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Virtualization Proposal

We can save over 34% during our next server refresh by implementing a mixed physical and virtualized server solution. Virtualized servers offer the capability to consolidate many physical servers to few virtual machines, thereby drastically reducing the purchase price and required ongoing maintenance of a server implementation. This presents a $9,200,000.00 net benefit over a three-year term.

The primary advantage of virtualized servers is the ability to access virtual machines with a much larger capacity at a proportionally lower price. Each virtual server has 10 times the capacity of our existing units. While it is in our best interest to maintain a few physical servers, we can reduce the total number of units by 720, bringing us to 280 units. A reduced number of total servers will have a lower purchase price and lower ongoing maintenance costs.

In our upcoming refresh, replacing our setup with physical machines would cost $14,000,000.00 over the next 3 years. My proposal of mixed physical and virtual servers will cost $4,800,000.00 over the same 3 years. By replacing part of our server fleet with these larger virtual machines, our 3-year net benefit will be $9,200,000.00.

 

Sources:

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