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Flash Research #2

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Virtualization and Cloud Computing

Our company would benefit $9,200,000 in three years by investing in virtualization of our servers under VMware. We are able to gain this net benefit through server consolidation which allows greater computer efficiency and running less servers on hardware. Our investments will lower our operating costs which will allow us to receive this cost benefit.

800 of our servers could be consolidated onto 80 virtual machine servers. This consolidation will save us money by lowering maintenance costs. With the power of VMware, our company would be able to move a virtual machine server from one host to another with no interruption. Our traditional servers would need to be taken offline for maintenance which would increase operating costs. Our virtual machine servers will have workloads running on less hardware, lowering costs as well.

The three year costs for virtualization will be $4,800,000 from the 200 traditional servers, the 80 VMware servers, and the maintenance for those servers. The three year benefits will be $14,000,000 from the 1000 traditional servers we originally would purchase and the yearly maintenance from that. This will lead to a total 3 year benefit of $9,200,000 subtracting our costs from our benefits.

<http://searchservervirtualization.techtarget.com/tip/How-server-consolidation-can-benefit-your-data-center>

<https://virtualizationreview.com/articles/2011/06/20/top-10-benefits-of-server-virtualization.aspx>

<https://www.techopedia.com/definition/688/server-virtualization>

