

# Outsourcing

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.....T.....Systems.....

# Cloud Computing and Outsourcing

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...T...Systems...

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# Deutsche Telekom

## T-Home



T-Home delivers broadband and landline phone services.

..... T Home .....

## T-Mobile



T-Mobile offers cell-phone solutions.

..... T Mobile .....

## Deutsche Telekom Business Customers



This division is responsible for business customers and provides standardized solutions to small and mid-sized companies.

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## T-Systems



T-Systems delivers ICT solutions for major corporations and public-sector organizations.

..... T Systems .....

# Globalization Effect

- **Integration of different companies (IT/cultures)**
  - Too many existing (no) datacenters
  - Too many different (no) strategies to standardize ICT business
  - Too many different “business opportunities”
- **Missing position of CIO in top management**
- **Missing global strategy**
  - No or poor Disaster Recovery Plan
  - No or poor Business Continuity Plan
- **IT cost benchmark**
  - High pressure to decrease operational costs related to ICT business
  - Standardization is needed

# Global Company Behaviour (1)

- **CIO position is created with huge expectations**
- **Strategy is not defined after few months/years**
- Consultant companies are making good money to prepare strategy
- Internal IT is doing their business and compete with consultants
- **CFO: Why we need to increase IT budget every year ?**
- CIO pressure to decrease staffing to minimize costs
- IT experts are leaving company, no vision
- **CEO: Why this system is down for 2 days ?**
- Minimize risk of IT business for company
- What is our DR / BC plan ?

# Global Company Behaviour (2)

- **CEO: “IT is not our core business”**
- CIO is looking for alternatives
- Outsourcing is put on the table
- **Outsourcing ? Yes or No ?**
- Which part of IT business will be outsourced ?
- Which company can offer us the best solution ?
- **Cost and Quality Effective Outsourcing ?**
- Missing info about exact costs per service
- Missing best practices (CMDB, SLA, KPI)
- Internal resources
- Operation costs are still growing ☹️
- Quality of services is going down ☹️

# Global Company Behaviour (3)

- **CEO, CFO & CIO decision : „OUTSOURCING !“**
- What to outsource ?
- How to outsource ?
- What should be SLA/KPI ?
- What is CMDB, Event mgmt, Incident mgmt, Change mgmt, Problem mgmt, Demand Mgmt ...
- What is new generation of outsourcing ?
- Everything or Nothing ?
- **Simple Answer:**

**Start with Cloud Computing !**

# Cloud Computing

Cloud Computing is still infrastructure driven. Platforms and applications will gain more attention in the future.

## Infrastructure as a Service

- Delivery of hardware resources (e.g. servers, CPU, disk space) as a service
- “Raw” physical capacity for Cloud Computing
- Example: Amazon Simple Storage Service (S3)



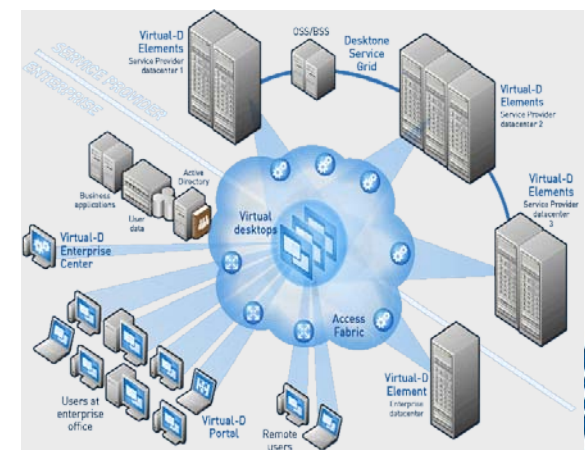
## Software as a Service

- Delivery, maintenance, operation and support of applications as a service
- Software is hosted by the provider and accessed by the customer over a network, typically the Internet
- Example: Salesforce, Google Docs



## Platform as a Service

- Facilities required to support the end-to-end life cycle of building and de-livering web applications and services
- Platform includes workflow facilities, database, security, team collaboration
- Example: Salesforce Force.com



