Michael Biffen

Mart Doyle

MIS 2501

2/27/2017

With this conversion, we will see a three-year net benefit of $9.2 million. VMware has the capability to consolidation servers, which will result in a reeducation in the number of physical machines from 1,000 to 280. By utilizing virtualization, we will be able to convert 80% of our physical machines to virtual machines with VMware saving us a lot of money on these servers.

The key capability of virtualized servers having various virtual machines. This means the capabilities are distributed to certain virtual machines when needed. Virtualization also allows a 10:1 consolidation, meaning it can consolidate 10 physical servers into a single virtual machine. This will reduce our company's physical server count from 1000 to 280, leaving us with 80 VM servers and 200 traditional servers. Virtualization will create a more simplified and advanced infrastructure by creating cost-efficiency amongst machines.

Without virtualization, total cost-benefits over three years are $14,000,000, this including the original cost as well as yearly maintenance. By virtualizing our servers, not only will our cost drop from $14,000,000 to $4,800,000 but we will also be using 200 servers instead of 1,000.. Through utilizing virtualization, our company will gain a three-year net benefit of $9.2 million dollars.

As IS (3-year analysis)

	Year 1	Year 2	Year3	TOTAL
Physical Server Initial Cost for 1000	$8,000,000	0	0	$8,000,000
Physical Server Maintenance Cost	$2,000,000	$2,000,000	$2,000,000	$6,000,000
			NET COST	$14,000,000

To Be (3 year analysis)

	Year 1	Year 2	Year 3	TOTAL
Physical Server Initial Cost for 200	$1,600,000	0	0	$1,600,000
VM Server Initial cost for 80	$1,280,000	0	0	$1,280,000
Physical Server Maintenance Cost	$400,000	$400,000	$400,000	$1,200,000
VMware Server Maintenance Cost	$240,000	$240,000	$240,000	$720,000
			NET COST	$4,800,000
			NET BENEFIT	$9,200,000