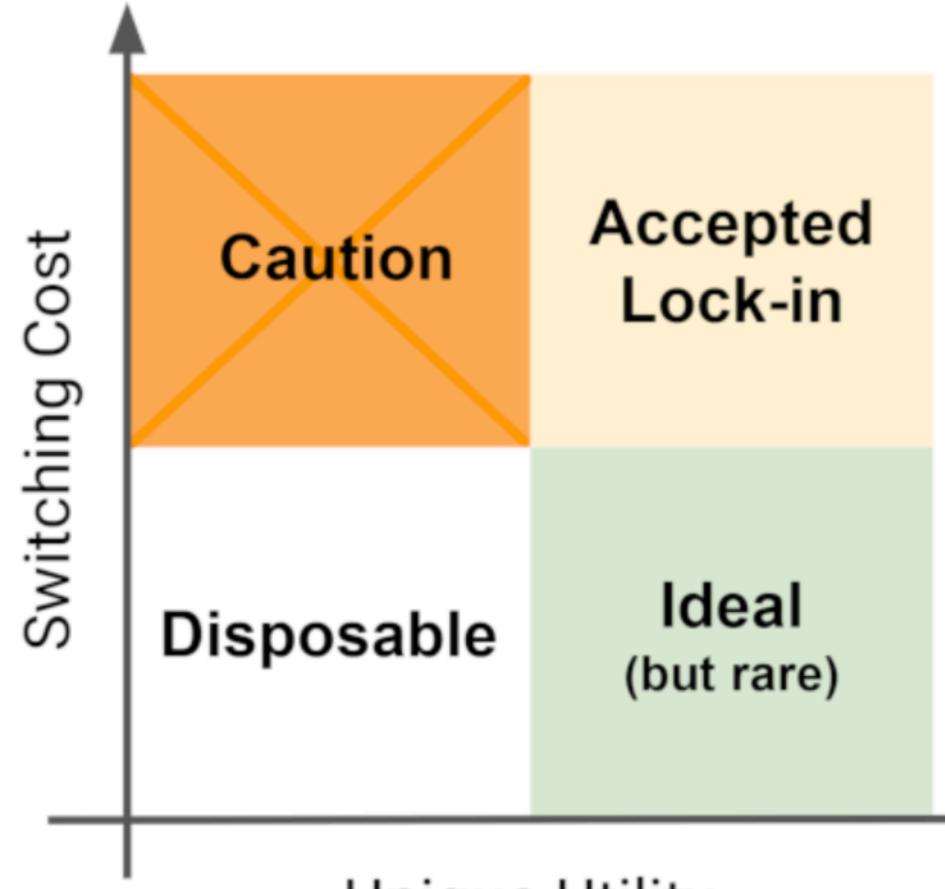
Gregor Hohpe

CONTENTS

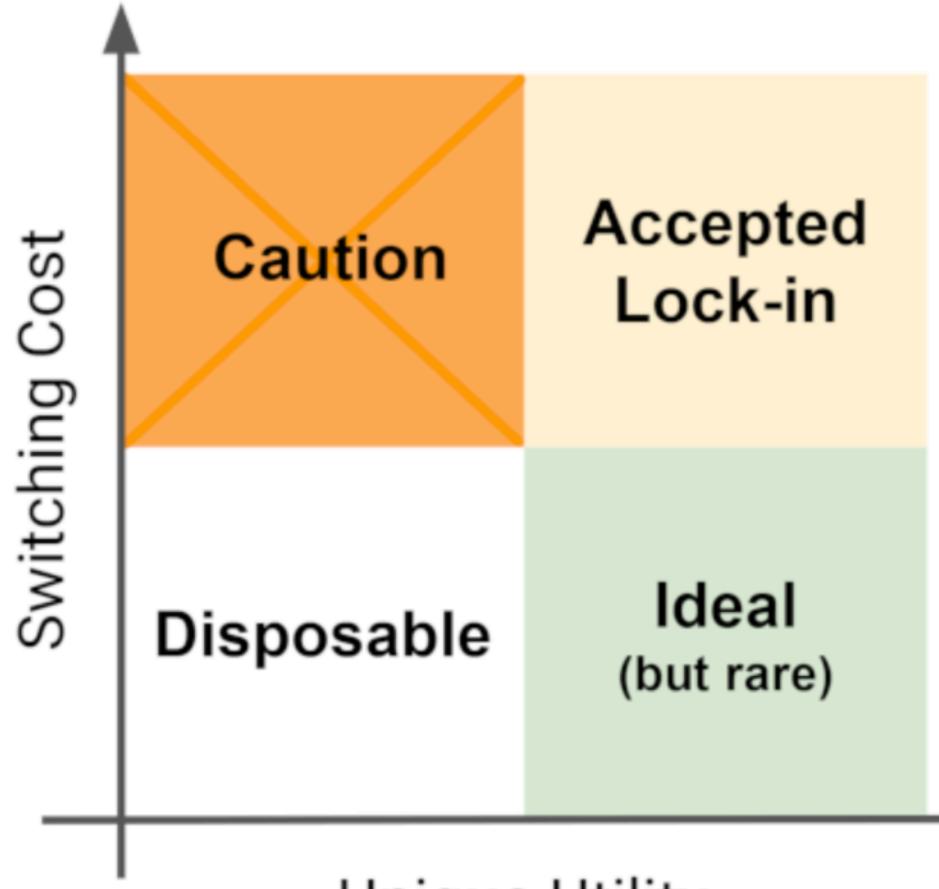
- **Open-source-hybrid-multi-cloud == lock-in free?**
- Shades of lock-in
- Making better decisions using models
- Lock-in as a two-by-two matrix
- The actual cost of lock-in

Be deviation of the device The end of the second of the

https://martinfowler.com/articles/oss-lockin.html



Unique Utility



Unique Utility



. . . .

Benefits

@samnewman

.

. . . .

Benefits

Blob storage

@samnewman

.

. . . .



