

Cost-effective data centers for mid-sized companies

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Jen:

Welcome to this IBM podcast series of focus on how to optimize your technology infrastructure. I am Jen Knecht from IBM. Through this series we will cover topics that help lower IT complexity and improve operating efficiency along with tips and advice on using technology and services to help you in your company succeed.

Today I'm joined by Joanne Olsen, General Manager for GTS General Business. Joanne will speak to us today about an offering that has seen tremendous success in providing real business value to midsize clients. So please join us today as we discussed this timely topic.

Joanne we've seen a lot about energy efficiency and Green data centers. Are these solutions only for large clients or do the issues also apply to midsize clients?

Joanne:

Hi Jen. I will say that energy efficiency and Green data centers apply to clients of all sizes. It doesn't matter if you are small, midsize or large. Energy efficiency is really a global issue. It impacts small and large clients and from our perspective it will for many years to come.

We recently did a worldwide survey which indicated that 66% of the midsize firms in each industry are either implementing or planning to implement new IT capabilities for energy efficiency and more than 45% of those firms already have active planning projects underway around Green. So operational costs are focused on energy. A recent survey by IDC estimates that in today's environment for every dollar that you spend on hardware \$.54 is spent on power and cooling or on energy costs. Our projections are that by 2011 that \$.54 is going to increase to \$.74 on power and cooling which really is going to shift the focus on energy as really being a critical dimension of good operational management and metrics.

In other areas the financial returns associated with paying attention to this. A lot of clients believe that energy and Green are longer-term objectives, but there really are some immediate projects that you can undertake today that can return savings immediately. We are going to talk about one of those solutions today later on. We are seeing clients of all sizes use Green initiatives on all of the momentum that's in the marketplace as a differentiator for their businesses as they interact with their clients and they need to be more responsive to the clients that they are selling their products to, having a concerted effort on Green and being able to represent how your company and is paying attention and contributing in this category is really a differentiator.

Jen:

Joanne can you help describe for our listeners how GTS is helping clients capitalize on addressing energy efficiencies through our services?

Joanne:

Sure. Last year in June of 2007, we announced the Scalable Modular Data Center. It's an offering that we call SMDC. It really is perfectly sized for the general business clients because the size of the Scalable Module Data Center is 500 to 2,500 square feet or in meters roughly 50 to 250 square meters. We've already done 60 of these implementations around the world and the kinds of benefits that our clients that have implemented these solutions have experienced are really in keeping up with what we just talked about, cost effective.

In the Scalable Modular Data Center offering our clients are able to put up a data center in 20% less overall cost than in the past the traditional raised floor approach. And these data centers when they go up they use 30% less energy per year than the traditional raised floor data centers.

For many of our clients one of the most important dimensions is time. Our midsize clients from my experience over all these years have to respond very quickly. Part of the dynamic of their business is that they need to be able to respond to the marketplace to differentiate themselves against larger competitor firms that they compete with. The Scalable Modular Data Center allows these clients to respond to increasing their floor space in 8 to 12 weeks and that is weeks, not months. With IBM acting as a general contractor it gives our clients a single point of contact or what we affectionately call one throat to choke and we're really on point to ensure that the implementation of the data center is a smooth one.

Jen:

Joanne based on the success that you've seen around the world when should clients ideally consider a Scalable Modular Data Center solution?

Joanne:

In the clients around the world, in the 60 implementations that I talked about it, it's really in every geography from Boston to Bangor. There are really three main areas where we believe we can help clients with the Scalable Modular Data Center Offering. While it may seem a contradiction in terms in some of our economy today around the world, but there are an inordinate number of businesses that are fast-growing. Our clients are growing rapidly for a variety of reasons; mergers, acquisitions or just good business expansion. They need an infrastructure that can help them grow and deploy and respond quickly for their business.

We have a client one of the 60 that I talk about that is a major furniture manufacturer in Austria, Kika/Leiner, and their growth was rampant and largely as a result of mergers and acquisitions that they had done across Europe and the Middle East. They were growing faster than their data center could support. The Scalable Modular Data Center offering from IBM was an excellent fit because it gave them flexibility and speed to deploy. One of the things that Kika/Leiner is

known for in Austria is their Green initiative. So this was in perfect harmony with their established company objectives and as it turned out their implementation of the Scalable Modular Data Center was Austria's first Green data center. It helped them relative to their presence in this space and probably as importantly helped them respond to their business needs for the growth their company was enjoying.

