Server Migration Challenges and Lessons Learned

Client Challenges: IBM Corp. organized and led a Tweet Chat and virtual event on IT server migration lifecycle. RFG and the CIO from **Arizona Beverage Company** participated in the IT panel along with an IBM executive. This research report is a transcript of the virtual event. It provides the analyst, user, and vendor views of key migration challenges and offers some lessons learned.

Observations and Recommendations

Once a company has made the decision to migrate all or part of their IT infrastructure to a new platform, it begins an entire workload lifecycle that has to be considered. Each step has its own benefits and challenges, from requirements gathering to post-migration operations and feedback. Cal Braunstein, Chairman/CEO and Executive Director of Research for the Robert Frances Group, Joseph DeBella, CIO of the Arizona Beverage Company and Dave Carlquist, IBM VP, Global Competitive Strategy and Sales, participated in the panel discussion.

Technology Considerations

Question to Cal Braunstein - What are the key technological considerations that an IT vendor would focus on when a client is looking to migrate?

Cal Braunstein - Vendors should not focus on the technology per se, but the value technology provides to the user. In many cases vendors get really focused on how great the technology is, but the reality is the importance of the value. How does it reduce operations costs, the cost of doing business overall, drive to better utilization, better performance, productivity, or even help drive new business revenue? Those are the key elements that should be looked at as well as how does it integrate with the

users' current and future architecture? Both of these are important, because in many cases companies are going to be going through a data center transformation over time and they need to really understand how this is going to fit together. The cost/benefits of a migration over three –five years needs to be looked at. Frequently people do not look at the whole cost structure and they really need to and then they need to look at the overall strategy and roadmap of where they are going and delve into where the user wants to be. Those are the things a vendor needs to look at.

Question to Joe DeBella - With the pace of technology becoming more and more rapid it's more important than ever to have confidence in your IT vendor. What considerations were key in driving you to your particular choices in IT vendors?

Joe DeBella Answer - We had an internal reference, but we went to IBM who was a key IT vendor for us and said "what's the reference architecture for the things we have?" We pointed to SAP and said "is our reference architecture something that we can look it. Show us the server storage, OS and things of that nature." We also wanted a product roadmap – that would say where is the product going, where is the platform going to be from here to here

so we can take advantage of price performance. If we grow by 30 percent but the product performance grows by 50 percent over three years, I can actually lower my IT acquisitions costs. I also asked for references. Show me someone who has done this. Where is the value that they received? What are the risks I shouldn't be taking or are there really legitimate reasons that we hadn't considered that we should use?

Migration Costs and ROI

Question to Dave Carlquist – In what areas do you typically see the highest return on investments (ROIs) within client migrations? Where did customers see the largest overall benefits?

Dave Carlquist Answer - There are a couple of places clients tend to look around IT migrations and the ROI and benefits that it provides. The first general category is where is their business value – either through improved business performance, improved productivity, driving top line revenue, growth or being able to deploy some new capability. The other is to look at the operational environment for IT itself and how or where costs can be reduced contained such that the precious IT budget can be redirected to other parts of IT investment that drive the business values. So if you can cut the costs with a leaner operating environment, those costs can be reinvested into other ways to support the business. When it comes to ROI or cost adjustment areas, maintenance is a big area to look at both systems and software maintenance. Oracle, for example, is notorious for increasing maintenance costs. Even around hardware maintenance, for example, around their

systems requiring 24x7 maintenance policy around all systems rather than provide some degree of flexibility to perhaps opt out of maintenance for systems that aren't in production. There are some that are looking at end of service life on their systems and fearing that costs are going to go up around maintenance, like the Ultra SPARC end of life or possible Itanium and the like. The other place I think you have to look at around ROI is labor costs in the IT environment. One of the fastest growing areas is around the labor costs associated with installing, supporting, and provisioning the human capital associated with IT. And there is a whole new category of systems called "Expert Integrated Systems" which build into the system capabilities the software – something IBM calls "patterns of expertise." Heretofore inclusion of these patterns would have required more labor costs – now they are built into the capabilities of the systems thereby reducing or managing the costs and therefore driving more ROI going into the future.

Question to Joe DeBella – Many clients are concerned with the costs involved in migration, were you confident in your ability to estimate the cost of the migration? Were you ultimately satisfied with the resulting ROI? Was this your key rationale to build the business case necessary to justify the cost of a migration versus the cost of remaining on your then current technology?