Blob storage

Benefits

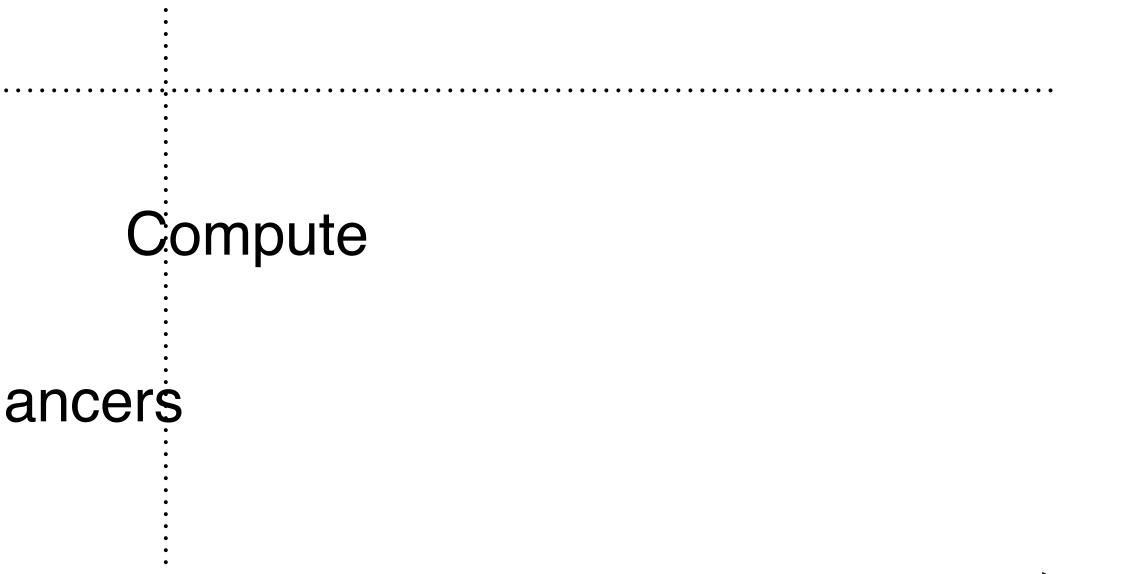
@samnewman

.

. . .

