

Affiliated Computer Services



By Migrating Customers from the Mainframe to Sun, ACS Achieves Significant Cost Reduction and Revenue Enhancement

Highlights

Industry/Market

Service Provider

Products

- 3 Sun Fire™ 15K servers (72, 24, and 24 UltraSPARC™ III processors)
- Sun Fire 6800, V880, and 280R servers
- 2 Sun StorEdge™ 9960 systems (2 TB each)
- Solaris™ 8 Operating Environment

Key Business Challenges

- Build revenues by offering services based on cost-effective midrange platforms
- Deliver shared services with the data security that customers require
- Develop and offer UNIX® pricing model based on resources consumed per unit of time
- Identify gaps in service delivery model and verify that services adhere to best practices
- Secure SunTone™ and ISO 9000 certifications

Key Business Solutions

- SunReady™ Availability Assessment for identification of quality-of-service requirements and setting the stage for SunTone certification
- Application Readiness Service for design, testing, and configuration of platform infrastructure
- SunSpectrum Platinum™ agreement

Key Business Benefits

- \$10 million in revenue from services provided using Sun Servers
- Shared services 40% less expensive for customers than dedicated services
- SunTone Certification achieved 4 to 12 months faster with SunReady Availability Assessment
- 43% increase in system administrator productivity
- \$250,000 annual savings in system administration costs
- 500% to 600% savings on floor space

“Fortune 500 companies from a number of verticals have become comfortable with the reliability and safety of the Sun-based shared services we offer, and the results of the last year in the IT Solutions Group show that they’re eager to reap the cost benefits.”

– Alex Baker, Director of Business Strategy, IT Solutions Group, Affiliated Computer Services

Affiliated Computer Services (ACS), a premier provider of business process and information technology outsourcing solutions, is continually expanding its midrange solution offerings. Sun provided ACS with a total products-and-services solution that addressed all the challenges in creating a shared server model for services based on Sun Fire™ servers. To verify the soundness of its data center policies and procedures, ACS engaged Sun Services to provide a SunReady™ Availability Assessment. The excellent scores ACS received make customers even more comfortable about reliability and security, and the recommendations Sun provided will help make these services even stronger. ACS is now SunTone™ Certified and has a goal of achieving ISO 9000 certification by July 2003, to further bolster customer confidence.

IT Outsourcing Leader Adds Midrange Offering

Based in Dallas, Texas, ACS is a Fortune 1000 company with more than \$3 billion in revenues and nearly 40,000 employees supporting operations in 48 countries. The company provides business process and information technology outsourcing services to over 10,000 customers in the financial services, energy, government, healthcare, retail, education, and transportation industries.

In the late 1990s ACS began employing Sun Enterprise™ servers, dedicated to specific customers, for purposes such as electronic commerce where Sun technology offered unique advantages. The Sun experience proved so positive for all involved that ACS sought to enhance its midrange alternatives for its customers.

“The benefits of adding Sun-based services to our line were extremely positive,” said Jim Lyness, Vice President of Strategic Services for the IT Solutions Group of ACS. “With its leading-edge technology and the best and brightest people in the industry, Sun held the potential to greatly reduce total cost of ownership for us and our clients. Sun offers a rich array of expertise and tools. Sun’s close relationship with many of the key application vendors, such as Oracle, is another big benefit.”

Products and services from Sun made it possible for ACS to greatly reduce the cost and to certify the quality of its IT outsourcing services, resulting in a 1,000% increase in revenues last year for services provided using Sun servers.

“The SunReady Availability Assessment was terrific, an extremely thorough and comprehensive service. We’re very pleased with the excellent overall scores we received. In fact, the leader of the Sun team told us that we were number one out of the thirteen assessments he’d led in the last year. The report showed all the areas where we’re strong and identified a few issues for us to examine to see if we have an opportunity to make improvements.”

– Jim Lyness, Vice President of Strategic Services, Affiliated Computer Services

ACS applied the same simplification, consolidation and automation advantages of the mainframe-based shared services model to the UNIX® operating system. “The security provisions in the UNIX world were much less mature than those of the mainframe,” explained Lyness. “Customers were reluctant to put their mission-critical data into a shared server environment for fear that other companies might be able to access it. Furthermore, none of us in the outsourcing industry had developed a pricing model for shared UNIX system services nearly as sophisticated as that of the mainframe.”

Sun for Shared Services — Multiple Domain Capability, Security Provisions, and Development of a Shared Pricing Model Make the Difference

By early 2002, through a combination of technical and business developments, customers were ready for ACS’ shared midrange server offering. “Because of the economic climate, clients were eager for lower cost options, even if it meant exploring something new,” Lyness said. “The end-to-end Sun solution helped us develop a level of confidence with customers that assuaged their concerns around migrating to a new platform. One key component is the multiple domain capability of Sun Fire servers, which lets us provide mainframe-like services by partitioning a server into a number of ‘virtual machines’ safe from intrusion by one another by virtue of their domain separation. Another key was the release of the Solaris 8 Operating Environment, which included a number of new security provisions over prior versions.”

Just as important was ACS’ development of a UNIX utility compute model, a pricing structure for shared services that mirrors the mainframe’s in that it is based on resources consumed — CPUs, memory, disk storage, and tape backup — per month. “With indispensable help from Sun, we have developed a fully variabilized cost structure for shared services,” said Alex Baker, Director of Business Strategy

for the IT Solutions Group of ACS. “It’s easy for us to manage, and it’s exactly what customers want. They pay only for what they really need and use, which saves them about 40% on the average compared with the cost of a dedicated server.”

