By investing in server virtualization, our company can save 9.2 million dollars over the next three years. Virtualization allows you to run many different operating systems and application on one solitary computer. This new technology will enable us to buy fewer servers as well as cut our maintenance costs by more than half.

Virtualization allows us to create multiple operating systmes and application on one physical machine; this is called a virtual machine. Each virtual machine is separated from the other and uses as much of the host’s computing resources as it requires. The host machine is separated from the virtual machine by the hypervisor, a thin layer of software. The software is capable to assign as much computing resources as needed to the virtual machine. Servers will usually run at 10%-30% utilization. However, when you use a virtual server you can give it as much memory storage, and processors as you have available.

We will only need 200 servers and 80 VMware compatible servers which will only cost us 2.88 million instead of spending 8 million on a thousand new servers which is an initial cost savings of 5.12 million. Getting rid of the excess servers saves the company 1.36 million dollars a year in maintenance costs. The company will have a net benefit of 9.2 million over the next three years by investing in virtualization.