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MIS 2501

Flash Research Exam #1  
Virtualization and Cloud Computing

Transferring our means of data storage to Oracle Cloud would provide a three-year net benefit of \$1,635,000 to the company. We currently lease 40 servers housed in two datacenters and employ 10 IT professionals, six of whom were hired this past year, to maintain it all. With Oracle Cloud, we would eliminate that data infrastructure and cut our IT staff in half. Our data would be largely managed, supported, and backed-up offsite (in “the cloud”) and we would only pay based on the data we require. In order to significantly reduce costs, we should switch to Oracle’s cloud-based data solution.

Cloud storage is a subscription service model that removes the need for a business like ours to manage its own hardware for data storage. The data is stored offsite on servers maintained and backed-up by a company like Oracle and is accessed and shared remotely by subscribers over the Internet from anywhere and at any time. Customers determine their data capacity requirements and pay a monthly fee based on that, and they have the ability to scale up quickly and easily as needs change. In our case, we would choose to discontinue our lease of the two datacenters to eliminate the 40 servers they house, in exchange for 500 TB of storage space on Oracles servers. Besides removing the need for having our own servers, this has the added benefit of shrinking our expensive IT staff from 5 to 10 professionals.

Transitioning to Oracle Cloud would cost the company \$2,415,000 over three years in subscriptions and IT staff compensation and would provide a benefit of \$4,050,000 over that span. The annual savings of \$545,000 would result in a net benefit of \$1,635,000 after three years from the project start date.

## References

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