Blob storage

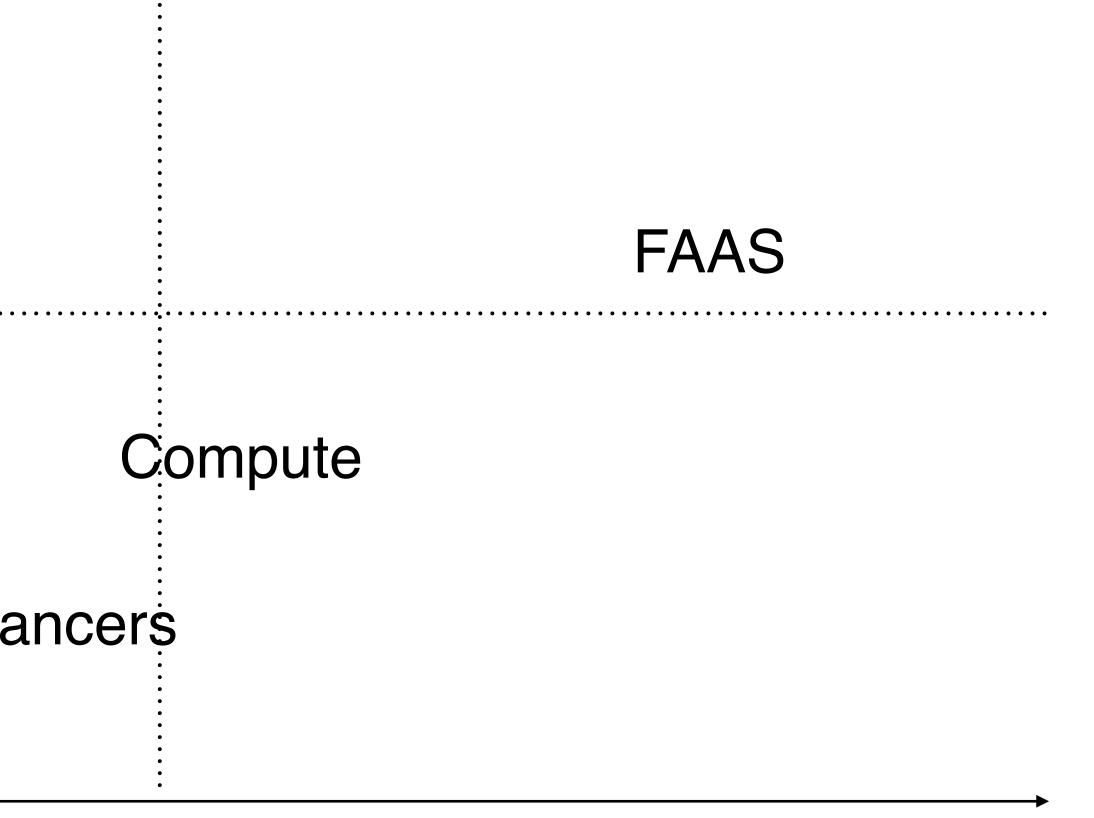
Load balancers



Benefits

Blob storage

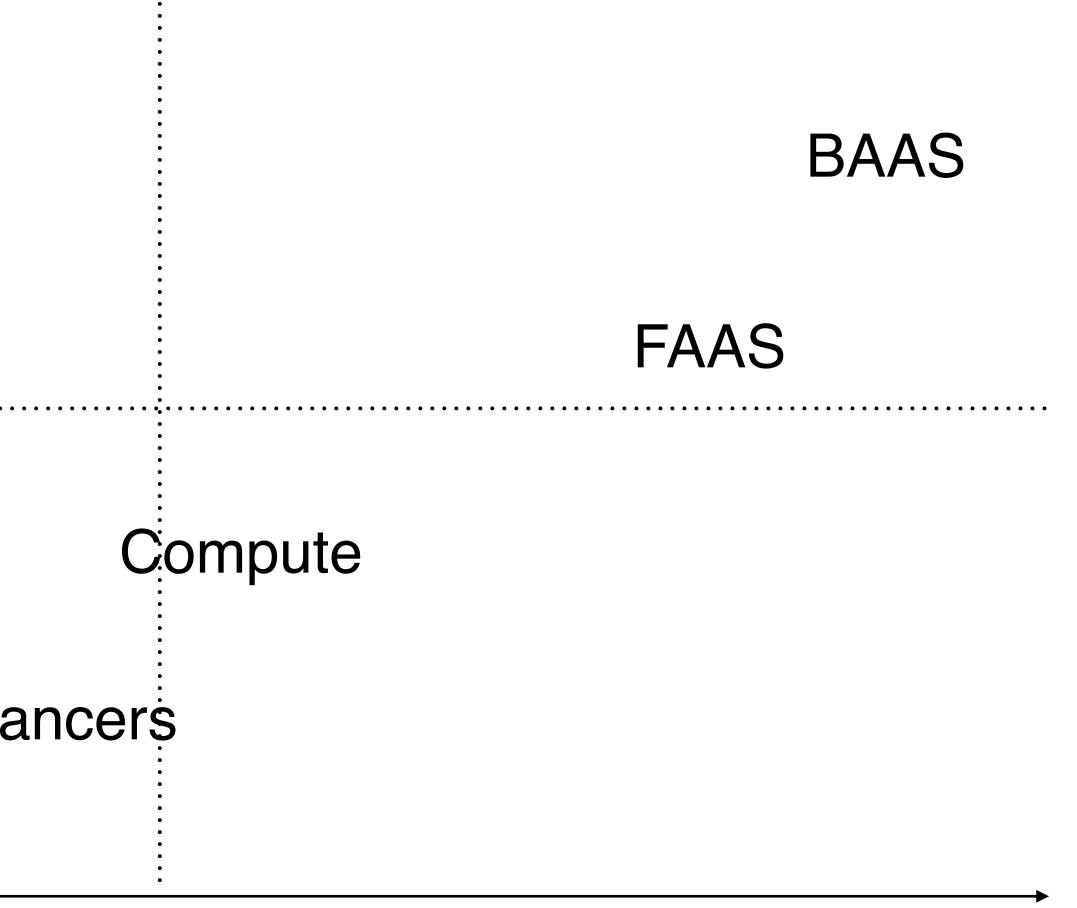
Load balancers



Benefits

Blob storage

Load balancers



Benefits

But our private cloud is nearly good!

We've spent so much money, we can't stop now...





https://commons.wikimedia.org/wiki/Concorde#/media/File:Concorde_1977.jpg





"To those waiting with bated breath for that favourite turning."



media catchphrase, the 'U-turn', I have only one thing to say: 'You turn [U-turn] if you want to. The lady's NOT for

Margaret Thatcher



Don't mention Brexit!



