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MIS 2501 Section 001

Virtualization and Cloud Computing

Replacing the servers in our datacenter with virtual machines under VMware will save our company over 9 million dollars in the next three years. The $2,880,000 investment to switch to VMware will cost $640,000 per year for maintenance, technical support, and power and cooling. This will pay for itself because both the initial purchase cost and yearly expenditures are less than half of our previous datacenter costs. VMware significantly consolidates our number of servers needed for the same amount of utilization and output. If we do not make the switch to VMware our company will lose 2 million dollars per year in maintenance costs alone.

VMware software is a virtualization and cloud computing company that shortens the amount of server space and provides breakthrough technology to companies with costly datacenters. VMware holds a 76% market share of all of the virtualization software that is currently being used today. Virtual machines give the operator the ability to pause operations on one machine and move that guest machine to another physical computer to perform maintenance. The main ability of the new virtualization software is that it reduces our server workload. Virtualization replaces 800 of our old servers with just 80 VMware servers. This key capability of VMware reduces our cost of downtime and lowers amount of physical servers we need present in our datacenter by 80%.

The three year cost of starting the hardware refresh cycle with implementing VMware servers will be $4,800,000, however the company will benefit $1,360,000 with maintenance, technical support, and power cooling costs. The net benefit for the company is $9,200,000. I strongly recommend this investment for the betterment of the company.

Works Cited

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