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Cost Savings | Energy Optimization

Control Your Data Center Costs:
The Economic Value of DCIM

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Concerned About Rising Costs in Your Data Center?

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CIOs owning and operating legacy datacenters are facing increasing pressure to reduce costs, while at the same time increase availability. Some of them opt to collocate to third party datacenter service providers. However, a big majority are bucking the trend and opting to expand or do a new build. Here then is an opportunity for them to innovate by introducing Datacenter Infrastructure Management (DCIM) software and derive benefits similar to what many services providers have got by adopting DCIM.

Many CIOs are still hesitant to deploy a DCIM solution for their enterprise datacenters because they find it difficult to determine the ROI on it. However, those who have gone for a DCIM solution felt that it met or exceeded their ROI expectations.

Briefly, DCIM software mitigates risks of failures while at the same time helps to avoid over-provisioning. Fortunately, DCIM investment pays back in 12-18 months. Besides ensuring almost zero failures, organizations deploying DCIM have derived tremendous financial benefits—by way of reduced capital costs and lower power consumption. As a bonus, organizations have also reported higher asset utilization and longer life of their equipment and datacenter.

By considering only three of the many challenges faced by datacenter managers, decision makers can arrive at a business value of the DCIM solution.

Putting a Number on the Savings

The challenge of putting a dollar figure to improving productivity, efficiencies, and business agility is that they can be increased only when inefficiencies are eliminated. While these are indeed worthy goals, many business managers equate these with soft-savings and not real money that can be credited to their bank, even though customers have gone on record to admit that they experienced a ROI – like a telecom company in the US which got returns in less than 11 months in the first phase.

However, those efficiency-related savings are real – so it is important that the DCIM evaluation team reaches an agreement with

key decision makers and business managers on how they should account for this crucial element and take soft-savings into account.

Where are the Savings in DCIM?

When a DCIM solution is implemented it solves three business challenges making ROI calculation simpler—reducing operating expenditure, sweating out existing investments, and higher availability of business IT services.

Reducing Operating Expenditure: The quickest payback can come by reducing power consumption. Datacenters are one of the highest consumers of power in any organization. Many organizations lack a structured power management practice for their datacenters.

DCIM solutions give a detailed visibility on how each device is connected in the power chain, then monitor and report the efficiencies (or inefficiencies) of power consumption in terms of Power Usage Effectiveness (PUE) at various stages in the power chain map. This helps indicate areas where there could be maximum impact on power savings if actions are taken to plug those inefficiencies in design or equipment or management of the setup.

The savings can be measured in the reduced PUE and the ability to increase datacenter temperature leading to reduced cooling power cost.

Sweating Out Existing Investments: By seeing all the IT and facilities infrastructure and their utilization, the ability to manage assets across the full life-cycle increases. This enables the management to plan for growth of IT infrastructure required for

business growth in a more informed manner, avoiding over-provisioning, and savings on capital investments or deferring investments to later date.

DCIM solutions' capabilities—asset management, capacity management, and reporting—convert into savings as they utilize existing infrastructure to its fullest and provide data to plan for future investments.

The Functionalities of DCIM:

- Asset management for IT and critical facilities infrastructure.
- Capacity management planning and threshold-based reporting.
- "What-if" functionality enables operations and business teams to get visibility of a 'could-be' situation for various scenarios.

Savings Example:

- Deferred or avoided new datacenter construction or retrofit investment versus a previously considered new build or retrofit capital expenditure.
- Savings in cost of capital.
- Benefits from power utility provider and company interaction – peak time shaving, better utility pricing agreements due to more accurate power use forecasting.

Higher Availability of Business IT Services: IT enablement is one of the biggest drivers for business growth. Need for higher availability of business IT Services over 24x7 has now become an absolute necessity in running businesses. Managers have to use what they already have albeit better to provide better, faster,

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and more reliable IT services within the same budget. Hence data center IT and facilities uptime is crucial to deliver this business services uptime at all times.

DCIM solutions proactively alert the datacenter operations and management teams on parameters related to utilization, system errors and violation of threshold parameters as defined by business and operational needs.

Timely maintenance of all systems and sub-systems of datacenter facilities results in higher uptime of those devices. DCIM solution provides pro-active alerts and regular reporting for maintenance schedules and adherence.

The Functionalities of DCIM:

Asset Management with Maintenance Management System

Monitoring and reporting of critical infrastructure health status

Savings Example:

- Lower reporting/analysis time

- Reduced audit time (Third party costs).
- Decreased reporting (capacity and regulatory) times (reports how often, on what, to whom).
- System administrator's time decreased (improved productivity), dollars system administrator – administration versus reporting times.
- Increased availability – cost of downtime (dollars per minute).
- Number of faults detected, faster diagnosis for shorter downtimes.

The key is to find a partner experienced in integrating DCIM into datacenter and its business processes and who will work to understand how your datacenter operates.

The right solution associated with simpler and purposeful deployment would yield faster and desired results. This needs to be associated with collaborative approach between the IT department and the facilities function to maximize the ROI from this initiative.

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(Original version of this article appeared as an Opinion Column in CIO.in, February 2015)

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