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Server Consolidation Can Cut Costs, but IT Faces Challenges

Streamlined systems boost utilization rates

BY MATT HAMBLIN
 PHILADELPHIA

Server consolidation projects are reducing systems management complexity and costs in many data centers, IT managers said at a conference here last week. But some noted that consolidations may not be easy because of problems such as getting end users to cooperate and dealing with displaced IT workers.

For example, Jason Glazier,

chief technology and e-commerce officer at Lincoln Financial Group in Philadelphia, said the financial services company reduced the number of servers it has from about 300 to 100 over the past year after finding that end users were underutilizing some of the systems.

In addition to reducing its hardware costs, Lincoln has reaped significant savings on software licenses by lowering the number of operating system images installed on its servers from 600



Ohio CIO Greg Jackson says the state is consolidating e-mail servers.

to 200, Glazier said. He was one of the speakers at Enterprise Management World 2004, a new conference sponsored by *Computerworld* and Distributed Management Task Force Inc.

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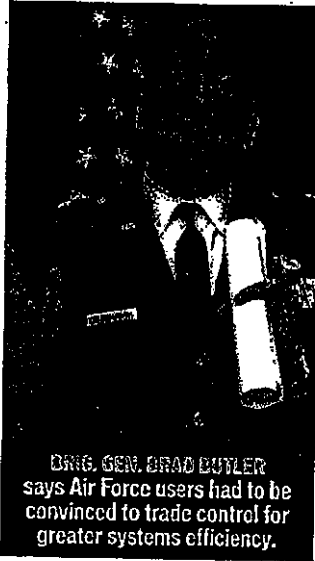


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Servers

"It was not a painful process," Glazier said, noting that "there's a ton of low-hanging fruit" in potential server cost savings. But there were some downsides, he added. The biggest was that many software products lack the ability to use all the application processes on servers simultaneously. Glazier also said tools for monitoring servers that run multiple applications "are still not sophisticated enough ... and need to grow up."

Kelly Quinn, an IDC analyst who spoke at the event, said that a significant majority of Windows, Unix and Linux servers still support only one application and that their utilization rates can be far below those of traditional mainframes. Quinn and several other users and analysts said it isn't unusual for servers to be running at less than 20% of their processing capacity.



BRIG. GEN. BRAD BUTLER says Air Force users had to be convinced to trade control for greater systems efficiency.

In one case study presented at the conference, Dennis Callahan, CIO at The Guardian Life Insurance Company of America in New York, said that the insurer's server utilization rate has shot up from just 4% in some cases to an average of nearly 50% over the past 18 months.

The improvement was ac-

complished by stacking as many as four or five applications on each server as new systems came online, Bob Mathers, second vice president of IT operations at Guardian, said in an interview after Callahan's presentation.

Guardian has installed new blade servers from IBM, and it recently signed a \$1 million contract to buy 12 of the vendor's eServer p5 570 Unix systems to support further consolidation moves. Thus far, the insurer has reduced the total number of its servers from 1,100 to 900, Mathers said. He estimated that Guardian is saving "millions of dollars a year" in IT costs, although he has yet to perform a formal financial analysis.

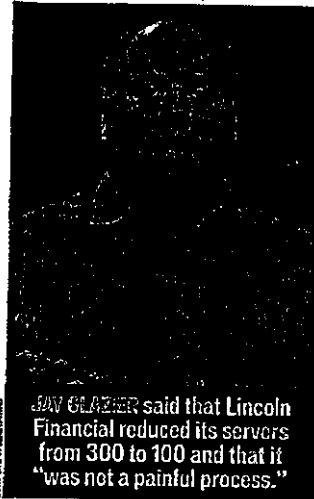
Seeking Acceptance

Mathers said it wasn't difficult to manage the cultural shift involved in having several workgroups share a single server. But other attendees warned that user acceptance can be a significant problem because

workgroups and other business units often want to keep their own application servers.

Brig. Gen. Brad Butler, deputy CIO of the U.S. Air Force, said that some "social engineering" has taken place there over the past three years to convince users to agree to turn off their servers in the spirit of greater IT efficiency.

Butler said 4,000 systems were eliminated as part of a



DAVE GLAZIER said that Lincoln Financial reduced its servers from 300 to 100 and that it "was not a painful process."

consolidation project, resulting in annual maintenance savings of about \$100 million. Air Force IT managers now find that despite some initial resistance, users realize "they didn't give up control as much as they gained efficiency," he added.

Greg Jackson, CIO for the state of Ohio, said his IT managers are consolidating 469 e-mail servers that are currently supported by 44 systems administrators. The initiative is aimed partly at saving on the cost of paying the administrators, Jackson said.

He added that the state has begun a program to retrain the e-mail systems administrators and other IT workers who have been displaced from their jobs so they can work in new areas, such as application development.

The University of Pennsylvania in Philadelphia is testing four Linux-based servers for possible use in consolidating systems in its data center, said Raymond Davis, the school's executive director of systems engineering and operations. "The cost savings could be terrific for us," Davis said.

Henry Holcombe, senior vice president and chief technology officer at New York-based hosting services provider Globix Corp., said server consolidation can spawn other problems, such as increases in power and cooling requirements inside data centers.

"Everybody wants to go to blade servers to get more functions in less space, but I've found they require two times as much power" as conventional servers, Holcombe said, adding that blades also can generate more heat than expected. ☎ 49440

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