The second main area is the aging infrastructure that is out there in many of our data centers. Many of our clients have outgrown these infrastructures and they need to improve the availability, resilience and in today's time the security to support their growth. Another firm **Bharat Bijlee** is another one of those companies that's experiencing 40% to 50% annual growth, but their data center infrastructure was technologically and physically in such need of repair and there was so many availability issues that it really was inhibiting their business growth. By choosing IBM and the Scalable Modular Data Center it really allowed them to enhance the availability and enable the deployment of the next wave of applications within their environment which was critical for their growth, at the same time improving their energy efficiency by over 20%.

That kind of leads me to the last main area and that's around cost and operational efficiency. Many of our clients through this evolution of distributed servers have an environment today within their businesses where they've got a ton of server room spread across our company and its not really lending itself to the kinds of cost and operational efficiency that they want to have.

Another client that we have that is one of the 60 implementations is Bryant University in the United States. Their servers were spread across three different server rooms and any university environment with the student population and the dynamics of that environment; they really were challenged to support the requirements of their students. They chose to consolidate and virtualize these servers and they virtualized from 75 servers to 40 and moved them into the new Scalable Modular Data Center environment. They were able to realize 20% less cost than the old traditional raised floor and again drive 30% more efficient power and cooling.

So three really important and significant areas that we've positioned the Scalable Modular Data Center to help our clients address.

Jen:

So how specifically can IBM help a client get started or determine if a Scalable Modular Data Center approach is right for them?

Joanne:

First thing kind of logically that we need to do is determine whether or not there's a business problem, because a solution without a business problem isn't a solution. The first thing you have to do is test whether or not you have a business problem that the Scalable Modular Data Center can help. Then there are just some quick questions that we would ask ourselves. If the client is

in need to quickly design and build the data center environment, the Scalable Modular Data Center again positioned for the size that is targeted is for the 500 to 2500 ft.² is a perfect solution.

The next question would be are your servers spread across your company in a variety of server rooms that are making it difficult to manage and maintain and did they need to be centralized? What is the resiliency and energy efficiency within your data center? Another big question to answer is will you benefit from the consolidation of that into a less costly more efficient, more resilient environment? The last question is test yourself on the business growth. Are your business metrics such that your business is growing faster than the data center infrastructure can keep up with or your aging data center infrastructure can deliver in terms of the resiliency and security?

If your data center is like 78% of the centers around the world which were built before the dot com era, it most likely is technically obsolete and needs to be modernized. So that's another good test to see whether or not the technology deficiencies in the current environment can be helped with the Scalable Modular Data Center.

The next area is does the size and this is something that I just kind of recently addressed, does the size of what you need work for the target of the Scalable Modular Data Center? As I said it's really designed for companies that need 500 to 2,500 square feet. or 50 to 250 square meters. We've done some smaller implementations with the Scalable Modular Data Center and some as low as 200 square feet., but the real sweet spot for this offering that delivers the energy efficiency, cost efficiency, the time to implement is really the 500 to 2,500.

If your needs are bigger than that, IBM has been in the data center build business for many, many years and so certainly we have other offerings if you have bigger needs. It just won't be, if you will a prepackaged, pre-engineered environment.

The last thing I would say as leverage our experience. In less than a year we've worked with over 60 clients in 40 different countries and for the most part most of those clients are very willing and open to share their experiences within the countries that they reside. We've got clients and the major countries like the US, Canada, UK, Germany, Japan, Australia and even in the emerging growth markets. We've got implementations in Korea, India, China and even Vietnam.

Jen:

Joanne if our listeners want to find a note more about Scalable Modular Data Center or want to know how to get started, where she we have them go?

Joanne:

Jen we have a lot of excellent white papers and client customer testimonials to get you started across systems, software and services. I would direct our listeners to go to www.ibm.com/businesscenter/smb/us/en/solutionsgreen. You'll find terrific information there, lots of good reference material and really what we have designed Scalable Modular Data Center around to meet your needs.

Jen:

Great, well that concludes our podcast. Joanne thanks for your time.

Joanne:

Thanks Jen.