Data Center Actions in Times of Economic Uncertainty

Speaker: Steve Sams: VP of IBM's Site and Facilities Services

Jen:
Welcome to this IBM podcast series focused on how to optimize your technology infrastructure. I'm Jen Connect from IBM. Through this series we'll help cover series that help lower IT complexity and improve operating efficiency along with tips and advice on using technology and services to help you and your company succeed.

Tonight I'm joined by Steve Sams, IBM VP and resident expert on energy efficiency in datacenters. Steve will speak to us today about datacenter actions in times of economic uncertainty. Please join us as we discuss this timely topic.

Steve, we've heard a lot about the economic downturn around the world. Is this a good time to be thinking about energy efficiency and green?

Steve:
Jen, it sure is. I mean when you actually think about what's happening in markets around the world, people are significantly restricting their investments. Those investments include delaying new power plants which cost hundreds of millions or billions of dollars to build are getting deferred meaning extra energy is not coming on stream for datacenters and for other IT uses.

Second we're seeing that customer really do understand that energy efficiency is important, that they're continuing to run into power and cooling issues which actually rate #1 and #2 in terms of datacenter issues that our customers are facing today. Those issues exist and customers still need to resolve them.

Third, just as we see the lack of construction around power supply creation, we're seeing countries around the world—London, New York, Paris, etc.—actually running out of available energy capacity.

These issues are with us now and they're going to be with us for a long time in the future.

Jen:
That's very interesting. Steve, what types of actions do you recommend for clients to take in today's datacenters for these kinds of times?

Steve:
In essence, these are the same actions we've actually been recommending for the last couple of years because they're very solid business recommendations in any economy and they're even more relevant to take action today. The actions are really focused in three areas.

First of all, figure out how to extend the life of your existing datacenter. That really provides immediate payback and defers potentially huge capital investment.

Second, think about rationalizing your datacenter infrastructure across your company. In many cases, organizations have grown their datacenter infrastructure through acquisitions and other capabilities and there are potentially huge savings to rationalize them.

Third, if you are considering building a new datacenter, then think of one that is really focused on modularity that really aligns the capital and operational spending to what your needs are right now, not necessarily your needs in the future.

Jen:
Steve, let's explore these one at a time. What actions do you recommend to extend the life of existing datacenters?

Steve:
Jen, as I mentioned before, these are not new actions. We've been recommending these to clients over the last 2 years because they make good business sense at any time. They really fall into the following areas.

The first is datacenter energy efficiency assessments. In the past two years we've actually completed a significant number of these around the world. The average client has been able to reduce their energy consumption of their datacenter infrastructure by 23% with less than a 2 year payback period on energy savings alone.

The second is that we recommend that they use this energy saving to defer the building of new datacenters. In essence, by reducing your energy consumption by 23%, you've just given your existing datacenter 23% additional capacity to install new technology.

The third is that we recommend that they continue down the path that they're following of adopting new, highly efficient server technology. In many cases, these customers have run out of power and cooling capacity in their existing datacenters and our new high density zone allows them to install this newly dense technology without putting any stress on their existing UPS or cooling environments because the systems that we install in their datacenters come with their own cooling and UPS capacity.

Last, we would suggest that they continue to implement server and storage consolidation because the consolidation and virtualization of their current server and storage infrastructures can yield up to 5-8 times reduction in the server and storage technology deployed and matching energy efficiency improvements along with those reductions.

Jen:
Steve, you mentioned a second set of actions around rationalizing the datacenter infrastructure. What exactly do you mean by this?

Steve:
Jen, we found that many of our clients have inherited datacenter infrastructures through mergers, acquisition, geographic growth or other reasons. Now is really a good time to rationalize what

they have. The ways they can do this is by first helping them to evaluate their current datacenter strategy. We can help them look at their current deployment and see how much yield in terms of significant savings there can be by rationalizing their current datacenter structure.

The second thing we really look for is the operational and capital savings from datacenter consolidation. We found that those savings are significant in customer environments. We've see it range anywhere from 7M-180M a year of operational cost reduction. It's interesting. When IBM did this for our own internal IT usage, we actually saved $4.1B of operational cost savings by rationalizing our datacenter infrastructure over the last 5 years.

Jen:
That's impressive. Steve, your final recommendation was around datacenter expansion. Are you still seeing clients expand their datacenters and if so what would you recommend to those who are expanding?

Steve:
Jen, we did a survey of the top clients in the US at an event just a few weeks ago after the current economic situation was in full bore. It's very obvious that IT is still expanding and over 80% of those clients are still planning to make major investments in new datacenters or expand their existing datacenters in the next two years. In fact, 50% of them suggested that that activity was already under way.

We see similar growth in Europe and Asia, so we are really recommending to clients to look at our modular approach to design and it really allow them two key financial benefits.

The first is that it aligns business to the IT requirements. Clients from a datacenter perspective really move to a "pay as you grow" methodology. The modular approach really allows them to defer up to 40-50% of their capital and operating costs.

The second advantage is it really does allow them to optimize their lifecycle costs around energy efficiency. It can reduce up to 50% of their datacenter energy costs over a 20 year life period.

Jen:
Steve, if our listeners want to find out more about how to get started. Where should they go?

Steve:
There is really a great deal of information available on www.ibm.com. For overall information on systems, software, and services we would suggest going to www.ibm.com/green. For CIOs, we've been keeping current White Papers and videos of how CIOs are transforming their datacenters in an era of green computing on the CIO channel at www.ibm.com/cio. For IT managers, we have a site with more detail on optimizing IT at www.ibm.com/itsolutions/optimizeit.

Jen:
Thank you Steve and that concludes our podcast**.**