

Virtualization: The Secret to a Better-Performing Business

How the Two Lead Benefits of Virtualization Can Help Drive IT Success

Businesses that implement VMware virtualization software typically see a 50 percent decrease in IT costs.

— *Enterprise Management Associates, Reducing Operational Expense (OpEx) with Virtualization and Virtual Systems Management; Dec. 2009*

Over the past decade, businesses of all sizes have been virtualizing servers, applications, and desktops at a rapid pace—with technology research firm Gartner estimating that at least half of businesses globally have deployed some form of virtualization. Interestingly, for the first time, smaller businesses are expected to be more aggressive about virtualizing higher proportions of their IT assets: By 2014, 38 percent of such businesses will have virtualized more than 80 percent of their infrastructure, according to a 2012 study by analysis firm Canalis.

But what about the companies left behind? The ones that either haven't yet virtualized or that have only experimented with virtualization in test environments? What's stopping them?

When asked about the top barriers to virtualizing, IT managers at smaller enterprises cite two critical factors: the upfront costs and too small a staff to adequately support virtualization. According to a VMware survey, 36 percent of these companies have hesitated to virtualize based on these two factors alone.¹

In an ironical twist, however, two of the biggest benefits of virtualization are cutting costs and freeing up employees' time. Thus, rather than being obstacles, these factors represent the *value* that virtualization offers businesses.

VMware Is the Trusted Global Leader in Virtualization

If you're considering virtualization, you're in good company. If you haven't yet virtualized, you could be falling behind competitors. Global market intelligence firm IDC predicts that the virtualization segment of the worldwide software market will grow more than 12 percent in 2013, compared to just 2.7 percent growth in the overall systems infrastructure software segment. Companies are expected to maintain a high adoption rate of virtualization through 2016.²

VMware is the trusted leader in virtualization, with more than 500,000 customers worldwide including 100 percent of the Fortune Global 100, and 99 percent of the Fortune 1000.

When you consider the results of recent research by Management Insight Technologies, it's easy to understand why. Companies that implemented VMware vSphere® software and the VMware® vCenter™ Operations Management Suite™ environment together saw a 50 percent decrease in IT costs.³ That's solid evidence that companies shouldn't consider upfront costs a barrier to virtualizing.

Get Immediate ROI on Your Virtualization Investment

True, before virtualization can reduce costs, it requires an upfront investment. But there is strong potential for a fast ROI.

For example, when planning for a hardware refresh (one of the most common reasons for virtualizing), your upfront cost is linked to buying new servers. But with virtualization, you can use your existing hardware and be able to pool your compute resources. Creating multiple virtual machines for each physical server rather than buying one server and dedicating it to running a single workload can help save a significant amount of money.

Although CapEx hardware savings drive the ROI of virtualization, you also save in other ways, including lower power and cooling costs and a smaller data center footprint. One global consulting firm recently performed an in-depth ROI analysis of a typical VMware virtualization project and found that within three years, the ROI on the virtualization investment was 74 percent.⁴

1. VMware, "Customer Benchmarking Study, Wave 3, SMB Worldwide Report," September 2012.

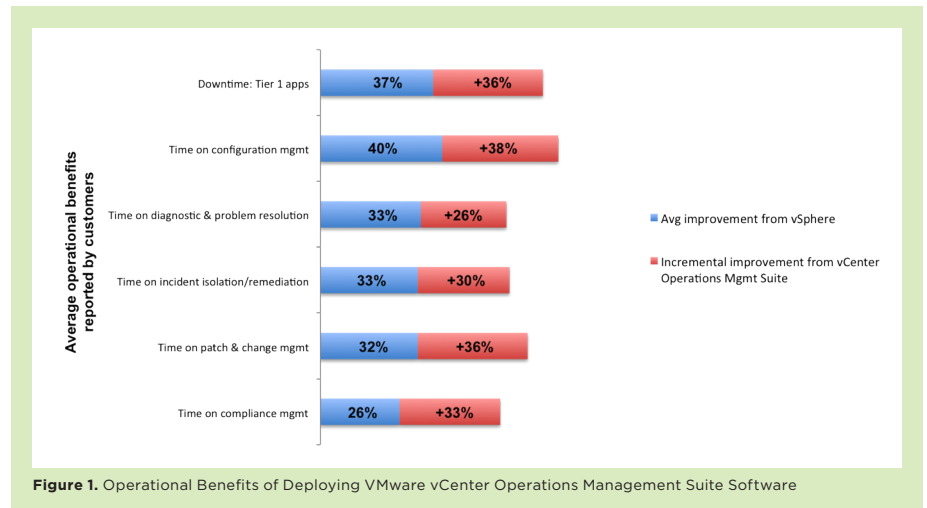
2. IDC, "Worldwide System Infrastructure Software 2012–2016," December 2012.

3. Management Insight Technologies, "The Benefits of VMware vCenter Operations Management Suite," September 2012.

4. The Virtualization Practice, "The ROI for Server Virtualization with Business Critical Applications," Bernd Hartzog, 2010.

