

MeriTalk

The Government IT Network

Federal Data Center Addiction: The Road To Recovery

November 15, 2010

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Under OMB's direction, Federal agencies are working to **cure their data center addiction**. The goals: save energy and money, improve IT security, shift to more efficient computing platforms, and enable the data center workforce to focus on strategic IT initiatives.

Most recently, OMB asked agencies to submit final consolidation plans by August 30, 2010. **So, how many agencies met this deadline and how are their plans progressing?**

In September 2010, **Riverbed** worked with **MeriTalk** to survey Federal civilian and intelligence IT managers to gauge consolidation status, examine agency strategies, and share lessons learned.



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- Federal civilian IT managers estimate they can save nearly one-third (**32%**) of their total IT budget with data center consolidation
 - That's a potential **\$14.6B*** in savings each year
- Agencies are making real progress
 - **96%** of respondents say their agency has a defined strategy for data center consolidation, and **55%** have successfully consolidated some data centers
- But, many are not keeping up with OMB milestones
 - **Fewer than one-third** have submitted a final data center consolidation plan, which was due August 30, 2010
- Will they get there? Confidence is growing
 - **33%** of Federal IT managers** believe the consolidation goal is attainable – up from 12% *just four months ago****

- Feds* estimate data center consolidation may **save \$14.6B annually**

$$32\% \times \$45.7B = \$14.6B$$

*Federal civilian
IT managers:*

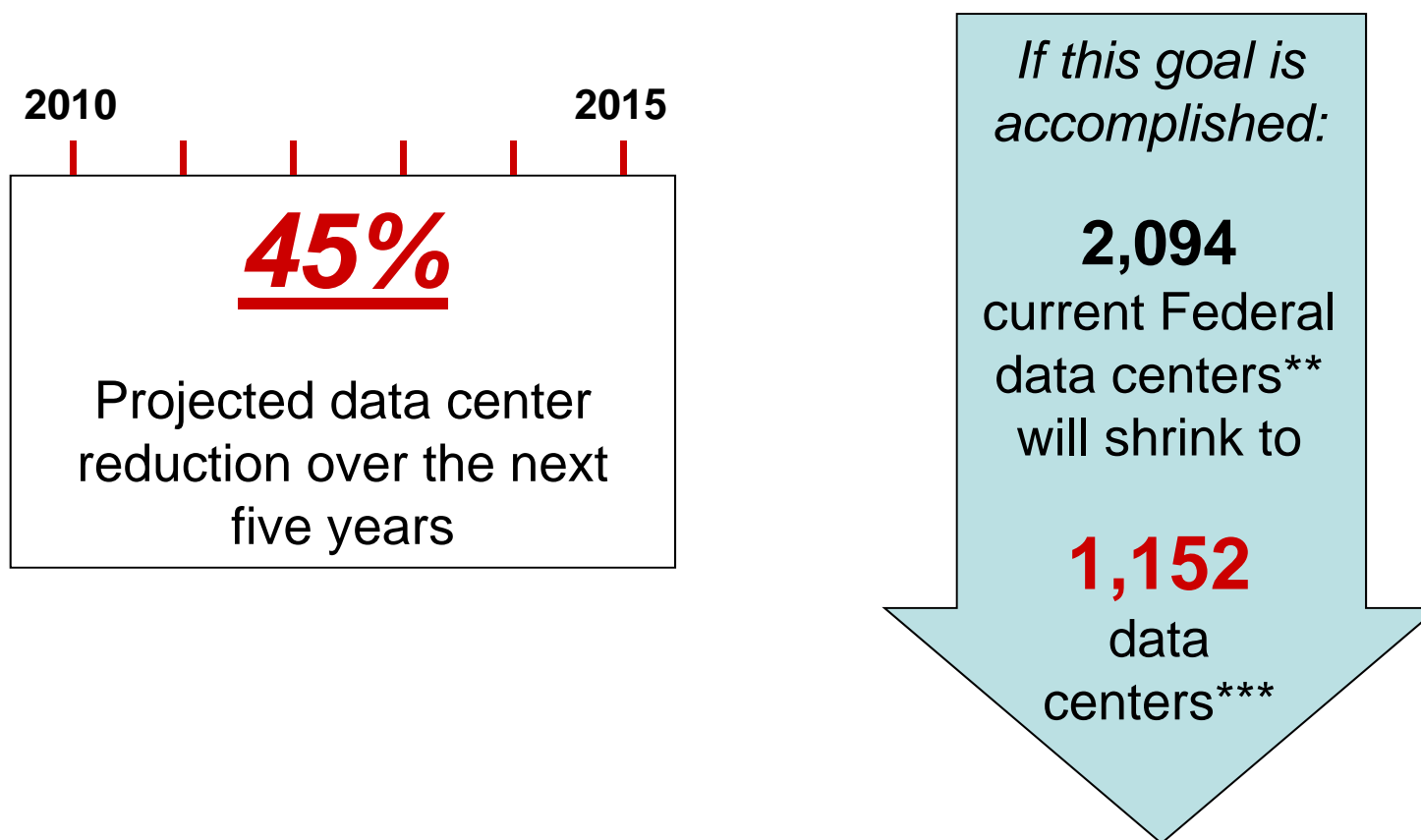
By what percent will you be able to reduce (or reallocate) your total IT budget as a result of your data center consolidation efforts, once complete?

