



# Lowering Hosteller’s Cloud Expenses with Strategic Cost Optimization Assessments

Ever wondered how the young, adventurous travelers in India manage to explore the country on a budget without compromising on their comfort and safety? The Hosteller stands out as the perfect pit stop for these young enthusiasts to relax and rejuvenate. However, as they continue to cater to the needs of these keen travelers, one major challenge they encountered was the soaring cloud costs. Read ahead to explore how Hosteller pursued strategic cloud solutions to continue delivering safe and comfortable services across the country.

## Executive Summary

### Industry

Hospitality

### Location

India

### Challenges

High cloud bills

### Impact

Reduced cloud costs and secure cloud infrastructure

### Services

Delivery and Brokerage

## Timeline of engagement



## About the Business

Started in 2014, The Hosteller stands as India’s fastest-growing hostel chain, with more than 55 hostels designed to provide travelers with budget-friendly accommodation in a relaxing, clean, safe, and equipped facility. From well-stocked kitchens to exclusive female dorms, this self-operated backpacker hostel chain serves as the perfect haven for all who are young at heart and seek memorable travel experiences.

However, as Hosteller expanded its facilities, it became challenging to manage high cloud costs and secure their setup. To address these concerns, they turned to Zarthi for strategic cost optimization assessments and help them in delivering top-notch services to travelers worldwide.

*“It has been a great experience during incubation period. The Zarthi team has understood our requirements and suggested the changes needed to be done to optimize cost and performance.*

*I really liked the whole process and am looking forward to a long-term engagement with Zarthi.”*

**Dushyant Bhatt**

Chief Technology and Product Officer



## Problem Statements

As a rapidly growing hostel chain, The Hosteller often encounters challenges such as high cloud costs and infrastructure security. They needed a competent partner who could provide the right tools and insights to optimize their billing expenses and improve their overall efficiency. This is where Zarthi came in with their robust cost optimization assessment services, helping them trim their high cloud bills while ensuring infrastructure security.

- There was no dedicated technical team to support the cloud setup of Hosteller, which led to critical security concerns regarding the cloud infrastructure.
- While the company is planning for strategic expansions and growth, there is a pressing need to control and optimize the soaring cloud costs.

## Resolution and Methodology

The Hosteller collaborated with Zarthi with a focus on reducing their high cloud costs and security concerns. Before the full-scale implementation, a one-month POC (Proof of Concept) period was initiated with free 10,000 credits. We took the challenge of optimizing high cloud costs across four servers and offered practical cost optimization assessment. The agenda was to gather data and assess their infrastructure to identify the gaps in their cloud operations. This ultimately helped to strategically streamline their systems and keep the escalating cloud costs in check. Let us explore in-depth how Zarthi assisted Hosteller in reducing their cloud expenditure while improving the scalability of their infrastructure.

- Team Zarthi analyzed their infrastructure and consumption patterns to make two major recommendations. In the first phase, the team suggested the implementation of resource scheduling strategies which helped the organization set up automated sequences to shut down resources when they were not in use. With a focus on enhancing the performance of their web application host, it was further proposed to change the processor from Intel Zeon Processor (T2.small and T2.xlarge) to Graviton. This not only led to 58% cost savings but also facilitated better performance and speed of their website.
- Our experts had also proposed that Hosteller strategically invest in a long-term savings plan for three years, leading to an identified savings of 77%.
- Owing to their unsecured and inefficient technical infrastructure, Team Zarthi suggested Hosteller enable AWS CloudWatch to properly monitor the utilization of CPU and memory. This service helped them track and monitor resources and assisted the company in upgrading and downgrading resources with ease.
- During the incubation period, Zarthi proposed these recommendations for four main servers and helped Hosteller cut their monthly costs from \$452 to \$189.50.
- Zarthi has also taken up the role of the billing partner and has successfully facilitated a 7% provider's discount with AWS based on their consumption.

## Impact Delivered

<b>7%</b>	<b>\$3,150</b>	<b>\$262.5</b>	<b>58%</b>	<b>77%</b>	<b>98.9%</b>
Provider Discounts	Annual Savings	Monthly Savings	Average Cost Savings	Maximum Proposed Savings	Delivery SLA