Physical Infrastructure



Physical Infrastructure

Virtualised Infrastructure **Early 2000**



Physical Infrastructure

Virtualised Infrastructure **Early 2000**

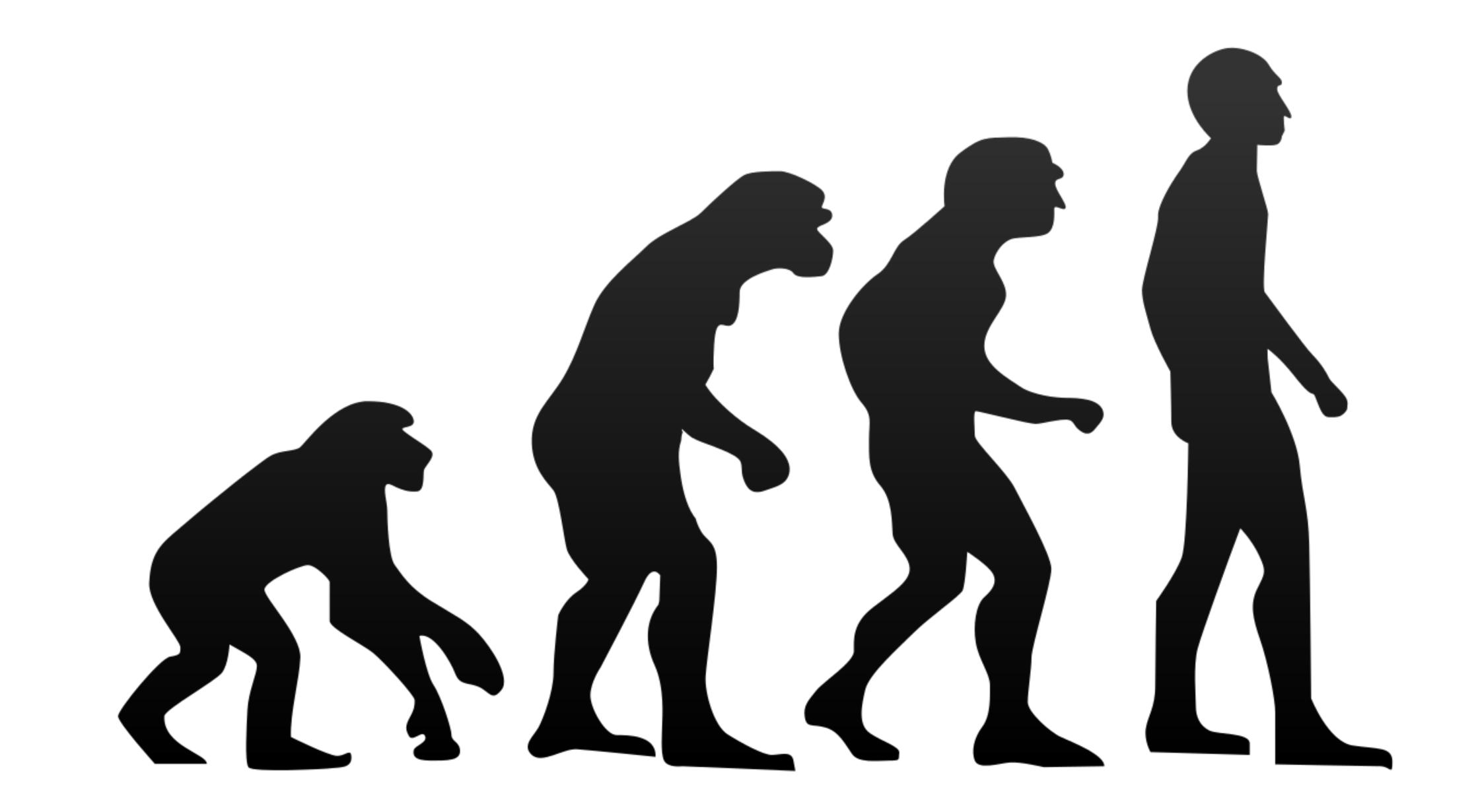
OpenStack **2010s**

Physical Infrastructure

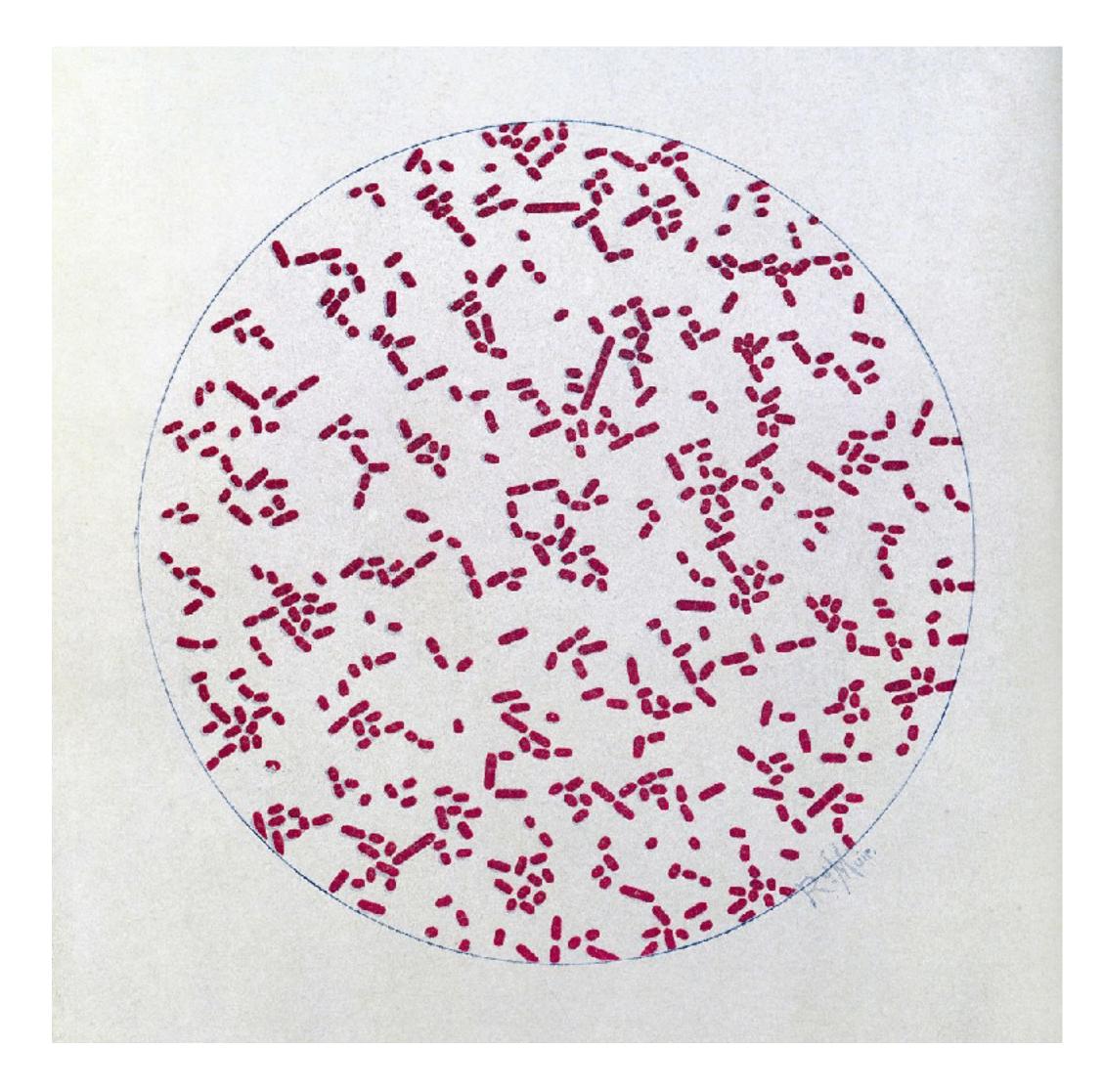
Virtualised Infrastructure **Early 2000**

