



Virtualisation enables utility computing

Financial hosting company finds virtual servers make outsourcing easy

By Manek Dubash, Techworld

Utility computing means different things to different people. As the industry association Utility Computing notes: "It is easy to get more confused as to what each vendor means by utility computing. Some are referring solely to data-centre sharing, some process provisioning and some offer a pure pay-as-you-go financing option for outsourcing. Despite the terminology battles beginning to subside, we still don't have a unified message from the vendors."

Most observers and players seem to agree though that it involves a form of outsourcing, not a million miles away from the application service provision flame of hype that flared and blew out after the dotcom boom.

Savvis is one player in this market, and recently won a contract to outsource its global IT infrastructure and operations as part of a strategic move to a utility computing model. Savvis runs Wall Street's networks and acquired Cable & Wireless' US assets in 2004. Its private WAN backbone extends to 47 countries and is said to serve over 25 per cent of the world's Internet traffic.

Savvis' European MD Richard Warley said that the industry is in the early stages of utility computing. "There's a long way to go but progress is being made as enterprises still need to improve the efficiency of their services. So essentially, IT departments call us because they want to do more with less. It's about being more, flexible, and offering better value by arbitraging the unused computing cycles. All hardware vendors and their customers are saying that they need to move to virtualisation to increase utilisation."

What's changed from the old ASP days -- and which makes this a step change for Warley -- is the advent of three key issues: improved connectivity, better management software and the advent of virtualisation. "For us the advantage is increased utilisation", says Warley. "But that's also true for the customer. They can use the system when they want, as much as they want. Today, money will talk: it doesn't make sense to buy your own infrastructure even though there's an emotional issue there with having your own IT system.

"It works internally in banks where they can set up utility computing departments for their own use. So yes, there can be a competitive advantage to building and maintaining your own systems but what happens when the person who set it up leaves?"

Warley talked about a major project Savvis undertook for STA Travel and its significance for utility computing. What STA Travel wanted was a flexible, scaleable and resilient IT infrastructure to maintain a competitive advantage in the travel sector. With more than 50,000 hits to its Web site each day, STA Travel operates 400 offices in 90 countries and has over six million customers.

The privately-owned travel company signed a five-year, £6 million contract with Savvis to consolidate and centralise its IT infrastructure. Savvis is to provide a fully-managed service that integrates virtualised utility computing with real-time hosting and application management worldwide. According to Savvis, its virtualised services platform will enable STA Travel to improve speed-to-market by quickly and intelligently adapting to customer demand during peak booking and promotional periods.

Warley said that Savvis has provided:

- Hosting area network offering load balancing and security. Savvis uses a carrier class server containing virtual machines instead of separate appliances. "This makes it fast to deploy, plus it's cheaper for the customer", said Warley.
- For the computer element Savvis uses Egenera with a Fujitsu Siemens Primergy BladeFrame, containing virtualised servers. "We can repurpose those blades and give them whatever personality that's needed should one fail," said Warley.
- Storage by 3Par, specialist in tiered utility computing storage.



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"We use our management platform to manage the servers", said Warley. "The three-tier Web architecture is downloaded into our management system which goes and finds the resources it needs on our data centre. It takes about seven minutes after you've decided what the plan is. This means we can manage capacity more efficiently and customers get extra flexibility. We can decouple and repurpose a blade in minutes depending on demand."

Launched 18 months ago, our data centre now has 14 Egenera BladeFrames housing 230 servers used by customers, including STA.

Benefits for STA

In the first phase of the project, worth £1.2 million, Savvis is supporting STA Travel's global ecommerce technology strategy, which unifies the travel company's regional Web sites into a centrally hosted location with the aim of reducing costs and complexity.

Specifically, Savvis' infrastructure allows STA to:

- Cut operational costs by consolidating IT into a single global infrastructure - connecting 6 million customers to more than 3,000 staff around the world

- Maximise online sales conversion and look-to-book ratios by standardising and automating the systems that run all global branches to speed up the booking process
- Supply a clear road-map to utility computing which will allow STA to reduce its IT expenditure and simplify complex IT systems and infrastructure, without sacrificing the highest levels of availability, security or quality of service
- Improve brand consistency by providing local control of the customers' experience through an online back-end Web user interface that enables individual regions to standardise local Web sites

Savvis has already provided a single sale booking system for all of STA's point of sale locations, backed by a single network, infrastructure, finance and reporting system.

So for Savvis, utility computing, enabled by virtualisation and modern communications technologies, is no longer a pipe dream but a growing trend.