Total Federal civilian IT spending, FY 2010**

Annual IT savings opportunity for civilian agencies

Take Away: Surprise, Surprise

- To achieve consolidation savings, Federal IT managers* have set ambitious data center consolidation goals



Take Away: Agencies Must Stay the Course

- Agencies are making progress

96%

have a defined strategy for data center consolidation

55%

have successfully consolidated *some* data centers

32%

have *started* the process but have not yet consolidated any data centers



Take Away: Rehab in Progress

- Despite progress, many agencies are not keeping up with OMB deadlines.
Less than a third submitted final consolidation plans on time*



OMB Deadline:	Completed**:
Submit an initial data center consolidation plan	53%



Complete a final asset inventory baseline	46%
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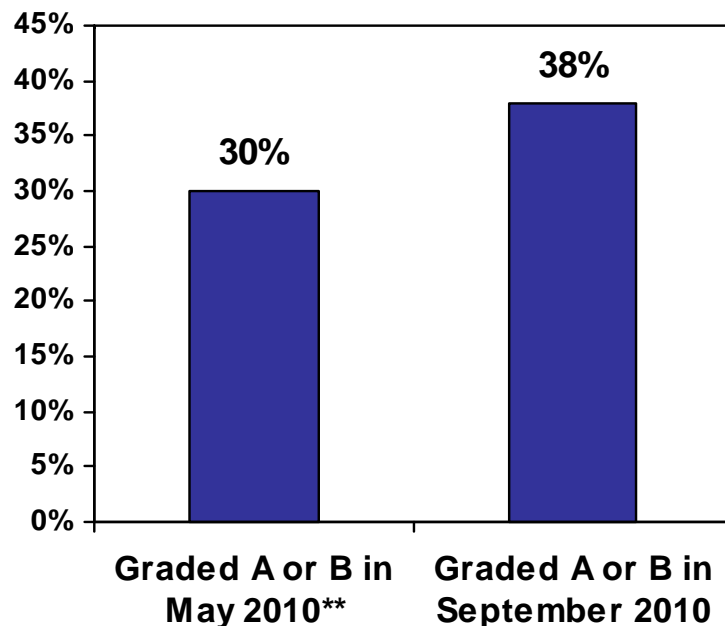


Finalize data center consolidation plans and incorporated into FY 2012 budget	30%
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Take Away: Must Adhere to Goals

- While Feds* say OMB has improved consolidation support, they need more guidance

Percent of respondents who grade the clarity and helpfulness of OMB's data center guidance an A or B:



What additional information should OMB provide to agencies?

“OMB should provide a sample roadmap for a simplified scenario.”