OpenStack **2010s**

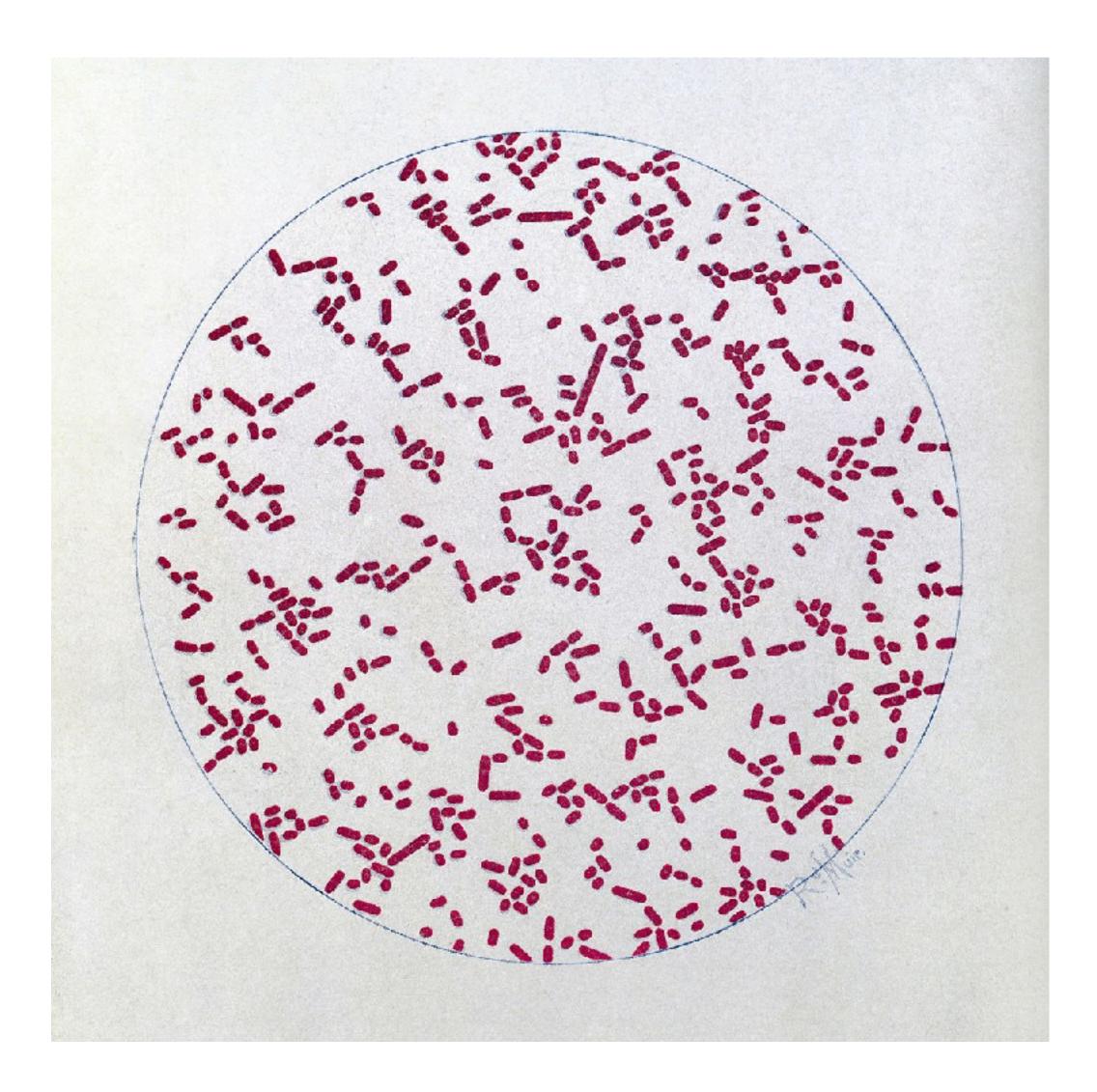
Kubernetes-based platforms 2018+



https://commons.wikimedia.org/wiki/File:Human_evolution.svg



https://commons.wikimedia.org/wiki/File:R._Muir,_Bacteriological_Atlas,_1927_Wellcome_L0030995.jpg



https://commons.wikimedia.org/wiki/File:R._Muir,_Bacteriological_Atlas,_1927_Wellcome_L0030995.jpg

https://commons.wikimedia.org/wiki/File:R._Muir,_Bacteriological_Atlas,_1927_Wellcome_L0030997.jpg







I want my data in country



I want my data in country

I'm worried about the US patriot act



I want my data in country

I'm worried about the US patriot act

We're doing something *really* specialised





I want my data in country

I'm worried about the US patriot act

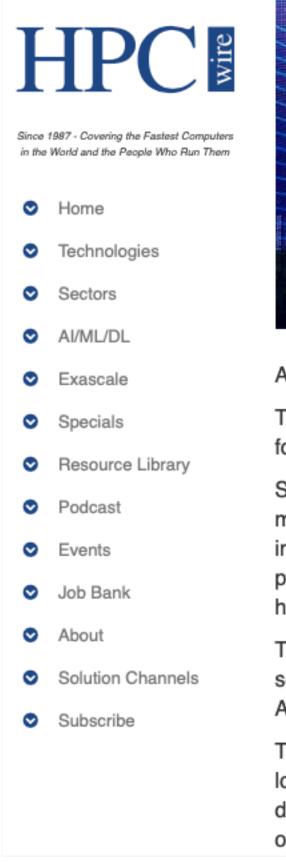
We're doing something *really* specialised

I'm worried about monopolies!



Hyperscalers!

HYPERSCALE, HYPERSCALE, HYPERSCALE!





April 12, 2017

The number of companies fitting the description of "hyperscale" now accounts for 68 percent of the cloud infrastructure services market, a researcher found.

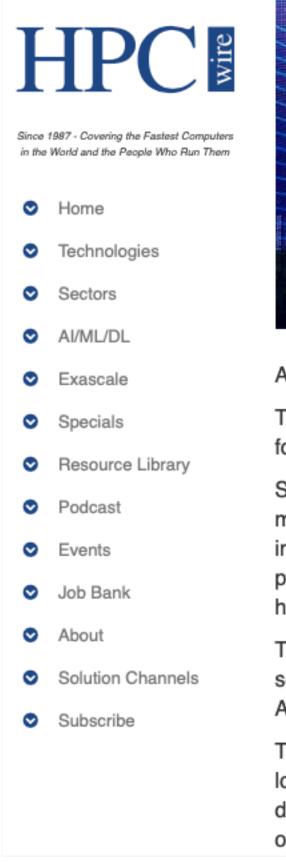
Synergy Research Group said this week is has identified 24 companies that meet its definition of hyperscale operators. Those companies offer infrastructure, platform and private hosted cloud services. An additional 59 percent offer software services. In 2012, the market research found that hyperscale operators accounted for only 47 percent of each of those markets.

The survey defined hyperscale operators as running hundreds of thousands of servers in their datacenters. The largest cloud services vendors such as Amazon Web Services, Google and Microsoft have millions of servers.

The market researcher reported that 45 percent of hyperscale datacenters are located in the U.S.; China is a distant second with 8 percent of high-end datacenters. "Country distribution of data centers reflects the U.S. dominance of cloud and internet technologies," the survey noted.

https://www.hpcwire.com/2017/04/12/hyperscalers-emerging-hype-phase/

HYPERSCALE, HYPERSCALE, HYPERSCALE!





April 12, 2017

The number of companies fitting the description of "hyperscale" now accounts for 68 percent of the cloud infrastructure services market, a researcher found.

Synergy Research Group said this week is has identified 24 companies that meet its definition of hyperscale operators. Those companies offer infrastructure, platform and private hosted cloud services. An additional 59 percent offer software services. In 2012, the market research found that hyperscale operators accounted for only 47 percent of each of those markets.