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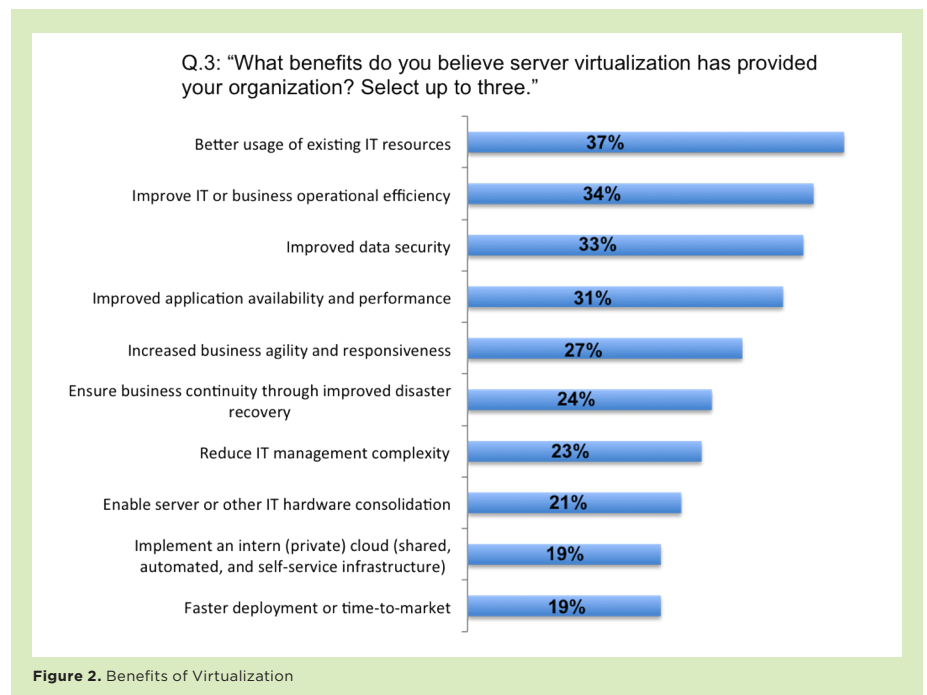
Virtualization also reduces OpEx. Implementing a virtualization platform will help you spend less time remediating downtime of business-critical applications, conducting configuration management, and troubleshooting problems (see Figure 1).



If You Don't Have Time, Deploying Virtualization Will Help You Save Time

The belief that you'll need more staff if you want to virtualize is false. Your staff won't have time to focus on more strategic IT tasks *until* you virtualize.

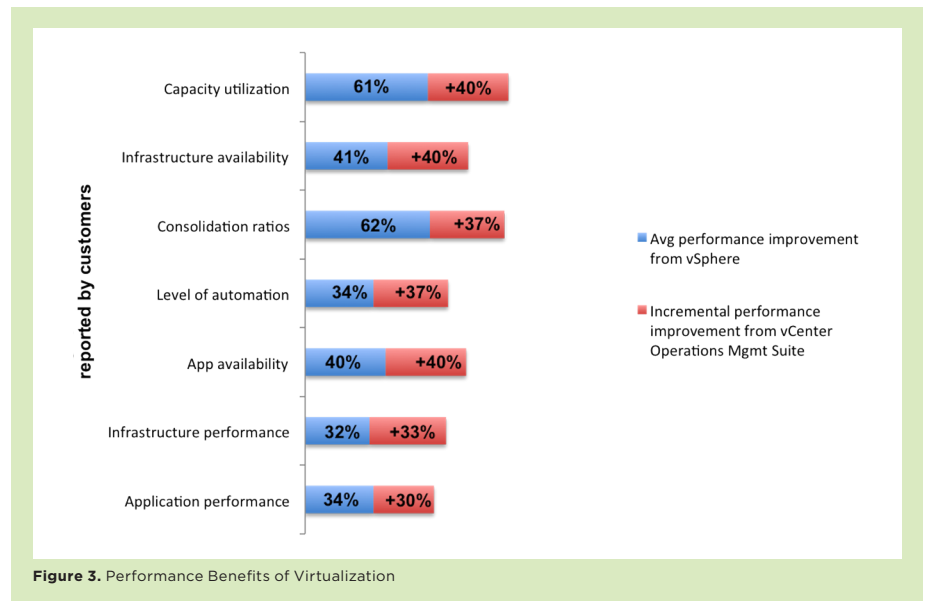
A case in point: In the Management Insight Technologies survey, virtualization customers reported that they achieved better usage of existing IT resources—including personnel—and improved IT efficiency (see Figure 2). Thus, virtualizing didn't consume more time of IT personnel—it actually *decreased* the time needed to support servers, desktops, and applications.



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Over and above the CapEx and OpEx savings, virtualization also enables more efficient system performance. According to the Management Insight Technologies survey, companies improved their use of overall server capacity by 61 percent with VMware vSphere software, and by 101 percent when they also deployed the VMware vCenter Operations Management Suite environment.

In addition, system uptime—or the amount of time infrastructure was available to end users—improved by 41 percent with vSphere software and by 81 percent when the VMware vCenter Operations Management Suite environment was implemented. There were also many other performance improvements (see Figure 3).



Conclusion

We've all heard the adage that you have to spend money to make money. Nowhere is this truer than with virtualization. It has a proven ROI, even with early-stage deployments, because it can help reduce hardware and operating costs by as much as 50 percent and energy costs by 80 percent.⁵ VMware virtualization has been shown to save more than \$3,000 per year for every server workload virtualized and reduce the time it takes to provision new servers by up to 70 percent.⁶ Because of the efficiencies gained through virtualization, your IT organization can shift focus from routine tasks to strategic projects that add value back to the business.

Efficiencies across technology and operations can ultimately translate to better service for your end users. The Management Insight Technologies survey reports a 41 percent increase in user satisfaction as a result of deploying both vSphere software and the VMware vCenter Operations Management Suite environment. In short, if you make time to virtualize, your management will thank you for CapEx savings and OpEx savings—and your users will thank you for the performance enhancements.

5. IDC, "The Impact of Virtualization Software on Operating Environments," 2006.
6. VMware Customer Benchmarking Study, June 2013.

