

Flash Paper 3
Jacqueline Henry

There will be \$12.2 million net benefit over 3 years of implementation if the company invests in blade servers for its datacenter. With the investment of blade servers, the cost associated with expanding the datacenter can be avoided and we can consolidate 64 servers into 8 blade servers.

The rack servers we currently use take up space, and in order to keep up with demand in the next three years we will need to double the amount of servers we use from 32 to 64. This is impossible to fit in our datacenter unless we expand the datacenter itself which would be a costly endeavor. With a blade server, 8 thin card-like servers called blades are stacked on each other in a housing shell that provides connectivity, power, and cooling. These thin servers have all the capabilities a normal server needs to run different applications and interfaces without taking up as much space as rack servers. With this 8 rack server to 1 blade server ratio, we can go from 64 rack servers to 8 blade servers.

The cost to implement and maintain 8 blade servers over 3 years is \$600,000. These costs include hardware, system software, power, cooling, maintenance and support. Within 3 years of implementation it will have a cost avoidance benefit of \$12.8 million. The net benefit for this investment is \$12.2 million over 3 years of implementation.

Works Cited

- Bradbury, Danny. "Blade Servers: On the Cutting Edge." *ComputerWeekly.com*. TechTarget, July 2002. Web.
- Rouse, Margaret. "What Is Blade Server? - Definition from WhatIs.com." *SearchDataCenter*. TechTarget, Feb. 2008. Web.
- Sodhi, Rajan. "The Pros And Cons Of Blade Servers Vs. Rack Servers." *Tuangru*. Tuangru, 17 Aug. 2017. Web.

Old System	Year 1	Year 2	Year 3	Total
Cost for installation	\$10,000,000	\$0	\$0	\$10,000,000
Costs per Year	\$960,000	\$960,000	\$960,000	\$2,880,000
Total	\$10,960,000	\$960,000	\$960,000	\$12,880,000
New System	Year 1	Year 2	Year 3	Total
Cost for installation	\$0	\$0	\$0	\$0
Costs per Year	\$200,000	\$200,000	\$200,000	\$600,000
Total				\$600,000
Net Benefit	\$10,760,000	\$760,000	\$760,000	\$12,280,000