The survey defined hyperscale operators as running hundreds of thousands of servers in their datacenters. The largest cloud services vendors such as Amazon Web Services, Google and Microsoft have millions of servers.

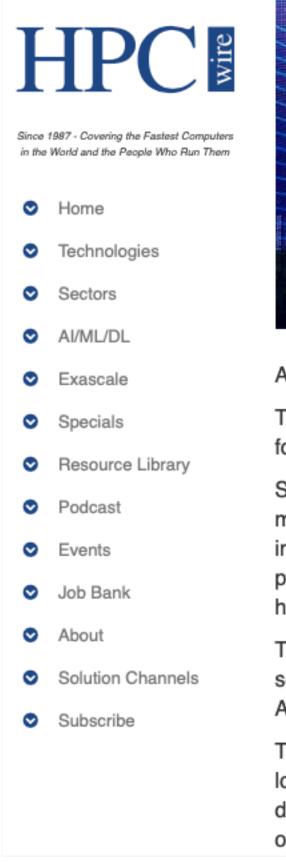
The market researcher reported that 45 percent of hyperscale datacenters are located in the U.S.; China is a distant second with 8 percent of high-end datacenters. "Country distribution of data centers reflects the U.S. dominance of cloud and internet technologies," the survey noted.

"...companies fitting the description of "hyperscale" now accounts for 68 percent of the cloud infrastructure services market"

https://www.hpcwire.com/2017/04/12/hyperscalers-emerging-hype-phase/



HYPERSCALE, HYPERSCALE, HYPERSCALE!





April 12, 2017

The number of companies fitting the description of "hyperscale" now accounts for 68 percent of the cloud infrastructure services market, a researcher found.

Synergy Research Group said this week is has identified 24 companies that meet its definition of hyperscale operators. Those companies offer infrastructure, platform and private hosted cloud services. An additional 59 percent offer software services. In 2012, the market research found that hyperscale operators accounted for only 47 percent of each of those markets.

The survey defined hyperscale operators as running hundreds of thousands of servers in their datacenters. The largest cloud services vendors such as Amazon Web Services, Google and Microsoft have millions of servers.

The market researcher reported that 45 percent of hyperscale datacenters are located in the U.S.; China is a distant second with 8 percent of high-end datacenters. "Country distribution of data centers reflects the U.S. dominance of cloud and internet technologies," the survey noted.

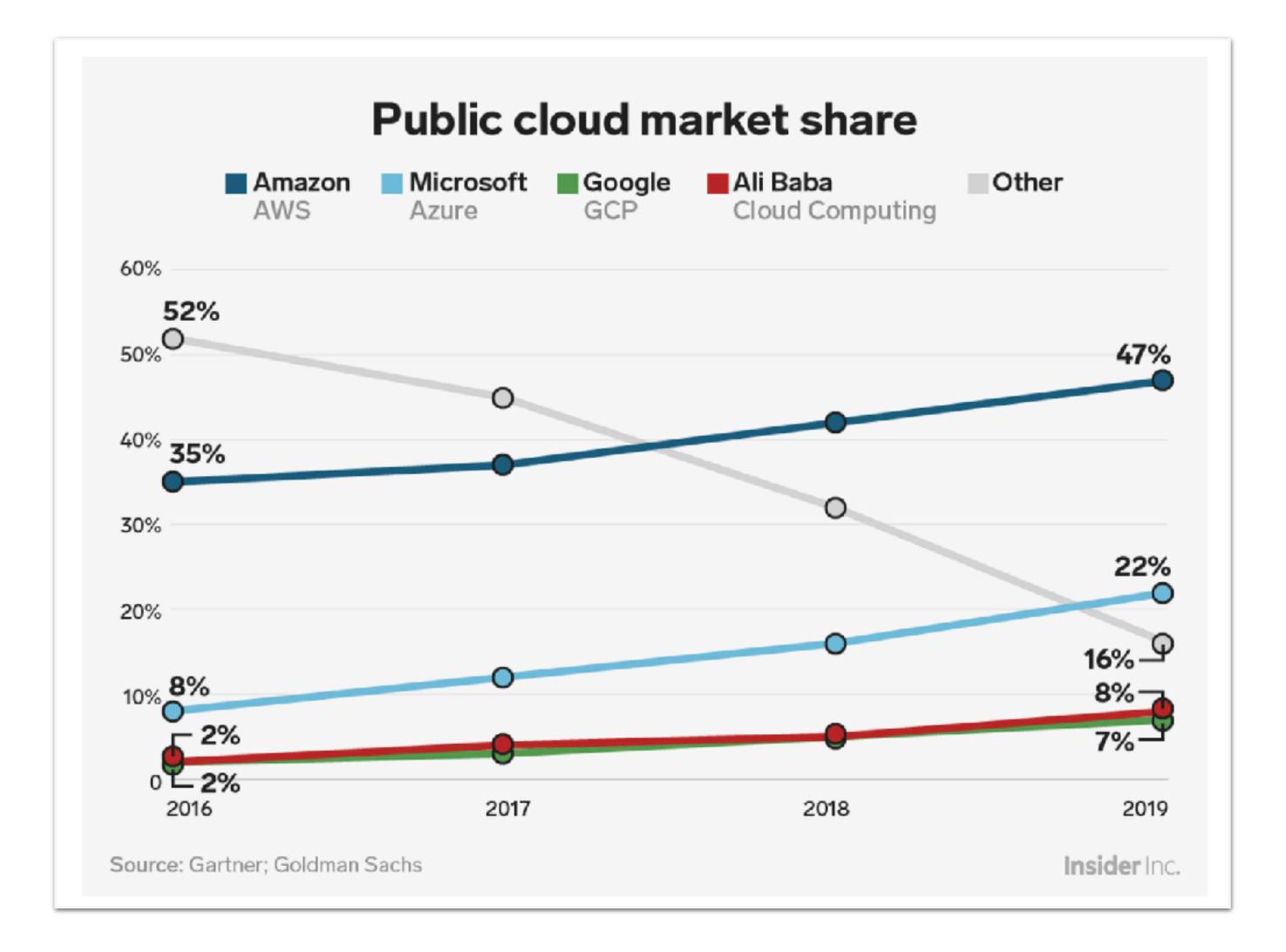
"...companies fitting the description of "hyperscale" now accounts for 68 percent of the cloud infrastructure services market"

