

Virtualization and Cloud Computing

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Time to save money, in three-year we can gain a net benefit of \$4.4 million. By utilizing VMWare, we kill the need to house and maintain a 1,000 servers, combining about ten physical servers into a single virtual machine server.

With server virtualization and consolidation 800 servers turn into 80 virtual machines servers. VMWare provides same or better capabilities in terms of processor, storage, and memory also being able to efficient and effective to manage. Instead housing and maintaining a 1,000 servers, we only need to house 200 physical servers. Our core data and applications which are vital for company operation stay in-house. The remaining server needed to serve non-vital usage are transferred to virtual machines consolidating at 10 physical servers into a single virtual machine server.

With the use of both physical and virtual servers our company will save \$9.2 million over a three-year period. With the efficient 200 physical servers with 80 virtual servers costing us \$4.8 million over three-years. In brief over a three-year period, with using newer technology in VMWare we can have a net benefit of \$4.4 million.

	Option 1	Option 2	Savings/Year
Year 1	\$10,000,000	\$3,520,000	\$6,480,000
Year 2	\$2,000,000	\$640,000	\$1,360,000
Year 3	\$2,000,000	\$640,000	\$1,360,000
		Net Savings	\$9,200,000

Works Cited

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