On-Premises, Consumption-Based Private Cloud Creates Opportunity for Enterprise Out-Tasking Buyers

Hitachi Data Systems and ISG
Out-tasking trends:

- Multi-provider
- Automation
- Standardization
- Service integration
The Data Center is an Out-tasking Hotbed

Data center sourcing trends:

- Consolidation
- Hybrid deployment models
- Convergence
- Supplier owned assets
On-Premises, Consumption-Based in Demand

Adoption drivers:

- Retain control and reduce data sovereignty concerns
- Reduce large capital expenditures
- Match technology supply with business demand
- Reduce asset management responsibilities
- Potential to reduce TCO for in-scope services
Provider offerings vary greatly; focus evaluation on:

- Asset ownership and service delivery model
- Service levels and commitment to continuous capacity planning
- Consumption-based pricing structure
- Length of commitment
- Transformation and commitment to an agreed-upon ROI
Hitachi Managed Cloud Solutions

TRANSFORM YOUR ENVIRONMENT INTO A MANAGED PRIVATE CLOUD

The Journey to Committed TCO Savings
A Changing Industry

Responsibility for managing the complexity is shifting from the customer to the vendor

There is an increasing gap as technology vendors continue to add features and complexity to their products faster than customers are able to adopt the rate of change.

IT is shifting its focus from building and maintaining systems to delivering an outcome to the business processes of their enterprise.
Accelerating Your Time-To-Value

Traditional Business Model

Optimize It For Me
Fix It For Me
Install It For Me
Sell It To Me

Cloud Benefits Velocity

Maximize my TCO reduction
Drive My Optimization
Manage It For Me
Own it for me

B2B

B4B

© Source: TCG Advisors
Accelerating Your Time-To-Value

On-Premises Infrastructure-as-a-Service

Hitachi Managed Private Cloud
Transformation for a legacy environment into a managed private cloud within the 4 walls of the Enterprise

- Utility based consumption and billing for Compute (CaaS), Storage (STaaS) & Back up (BUaaS)
- Elastic compute capacity on demand
- Service levels committed against a service catalogue
- Operations out-tasked to HDS (ITILv3)
- All inclusive unit price (HW, SW, transformation and out-tasking services)
- Assets owned by HDS, not a lease
- HDS commits to transformation benefits
The Journey to Guaranteed Gains

30% to 40% TCO reduction
Benefits on day one
Measured and tracked

• €92m TCO savings identified over five years
• 60% savings on cooling and energy
• 2.2PB transformed

• $90m TCO savings identified over five years
• 85% throughput performance increase
• 3.6PB transformed to date
Starting the Journey

What we need from you…
…attendance at 1 or 2 short workshops

What we’ll provide…
…quick assessment of the potential savings achievable for you
…one hour executive presentation

What next…
…commencement of Discovery phase and full assessment
Discover: Full Assessment

Measurable gains process
- Reducing TCO through architectural change
- Delivered with expert services to reduce risk
- Financed to meet P&L challenges
Design: Service Catalogue and Platform

SERVICE
- SLA-based consumption model
- SLA commitment via Service catalogue
  - 100% data availability
  - Operations out-tasked to Hitachi
  - ITILv3 methodology

MANAGED PRIVATE CLOUD SOLUTION WITHIN YOUR DATA CENTRE

COMMERCIAL
- All inclusive pricing
- Savings commitment
  - Pay-per-use
- Elastic on-demand capacity
- Service credit regime

TECHNOLOGY
- Hitachi owns and transforms assets
  - One platform for all your data
    - Virtualization
    - Seamless migration
Transform: Non-Disruptive and Rapid Migration

**TRANSITION**
- **CUSTOMER**
  - Phase I
  - ENTRY
    - Managed Services by existing provider
  - PREPARATION & INITIAL TAKEOVER OF SERVICES
    - Based on existing level services catalogue

**TRANSFORMATION**
- **CUSTOMER**
  - Phase II
  - TRANSFORMATION: DATA MIGRATION
    - Introduce improved Service Level Catalogue
  - DATA CENTER TRANSFORMATION

**OPERATION**
- **CUSTOMER**
  - Phase III
  - EXIT PROCESS
  - IMPROVEMENT PROCESS
    - Service Level Catalogue implemented through Policy Engine

Operational services under SLA
Operate: 24x7 Operational Management and Governance

Client Manager - Executive Relationship

Service Delivery Manager - Operational Relationship

SME / Architect - Technical Relationship / Capacity Management
Operate: Your Service Catalogue

Your requirements into a set of customized unit items

No surprises
Defined SLAs
Improved governance
Enables you to manage your business
Organizational Change

CLEAR COMMON VISION

NEED FOR CHANGE

ACTIONABLE FIRST STEPS

ABILITY TO CHANGE

Scoping/assessm.

MGA & Due Diligence
(2-4 weeks)

SERVICE DELIVERY
(=> transition of Service responsibility)

Change readin. assessm.
(3-5 days)

Design & transition

TRANSFORMATION
(=> adaption of infrastructure)

Design
(~3 months)

Transition
(~2 months)

Design
(~3 months)

Implement
(~9-12 months)

Migrate/Implementation & Run

Migrate
(~12-24 months)

Run
(~4/5 years)

Sustain (Audit)

Sustain (Audit)

Main modules

Main phases/activities

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Why Hitachi?

- Commitment to deliver savings (estimated minimum of 30% TCO)
- All inclusive Pay-Per-Use pricing – no upfront or post contract hidden costs
- Agility to right size and align the IT infrastructure to the business
- True consumption based (used) charging mechanism
- Service Catalogue designed to your business needs
- Out tasking of Operational Management with full transparency and oversight through governance
- Better control and predictability of your Enterprise infrastructure.
- Transition to a true operational procurement model
- 100% data availability guaranteed
Our Track Record

APOLLO EDUCATION GROUP

€92m of identified TCO savings
- 1.35PB capacity reduction
- Backup success rate > 99%
- Improved SLAs
- Lower OPEX

BMW

$90m of identified TCO savings
- Business aligned Service catalogue
- 85% throughput performance increase

60% savings on power, cooling and floor space

Operational risk & single points of failure
- Efficiencies & Mitigated SOX non-conformance issues

“HDS is our strategic technology partner in our move to provide a cloud ready storage as a service platform globally. Delivering significant operational cost reduction and improved services to our businesses.” Executive Director, Global Investment Bank
Real World Outcome

Large Retail Bank

**Cost Reduction**
- £3 million Costs Saved: Legacy Maintenance
- 56% Cost Reduction of Block & File Storage
- 92% Power Reduction: 1.4MW Saved
- £40 million Storage Cost Savings: Over 5 Years

**Asset Utilisation**
- 75% Increase: Storage Utilisation
- 88% Reduction: Storage Arrays
- 90% Reduction: Data Centre Footprint
- 51% Capacity Reduction: Due to Thin Provisioning

**Savings**
- 75% 200 tonnes CO₂ Saved: Equivalency of a London Taxi circling the earth 243x!
Questions and Discussion
Thank You