



Maximizing Your IT Return on Investment

Executive Summary

In today's information age, maintaining constant availability and peak performance for mission critical information systems has become a key component to operating a successful business. Information delivery is both a service and a business tool. It is one of the most important factors affecting a company's growth and success in today's marketplace.

With the consistent and rapid evolution of information technology, IT managers are forced to constantly adapt to new demands and show a strong return on investment from their IT expenses. At the same time, they are required to meet the budget expectations of management teams that may not understand the reality behind running a functional and efficient IT department. This document illustrates how IT managers can improve their ROI using Absolute Performance's outsourcing solutions.

Protecting Your IT Investment

The technology needed to support your business is not cheap. Although hardware and software prices have dropped over time, the total investment companies put into their IT infrastructure remains high (see table 1.1). It is essential for a company to protect its IT investment, and more importantly, the revenue model that depends on it.

Downtime of critical systems is no longer just an operational inconvenience, it is a major financial burden. System downtime can *cost millions of dollars per hour* in lost sales, unhappy customers, and unmet service level agreements. Given this risk, it is important for businesses to monitor their systems and prevent downtime. Unfortunately, this incurs another large expense that detracts from the bottom line.

IT Department Expectations

One of the most critical issues facing IT departments is meeting infrastructure demands. At a minimum, an IT department should have one full-time DBA and one full-time Systems Administrator. Ideally, to prevent downtime of mission critical systems using true around-the-clock support, a company will need *at least three* full-time employees for each position to provide 24 x 7 support. This is not only costly (see table 1.2), but difficult to achieve, given that the nationwide shortage of IT professionals is expected to reach one million people by 2004. Employers face a combination of difficulties, from the direct cost of high staff turnover to the low level of service that results from hiring under-qualified and over-valued IT personnel.

Maintaining a 24 x 7 support staff can be accomplished by having a small staff that is on-call most of the time, or by hiring a larger staff with someone on-site at all times. Both methods have disadvantages. A smaller staff will save on short-term payroll costs, but can result in slower response times to system failure and a lack of expertise in the event of a major systems malfunction. This increases the chance that outside contractors will be needed. At rates that often exceed \$200 per hour, any savings that have been realized through reduced payroll can disappear in a matter of hours. A larger support staff can potentially correct these problems, but will result in higher payrolls.

| ONE CLIENT'S SCENARIO - HARDWARE/SOFTWARE COSTS | |
|--|----------------|
| HP K580 PRODUCTION SERVER: | \$300k |
| HP-UX LICENSE (YEARLY): | \$ 30k |
| ORACLE LICENSE: | \$ 40k |
| HW/SW SUPPORT (YEARLY): | \$ 8k |
| <hr/> | |
| HP K450 DEVELOPMENT SERVER: | \$200k |
| HP-UX LICENSE (YEARLY): | \$ 20k |
| ORACLE LICENSE: | \$ 30k |
| HW/SW SUPPORT (YEARLY): | \$ 6k |
| LAWSON LICENSE: | \$500k |
| TOTAL COST: | \$1.13M |

table 1.1

| ONE CLIENT'S SCENARIO - IN-HOUSE STAFFING COSTS | |
|--|--------------------------------------|
| ORACLE DBA | |
| SALARY (YEARLY): | \$ 85k |
| ADDITIONAL OVERHEAD (YEARLY): | \$ 27k |
| RECRUITING FEES: | \$ 25k |
| <hr/> | |
| UNIX SA | |
| SALARY (YEARLY): | \$ 80k |
| ADDITIONAL OVERHEAD (YEARLY): | \$ 20k |
| RECRUITING FEES: | \$ 24k |
| TOTAL COST: | \$261k (1 DBA/1 SA) |
| <hr/> | |
| TOTAL COST FOR TRUE, 24 x 7 SUPPORT: | \$783k (3 DBAs and 3 SAs) |

table 1.2





Maximizing Your IT Return on Investment, Cont.

The Solution

With the increasing importance of providing consistently high levels of service while drawing upon a limited pool of resources, IT departments are forced to explore alternative options to achieve their business objectives. Outsourcing Support Services has become an increasingly viable option for IT departments struggling to control their budgets while providing the level of service necessary to meet their clients' demands.

Absolute Performance was created to provide a combination of cost-effective solutions for companies requiring consistent reliability and peak performance from their mission critical systems, as well as expert services that companies cannot obtain on their own (see table 1.3).

The Result? A protected IT infrastructure, qualified IT support, and a cost-effective, reliable solution.

| THE ABSOLUTE PERFORMANCE SOLUTION | |
|--|----------------------------------|
| PROACTIVE MONITORING | |
| ORACLE (2 systems) <input type="checkbox"/> | \$3k/mo |
| HP-UX (2 systems) <input type="checkbox"/> | \$3k/mo <input type="checkbox"/> |
| VIRTUAL SERVICES | |
| ORACLE (2 systems) <input type="checkbox"/> | \$7k/mo |
| HP-UX (2 systems) <input type="checkbox"/> | \$5k/mo <input type="checkbox"/> |
| TOTAL COST: \$18k/mo or \$216k/year <input type="checkbox"/> | |
| TOTAL COST FOR TRUE, 24 x 7 SUPPORT: <input type="checkbox"/> \$216k/year | |

table 1.3

The Bottom Line

Absolute Performance utilizes the System Shepherd Cyber Management package to provide state-of-the-art proactive monitoring and virtual DBA/SA services to our clients. With our own cutting-edge artificial intelligence based software and expert consulting services, we ensure that our customers' mission critical systems will remain up-and-running 24 hours a day.

The System Shepherd software has a low impact on your system resources, allowing you to maximize your output. It will proactively alert you when your OS, RDBMS and/or applications are operating at levels that are detrimental to your productivity. Absolute Performance will identify potential problems and resolve them before they cause expensive downtime of your mission critical systems. We will work closely with you to establish definitive criteria to meet your expectations and needs in maintaining consistent systems reliability and top-level performance. As shown in the graph below, the total cost of outsourcing to Absolute Performance is significantly less than what most companies pay for true internal support.

The Bottom Line? *Absolute Performance provides better solutions and constant reliability at a fraction of the cost.*