The shared model is especially good for short-term projects, where it is not realistic for ACS to set up a dedicated server. Sun’s multiple domain capability is one of the innovations that makes it possible. ACS allocates a Sun Fire domain to each customer that has exactly the resources that the customer is prepared to pay for, and then reallocates later if a customer’s project concludes, or if their needs grow and they require more resources.

“Our pricing structure for UNIX is the closest to the mainframe model in granularity that we’ve seen from anybody in the industry for midrange servers,” Baker added. “We couldn’t possibly have developed it without Sun’s help. They provided people with all the right technological and finance experience.”

Sun Products and Services Add Up to a Robust Service Offering

ACS took advantage of the Application Readiness Service provided by Sun Services to test, configure, and implement Sun Fire servers throughout its global data center network. Sun Fire 15K servers, each connected with Sun StorEdge™ 9960 systems for data storage, were installed in ACS data centers in Dallas and Pittsburgh. Sun Fire 6800, V880, and 280R servers were also installed in Pittsburgh. Most recently a third Sun Fire 15K server was deployed in ACS’ data center in Ireland. These servers are divided into domains based on customer requirements. The system in Ireland, for example, currently has 18 domains containing a total of 72 CPUs. All servers are protected by Sun Services under a SunSpectrum Platinum™ support agreement.

But ACS knew that providing dependable services based on Sun technology requires much more than platforms. Therefore one of the company's first steps after installing the Sun Fire servers in its data centers was to engage Sun Services to perform a SunReady Availability Assessment. "We had a number of reasons for bringing in Sun Services," explained Lyness. "Most importantly, we practice continuous process improvement at ACS, and we saw the SunReady Availability Assessment as a way to take advantage of Sun's experience and expertise to help us make our processes even better. Secondly, the SunReady Availability Assessment took us a long way in achieving SunTone certification, which is building our business by conveying to clients that we have Sun's stamp of approval on our services. Customers know and respect SunTone certification, and they're more comfortable putting their data into a shared environment knowing it's SunTone certified. In addition we're seeking ISO 9000 certification, which will also be accelerated by quality improvements we make as a result of Sun's services."

For the SunReady Availability Assessment, a team of consultants from Sun Services conducted interviews with members of the ACS organization representing the operations, administration, and management of the data center. They closely examined documentation on the data centers' processes and procedures. Besides looking for general best practices, Sun checked on service level agreements that ACS had promised or implied to customers to help make sure the foundations were in place to fulfill them. Before developing a report on their findings and recommendations, the Sun team made a special point to meet with the president of ACS IT Solutions and

other top executives to learn about ACS' goals and strategy first hand, and to make sure the recommendations would be most useful in that context. "We really appreciated Sun's extra efforts to understand our business and our directions," said Lyness. "That made their services all the more valuable."

In June of 2002 Sun Services compiled the findings of its interviews and analysis into a detailed, 68-page report. It included detailed scorecards and findings, gap analyses, and recommendations on dozens of aspects of the ACS data center architecture, operational policies and skill set levels. "The SunReady Availability Assessment was terrific, an extremely thorough and comprehensive service," said Lyness. "We're very pleased with the excellent overall scores we received. In fact, the leader of the Sun team told us that we were number 1 out of the 13 assessments he'd led in the last year. The report showed all the areas where we're strong and identified a few issues for us to examine to see if we have an opportunity to make improvements."

In late 2002 ACS engaged Sun Services to perform a second review of its services, which led to the company's success in achieving SunTone certification. ISO 9000 certification is also on track for completion in 2003. "The SunReady Availability Assessment greatly accelerated our readiness for SunTone certification," said Lyness. "I'd estimate that it saved us somewhere between 4 and 12 months."

Reorganizing to Focus on More Cost-Effective Services

Meanwhile ACS is offering the new solutions as options for customers who are currently on the mainframe, Windows NT, and other platforms. Customer interest is so strong that ACS has reorganized its business to focus

on shared midrange offerings. Many of the new customers run Oracle on Sun according to Paul Campbell, Director of System Engineering Services for Enterprise Application Integration of ACS' IT Solutions Group. ACS provides them with Oracle8i database administration and is testing Oracle9i for near-term deployment.

ACS can afford to charge less for Sun-based services because its costs are lower with Sun in many ways. "For example, cycle for cycle, Sun servers take up a fifth to a sixth of the floor space of a mainframe," said Campbell. "That saves on data center real estate and associated costs like electricity and air conditioning. We've found that our system administrators are about 43% more productive with Sun. We're saving over a quarter of a million dollars a year just in system administration costs, and we're finding new ways all the time to leverage the Sun model even more to save costs and ramp up business." These cost savings come at no sacrifice in meeting system level agreements, which Campbell and his team are satisfying in full. One reason, he reported, is that there have been no Sun server outages at all that impacted production.

"Our Sun server-based revenues in the IT Solutions Group have grown from practically nothing 2 years ago to \$10 million today, and it's increasing really fast, 1,000% just in the last year," said Baker in conclusion. "That's because of the substantially better price/performance we're able to offer with Sun. Fortune 500 companies from a number of verticals have become comfortable with the reliability and safety of the Sun-based shared services we offer, and the results of the last year in the IT Solutions Group show that they're eager to reap the cost benefits."

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