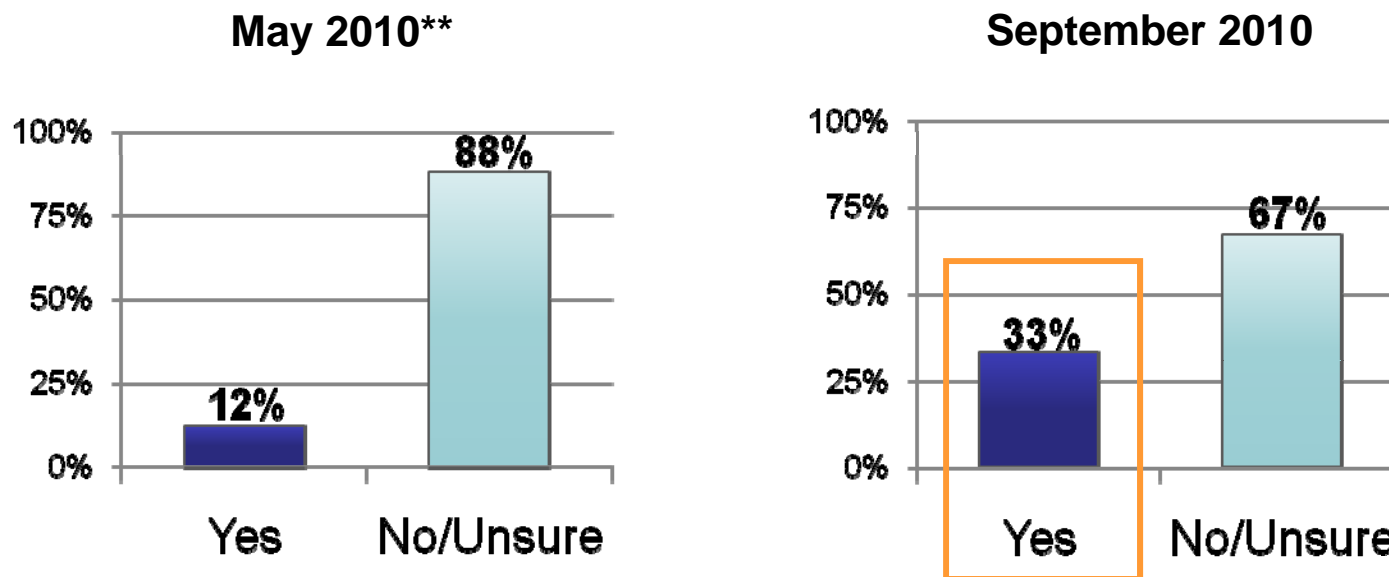
“OMB should provide community to Data Center Consolidation leads – the MeriTalk 1,100 conference was a terrific platform. OMB should participate in the 2011 conference.”

“OMB needs to provide case-studies of real-world consolidation applications. The Federal environment may be unique, but it does not require wholly unique solutions to be successful.”

Take Away: Feds Want a 12 Step Plan

- Many are still skeptical, but a rising number of IT managers* believe OMB's consolidation goals are attainable

Do you think the Federal Data Center Consolidation Initiatives are attainable by Q3 FY 2011?



Take Away: Starting to See the Light

- Most agencies agree that virtualization is key to data center reduction; two-thirds plan to keep their data on their own agency's servers

Approach

66%

say their data and apps will stay on their agency's own servers

24%

say some data and apps will reside on other agency's servers

Strategy Components*

Virtualizing servers



Virtualizing storage



Retiring unused, underutilized, or "ghost" servers



Building a private cloud



Using public cloud services



Take Away: Recovery on Agency's Terms

- Agencies are still not fully embracing OMB's cloud vision

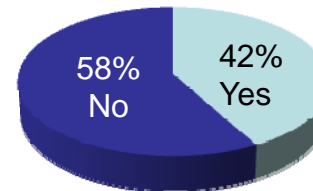
OMB's Cloud Vision:

*"In coordination with the data center consolidations, **agencies should evaluate the potential to adopt cloud computing solutions** by analyzing computing alternatives for IT investments in FY 2012. **Agencies will be expected to adopt cloud computing solutions** where they represent the best value at an acceptable level of risk."**

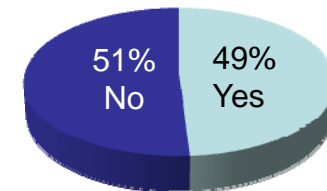
Feds' Feedback:

Is OMB's cloud vision realistic?

May
2010**



September
2010***



Take Away: Clouds Clearing

- **94%** of Federal IT managers are measuring or planning to measure data center consolidation savings

How are you measuring or planning to measure savings?*

Capital Costs

Reduced physical server count	44%
Reduced square footage used	32%
Reduced software packages	24%

Operating Costs

Reduced energy spending	43%
Reduced dedicated personnel	34%
Reduced network bandwidth	16%



Take Away: Feds Want Physical Signs of Improvement

- Lack of trained staff and leadership commitment may be slowing progress

Just 50%

believe their IT department is staffed and trained to manage their agency's data center consolidation efforts

and

Just 48%

say their agencies' leadership places a high priority on the data center consolidation initiative