# Deployment Enviroments

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- **Private**

Behind a firewall for use by limited, pre-determined audience

- **Public**

Accessible over the Internet for general consumption

- **Hybrid**

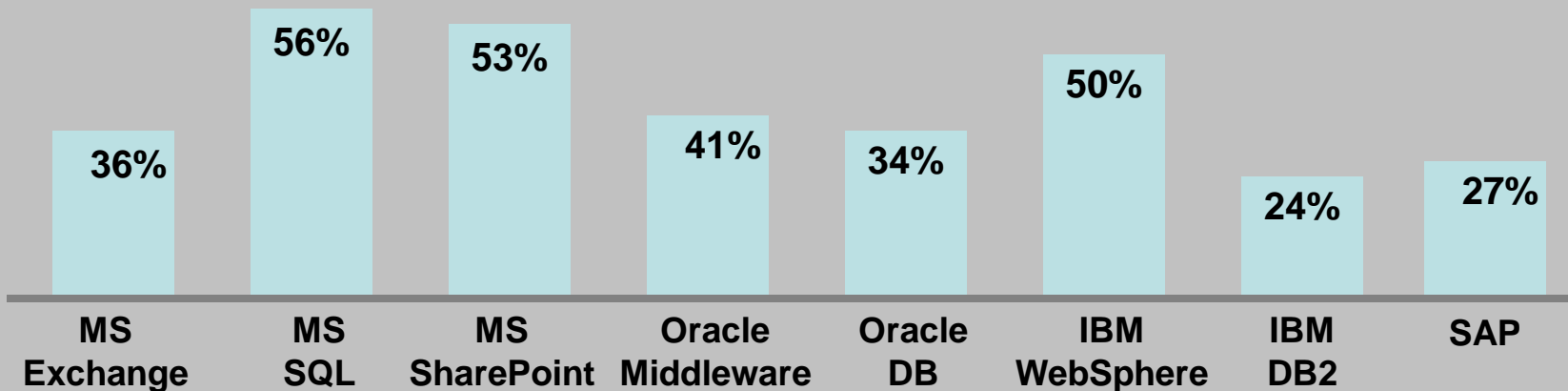
# Virtualization

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- **Increase of overall utilization**
- **Reduction of infrastructure costs**
- **Reduction of license costs**
- **Coverage of workload peaks by combining workloads with different requirements**
- **Increase of availability without increase of application complexity**
- **Reduction of hardware and driver diversity**
- **Best of breed on the market (VMware)**

# Virtualization

*% of customers running apps **in production** on VMware*



Source: VMware customer survey, September 2008, sample size 1038

Data: Within subset of VMware customers running a specific app, % that have at least one instance of that app in production in a VM

# Short Story (IaaS)

- **Customer visit in our company**
  - Explain strategy of outsourcing
  - Proposal for Proof of Concept (10 Windows & 7 Linux servers, only test environment)
- **Close cooperation between customer and us**
  - Solution design
  - Delivery of product (3 days)
  - Test of basic processes including escalation, DR test & BCP
- **Contract preparation and signing**
- **Solution Design, Build & Operation**
  - Up to 100 x86 servers (test, development)
- **Financial saving 17%**

# Short Story (SaaS)

- **Customer visit in our company**
  - Explain strategy of outsourcing
  - Proposal for Proof of Concept ( SAP test environment)
- **Close cooperation between customer and us**
  - Solution design, Delivery of product (1 week)
  - Test of basic processes including escalation, DR test & BCP
- **Contract preparation and signing**
- **Solution Design, Build & Operation**
  - Whole SAP environment is outsourced
- **Financial saving 12%**
- **Whole business done within 4 months !**

# Potential Achievements from Cloud

- **Costs –**

- HW utilization up to 80%
- HW reduction up to 30%
- Transparency

- **Flexibility**

- Delivery time reduction up to 70%

- **Productivity**

- support of 150 servers (1 FTE), support of 50 DBs, build up of 50 servers

- **Standardization**

- 50 plugs for 70% of Apps

- **Quality**

- KPI/SLA 15% improvement within 3 months

# Cloud Computing & Outsourcing (+)

- **Follow the Sun strategy**
- **Best Practices**
- **Standard IT processes, RACI matrix**
- **Transition & Transformation in one step**
- **Incremental approach for outsourcing**
- **Latest technology & no business risk**
- **Flexibility (short delivery time)**
- **Contractual SLA/KPI**
- **Additional savings (SLA/KPI & run optimization)**

# Cloud Computing & Outsourcing (+)

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- **Standardization of HW, SW**
- **Clear price catalogue**
- **Easy to try, compare with others**
- **Pay as you use (Euro conversion)**

# Cloud Computing & Outsourcing (-)

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- Trust to the outsourcers
- Is it really safe for our company (Security, SOX)
- Integration with legacy systems
- Fall back in case of dissatisfaction
- Internal IT resources future
- CIO future ? 😊

# Conclusion

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- **Do not afraid of Outsourcing**
- **Probability of significant Quality & Cost improvement is close to 100%**
- **Focus on your core business**
- **Just Do It ! Cloud will help you !**

# T-System Slovakia

## T-Systems Slovakia



## Competence areas

- SAP Basis
- OSS (Unix, Windows, Data, Back up)
- 24/7 Monitoring support
- Non-SAP Applications (Middleware, DB)
- TSS (VoIP, Network Security)
- 8/5 2<sup>nd</sup> level support with 24/7 on-call duty

# Ďakujeme za pozornost'

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