



## Virtualization helps companies like yours save money and resources

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### *Executive Summary*

*Virtualization has transformed the IT operations of hundreds of organizations, from small shops to multinational corporations. Take a look at six companies that took the leap with server virtualization and how they benefited. From cost savings and easier management to improved productivity, virtualization does make a difference.*

It's one thing to read about the benefits of server virtualization. It's another to read about real results at real companies. Here are a few examples of how virtualization can change the IT landscape — and the bottom line — immediately and in the future.

### **Welch Foods sees more savings, smaller footprint with virtualization**

Welch Foods, the fruit juice and jam manufacturer, decided to simplify its data center to consolidate hardware and help IT become more efficient, both physically and financially. After using virtualization to scale down from 100 legacy servers to just 10 machines, Welch's saw its total cost of ownership (TCO) drop by 30 percent. The company saved US\$331,000 on server hardware costs alone and cut data center costs by reducing space, power and cooling requirements.

Before virtualization, the average CPU utilization at Welch's was 10 percent; after consolidating, utilization climbed to 60 percent. Today, network and server technology manager Jacob Matusevich can replace an outdated server in less than an hour. Before, "it would have been three weeks, minimum," he says. For Welch's, virtualization created an unprecedented opportunity for fast deployment, high availability and cost reduction.

### ***Consolidation pays off for three organizations***

*The Randolph-Brooks Credit Union installed 14 blade servers into the space taken up by two conventional servers, reducing space and cutting the cost of buying new equipment by 30 percent. — BusinessWeek, 2006*

*The federal government believes it can cut the government's annual IT infrastructure costs by 16 to 27 percent through consolidation and standardization. — Computerworld, 2006*

*The Texas state government will consolidate its 31 data centers into two facilities, saving a projected \$25 million in 2008 and 2009 and \$159 million over seven years. — NetworkWorld, 2006*

### **The Bama Companies revamps its data center after lunch — and finishes by 5p.m.**

The Bama Companies, a 1000-person food service company based in Tulsa, Oklahoma, decided to try virtualization when its older storage area network (SAN) ran out of space. The company went from 50 servers, only five of which connected to the SAN, to six new high-performance servers running 37 virtual machines, all connected to an IBM BladeCenter SAN. Not only did data and application migration go smoothly ("We didn't start the migration until lunch and still finished by five," says Erik Spille, technical services manager at Bama), but Bama has seen a 20-fold increase in server utilization since the switch, with rates running at around 80 to 90 percent.

Spille calculates that six years of a virtual infrastructure will cost Bama \$790,000, as opposed to over a million dollars to maintain a physical server environment. "I wouldn't go back to a classic infrastructure for anything," says John Blaylock, Bama's senior network administrator. "The virtual server environment is much more reliable."

### **At an advertising agency, IT contains server sprawl**

GSD&M, an 850-person advertising agency in Austin, Texas, grappled with a complicated server structure with low utilization. "Each application required its own workstation or server, if for no other reason than each vendor has a best practice of recommending their software run on a dedicated system," says Coen Dillahunty, the agency's enterprise systems supervisor. In one year, GSD&M increased the number of servers from 15 to 40 — with each server taking 10 to 15 hours to set up. The company decided to try virtualization.

At the time, they didn't have the budget or leasing availability to invest in new servers, so GSD&M added more memory to existing hardware and used ESX Server from VMware to create and run virtual machines. As leases on hardware began to expire, the agency replaced old servers with new, high-performance models. Today, the company runs roughly 45 virtual servers on five four-processor x86 machines, each with 32GB of RAM. This environment makes application development, acquisition and testing much quicker and easier, to keep up with client application demands. "The IT department no longer lags the business from an infrastructure point of view," Dillahunty says. "Which means we can provide better service as an ad agency."

### **A small architecture firm with limited resources implements virtualization on budget**

Phillips Architecture, a 30-person firm in Raleigh, North Carolina, needed a more resilient and robust network to support both everyday network needs and the firm's Web-based software solution. "We needed to build the entire development, test and live networks to present the Web application to users," says Ryan Suydem, the IT director at Phillips.

Phillips' IT department, which had less than 10 percent utilization on all of its existing machines and a tiny physical data center, decided to try virtualization and a storage upgrade. The hitch was that Phillips also had a \$100,000 budget. To save costs, Suydem and his team decided to repurpose existing servers to host virtual machines and instead focused their budget on SAN, VMware and implementation services. "All together, we were able to acquire [everything] for less than \$100,000," Suydem says. "And with virtualization, we could host 24 servers on as few as four physical machines."

The firm's IT operations and its Web-based software solution now share a highly available backbone, while having separate security domains and virtual application servers. And IT finds the whole system much easier to manage and maintain.

"Our small IT staff appreciates the early evenings and free Saturdays," Suydem says.

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