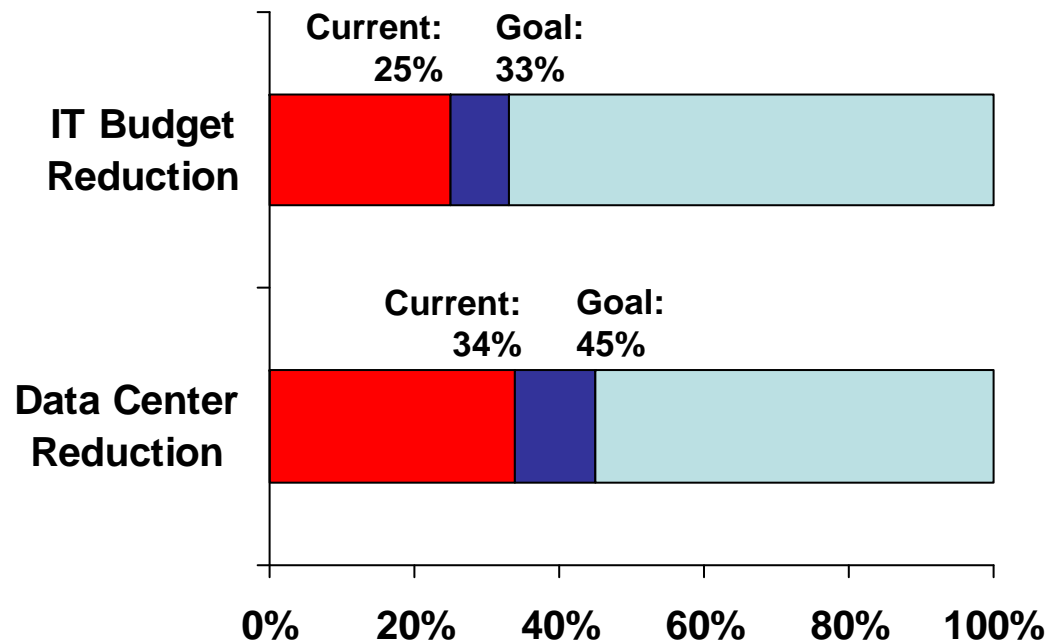
Why is leadership important?

Agencies with leadership support are more likely to:

- ✓ Have finalized consolidation plans and incorporated into the FY 2012 budget – 41% to 18%
- ✓ Have the budget to complete consolidation – 53% to 28%
- ✓ Have insight/open communication regarding other agencies' consolidation success and best practices – 55% to 28%

Take Away: Build a Support Group

- Agencies that have begun consolidation* are well on their way to reach their goals



Take Away: Quitting Pays Off

- Up-front analysis, leadership support, and staffing contribute to consolidation success

Successful agencies are:

More than **twice** as likely to have completed an up-front analysis in preparation for consolidation (69% to 29%)



More likely to have leadership support (56% to 37%)



More likely to be adequately staffed for consolidation (54% to 46%)



Successful agencies: What advice would you give to another agency regarding consolidation?

- ✓ “Plan early. If it is too late to plan early, take the time to plan well.”
- ✓ “Appoint a dedicated team for planning and assessment. Then re-assess team skill sets prior to implementation.”
- ✓ “Ensure that a budget is available so that corners are not cut or implementation cut short.”
- ✓ “Allow plenty of time for installation and testing. It is an ongoing process.”
- ✓ “[Consolidation] requires top management support.”

Take Away: Prepare for Change

- While the Federal government is reporting 2x as many data centers as one year ago,* consolidation funding is at risk

The Senate Appropriations Committee did not approve additional funding for data center consolidation and wants to reduce existing funding**:

*“The Committee is concerned that the electronic government initiative **does not provide sufficient guidance regarding consolidation of Federal agency data centers** into data facilities with multiple Federal tenants. GSA is directed to report to the Committee within 120 days after enactment of this act on the feasibility of consolidating Federal agency data centers into existing Government-owned/Government-operated facilities with multiple Federal tenants.”****



Take Away: Addictions are Hard to Break

- **Admit Your Addiction** – Conduct an up-front analysis
- **Don't Go it Alone** – Management support is a must
- **Work the Steps** – Map to OMB's milestones
- **Form a Support Group** – Learn from successful agencies



- MeriTalk, on behalf of Riverbed, conducted the online survey of 200 Federal government IT managers in September 2010. The report has a margin of error of +/- 6.89% at a 95% confidence level

Title	
7%	CIO/CTO
4%	Deputy CIO/CTO
16%	IT director/supervisor
28%	IT manager
15%	Network administrator
4%	Data center manager
26%	Other IT management

Agency Type	
93%	Federal civilian
7%	Intelligence
0%	Department of Defense

100% are familiar with their agency's data center consolidation efforts

Thank You

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