Shared amongst just 24 companies

https://www.hpcwire.com/2017/04/12/hyperscalers-emerging-hype-phase/



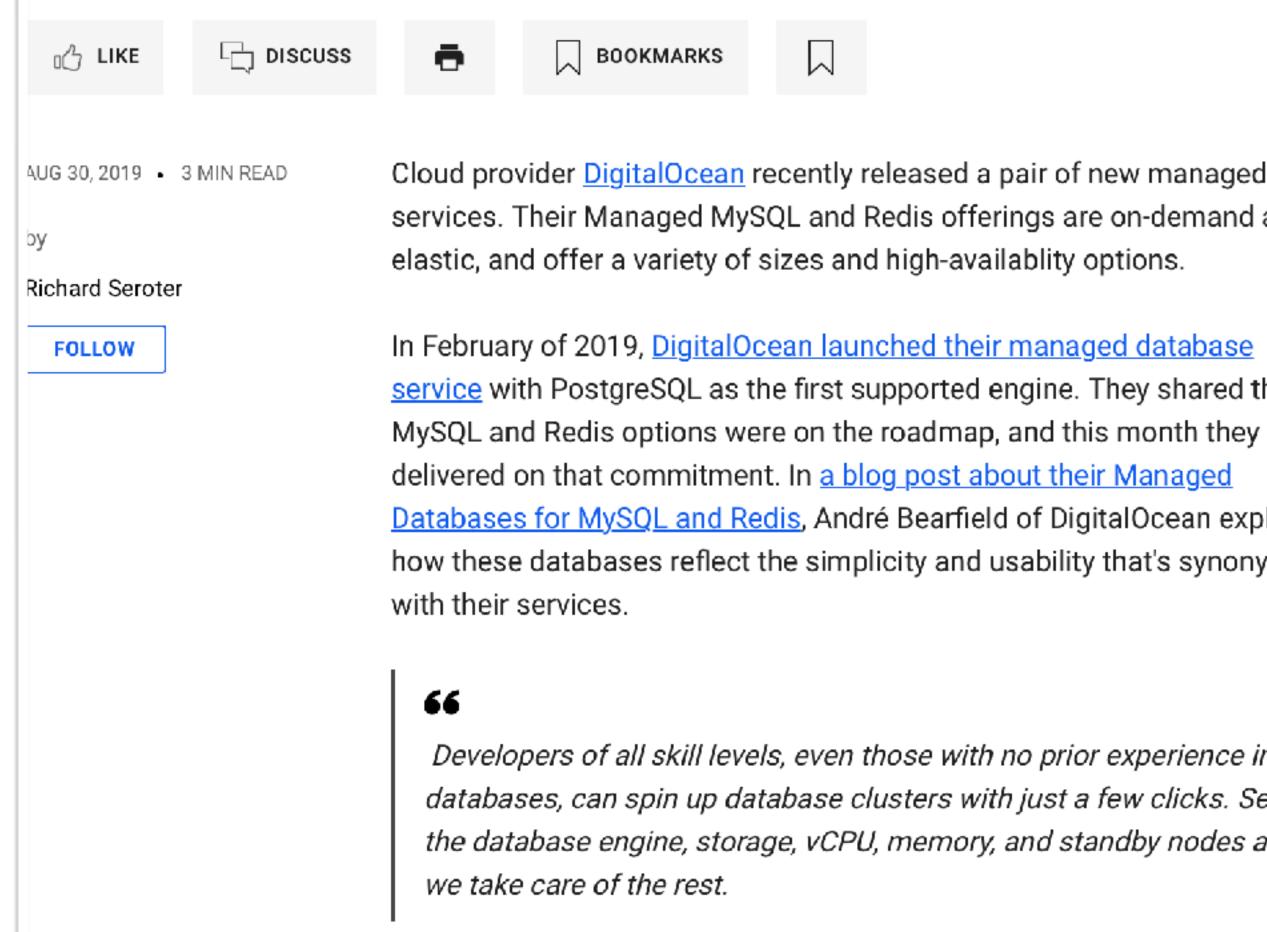
NOT GOOD NEWS FOR SMALLER PLAYERS?



https://www.parkmycloud.com/blog/aws-vs-azure-vs-google-cloud-market-share/

SMALLER FEATURESET/LATE TO THE PARTY

DigitalOcean Adds Managed MySQL and Redis Services



https://www.infoq.com/news/2019/08/digitalocean-mysql-redis/



Cloud provider <u>DigitalOcean</u> recently released a pair of new managed data services. Their Managed MySQL and Redis offerings are on-demand and

service with PostgreSQL as the first supported engine. They shared that Databases for MySQL and Redis, André Bearfield of DigitalOcean explained how these databases reflect the simplicity and usability that's synonymous

Developers of all skill levels, even those with no prior experience in databases, can spin up database clusters with just a few clicks. Select the database engine, storage, vCPU, memory, and standby nodes and

