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### Virtualization

We are currently wasting \$14 million over three years for physical machines while 80% of those can be replaced by virtualization. Virtualization via VMware enables us to transform multiple physical machines to an offsite virtual one, which significantly helps reduce both implementation and maintenance costs.

The key capability of virtualization is transforming physical machines into virtual ones without sacrificing computing systems. Virtual machine can support multiple operating systems making them able to run multiple servers. Since a single virtual machine can consolidate up to 10 physical servers, we only need 80 virtual servers instead of 800 physical ones.

Over three years, we can realize the cost avoidance benefits of \$14 million by avoiding purchasing and maintenance costs of 1000 physical machines. The total cost of keeping 200 traditional physical servers, implementing 80 VMware servers, and maintaining all 280 machines is \$4.8 million over three-year period. This will give us the net profit of \$9.2 million over three years by utilizing virtualization.

## Reference

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