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Flash Research Assignment 2

If we transition over from our existing datacenter to a server consolidation approach our company will save $6.4 million. By converting 1,000 physical servers to virtually consolidated servers within the next year the firm will not only be saving a substantial amount of money, but it will also increase how efficient the servers will run. By switching over to this new form of computing we save $4.1 million for maintenance costs.

By consolidating our physical servers onto virtual servers it allows a less tangible server to run multiple servers using VMware, which in turn reduces the amount of servers there are in our company. As part of our three-year refreshment plan we will eliminate over 700 physical servers, going from 1000 servers to 280 servers. By using virtualization you optimize resource sharing, making it easier to use and manage. Also, by utilizing virtualization of this hardware you could increase your productivity from as low as 5% to as much as 80%. If virtualization is being used correctly you can reduce the amount of hardware you have from a 15:1 ratio making your environmental impact less severe without affecting productivity (Reduce IT Costs and Increase Control).

By switching over to virtualization servers we will decrease our maintenance cost, our physical server cost, and our total cost. With a savings of $6.4 million on physical servers alone, the firms IT department will work more efficiently due to the virtualization of our servers. As of now, the total cost of running physical servers for the next three years will be $14 million, however, if virtualization were implemented we will only be spending $4.8 million. Therefore, the firm will be saving a total of $9.2 million dollars in the next three years. Evidently, switching over to a virtualized server will improve upon the firms overall productivity and efficiency.

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As-is/To-Be Analysis				
As-Is Costs	**Year 1**	**Year 2**	**Year 3**	**Total**
New Servers (1,000)	$8,000,000.00	$-	$-	$8,000,000.00
Maintanance ($2000.00)	$2,000,000.00	$2,000,000.00	$2,000,000.00	$6,000,000.00
Total Cost:	**$10,000,000.00**	**$2,000,000.00**	**$2,000,000.00**	**$14,000,000.00**
To-Be Costs	**Year 1**	**Year 2**	**Year 3**	**Total**
Traditional (200)	$1,600,000.00	$-	$-	$1,600,000.00
Vmware (80)	$1,280,000.00	$-	$-	$1,280,000.00
Traditional Maintance (200)	$400,000.00	$400,000.00	$400,000.00	$1,200,000.00
Vmware Maintance	$240,000.00	$240,000.00	$240,000.00	$720,000.00
Total Cost:	**$3,520,000.00**	**$640,000.00**	**$640,000.00**	**$4,800,000.00**
To-Be Benefits	**$6,480,000.00**	**$1,360,000.00**	**$1,360,000.00**	**$9,200,000.00**

Works Cited

"Server Virtualization & Consolidation." VMware. N.p., 2013. Web. 24 Sept. 2014. <http://www.vmware.com/consolidation/overview>.

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