RELATED CON1

Real-Time Data Proce Redis Streams and A Structured Streaming

MAY 13, 2019

Using TypeScript with Database

APR 28, 2019

Amazon Announces 6 Multi-Master

SEP 03, 2019

Addressing Multi-Clo Releases Terraform C SEP 16, 2019

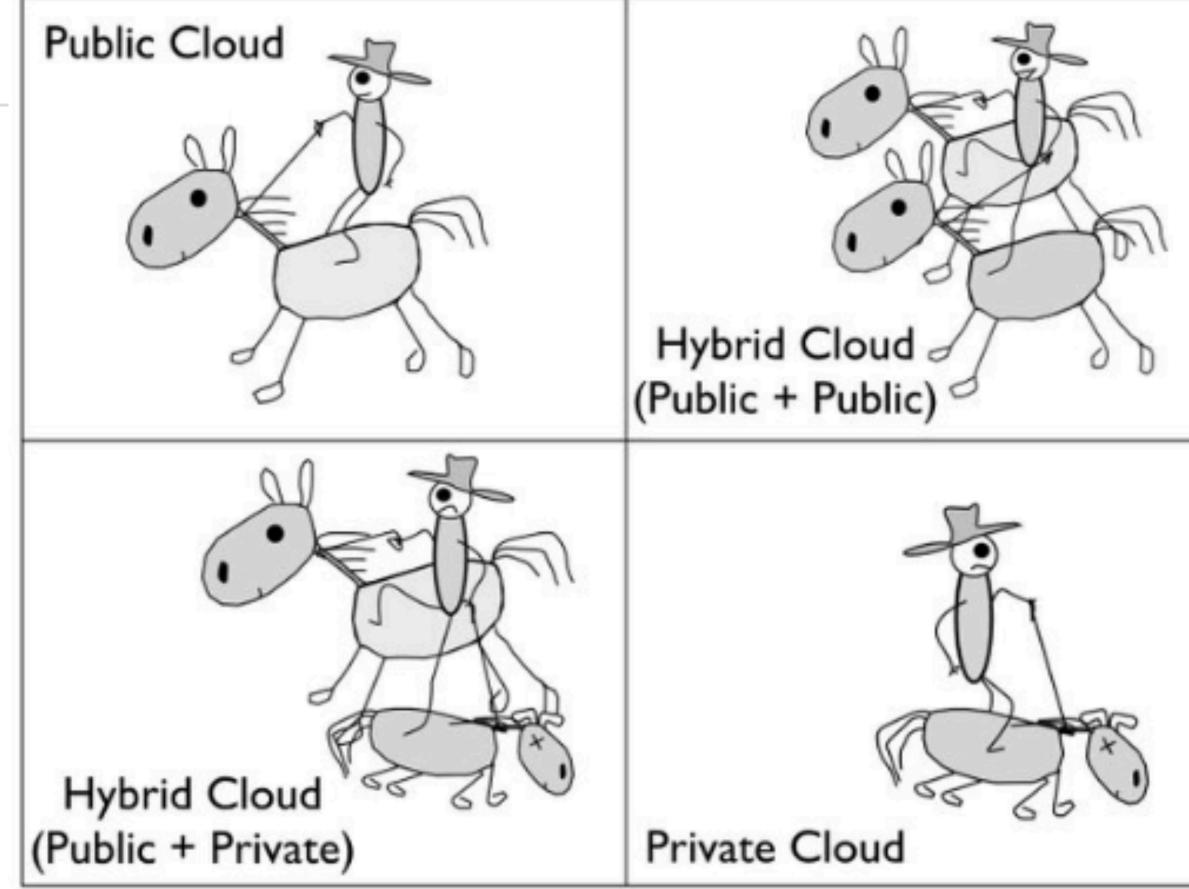
HashiConf US 2019: To Updates, Multi-* Wor

SEP 19, 2019

Don't confuse a multi-cloud strategy with multi-cloud apps



X : What do you think of hybrid cloud? Me : You're kidding? This is 2017 not 2010. I'll summarise in one diagram.



https://twitter.com/swardley/status/908031162668474368

 \sim



FIGHT YOUR OWN NEED FOR INFRASTRUCTURE

TECOSYSTEMS

What is OpenStack?

By Stephen O'Grady | @sogrady | June 16, 2015



In the wake of the OpenStack Summit, held in Vancouver this year, two major questions remained. First and perhaps most obviously, why in the holy hell aren't there more technology conferences held in Vancouver? Sure, it's marginally more difficult to get into than San Francisco by air – at least if your primary carrier is JetBlue, which doesn't service Vancouver. But this is the view from the conference center, which is itself quite impressive.



(click to embiggen)

Not that I have anything against California as a conference destination, mind. If Las Vegas is Mos Eisely, San Francisco is Shangri-La. But there is not a venue in San Francisco that can hold a candle to the Vancouver Conference Center and its absurd backdrop of mountains, water and lazily circling float planes.

https://redmonk.com/sogrady/2015/06/16/what-is-openstack/

FIGHT YOUR OWN NEED FOR INFRASTRUCTURE

TECOSYSTEMS

What is OpenStack?

By Stephen O'Grady | @sogrady | June 16, 2015



In the wake of the OpenStack Summit, held in Vancouver this year, two major questions remained. First and perhaps most obviously, why in the holy hell aren't there more technology conferences held in Vancouver? Sure, it's marginally more difficult to get into than San Francisco by air – at least if your primary carrier is JetBlue, which doesn't service Vancouver. But this is the view from the conference center, which is itself quite impressive.



(click to embiggen)

Not that I have anything against California as a conference destination, mind. If Las Vegas is Mos Eisely, San Francisco is Shangri-La. But there is not a venue in San Francisco that can hold a candle to the Vancouver Conference Center and its absurd backdrop of mountains, water and lazily circling float planes.

"...there are legions of IT staffers that will be protecting what they believe is their livelihood – the private infrastructure – at all costs. Unless technical leadership is willing to wage total war on its own infrastructure, then, private infrastructure will continue to be a thing."

- Stephen O'Grady, Redmonk





Most people are likely better off making use of a public cloud provider



Most people are likely better off making use of a public cloud provider

Many of the concerns about public cloud adoption are unfounded





Don't let sunk cost fallacy hold you back

Most people are likely better off making use of a public cloud provider

Many of the concerns about public cloud adoption are unfounded





Don't let sunk cost fallacy hold you back

You can balance your risks by being smart

Most people are likely better off making use of a public cloud provider

Many of the concerns about public cloud adoption are unfounded



Sam Newman.

Home

About

Talks

Podcast

Talks & Workshops.

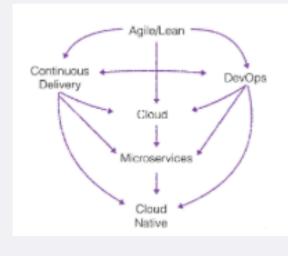
Here are a list of the talks I am currently presenting. On request, I can present different topics or even my older talks. If you want me to present these topics at your conference or company, then please contact me

You can also see where I'll be speaking next on my events page.

What Is This Cloud Native Thing Anyway?

A talk exploring what the hell Cloud Native means

Find Out More



Feature Branches And Toggles In A Post-GitHub World



https://samnewman.io/



Video!

O'REILLY°

Monolith to **Microservices**

Evolutionary Patterns to Transform Your Monolith