Joe DeBella Answer - We spent a lot of time on justification. We probably spent five weeks collecting data on where would the savings come from. I asked for us to come up with an almost cost neutral migration. I wanted literally to find out

how much it would cost to do and the devil is in the details. But what kind of method was out there. I had some background on platform migrations and system modernization and system harmonization and I had a method in my grasp that allowed me to put numbers to those things. And then I matched the savings to those costs. And not only came up with a revenue neutral cost because of the confidence we have in IBM. We knew they would never underestimate the effort, that we were going to get a real on target estimate for it and at the same time we didn't over estimate the savings. So when the results came out, we were really pretty pleased. We also said that the focus always has to be on the business. And the business was to be more reliable. So the business case was very important, but at the same time, in the corner offices where the chairman and CEO sit, what they wanted to understand was that "we can't be down." We can't have a platform that was unreliable. So while the justification was great, it really came down to the business having to be available.

Scheduling Concerns

Question to Dave Carlquist – How important is minimizing disruption to clients in your opinion? Are there risks to waiting to do a migration?

Dave Carlquist Answer – I don't know of too many business leaders who are fond of suicide missions. Not too many are eager to bet their job on an ill-planed IT migration. But the short answer is minimizing disruption is essential. That's one of the reasons IBM migration factory is in place to help clients bring the right expertise, to be able to bring in resource to help in off hours, parallel systems, to supplement with executives and experts to make a migration smooth. But to your other question, "is there risk to waiting to do a migration:" I've seen IT organizations in an effort to try to mete out the last few dollars of savings or the last couple of elements of risk forego benefits to the organization, the real business value we talked about to the tune of 2x, 5x and 10x of the business value. So while one absolutely wants to minimize disruption and have a thoughtful and planned migration, there are clearly risks that need to be recognized on the other side of the equation. Delays in pushing out a migration can ultimately push back some significant business benefits in the value proposition to the organization. So the answer is 1) get help; 2) be thoughtful in a migration; 3) but understand the overall value proposition; and 4) understand sometimes delays cost the same way that risks from an ill-planned migration also cost.

Skills and Cultural Issues

Question to Cal Braunstein - What are some of the ways an IT vendor can prepare for and counter potential resistance due to skill and culture differences when trying to gain buy-in for a migration?

Cal Braunstein Answer - There are three ways a vendor can do that. Do something that makes life easier for the staff that is out there. From the start a vendor should deliver something that is intuitive, easy to use, and boost productivity. These are things that will excite the staff to want to take advantage of the new products and to migrate over. However, there is a downside – i.e., in many cases where staff

worry about adjusting to the new environment and their career opportunities. So the vendor has to do something to alleviate the concern users have. This can be done by providing pilots, workshops, or other training mechanisms that allow the staff to become acquainted with the new product and feel comfortable that moving forward to the new technology it is a good career move. You have to gain buy-in. Buy-in is always important not just from an executive level, but from a user level. You really don't want any passive resistance going on. Another way to do to demonstrate the importance is to look at reference accounts. Give them a chance to talk to the users on the other side, to see how other customers work with the product. The staff then has a chance to see how it can improve their opportunities in both in their existing job in the work place and in career opportunities going forward.

Question to Joe DeBella - How did you prepare the Arizona Beverage Company team for their IT migration taking into consideration training and cultural bias issues?

Once we realized that we were going to make a massively different change, and again we were optimizing some of the skills we had already had, we started an internal and external mentoring program. Our IBM business partner provided an almost a weekly mentor approach where at least three days a week some of them were making some of my server administrators more familiar with things we were about to install. At the same time we had IBM and others from the team doing the same thing. We also invested a lot of time in training. Almost immediately after we had the business case done, we sent four people to

training. We had to get them to a real comfort level and brought in outside skills to manage that first non-production migration and making them ready, having them coached through it. And then having them do the production migration themselves. That really worked. You know it's all about training. Training and mentoring were really key for us.

Lessons Learned

Question to Joe DeBella - What key piece of advice would you give someone considering a migration? What lessons learned can you share?

Joe DeBella Answer – Most important is the cultural issues. Platforms themselves, operating systems are religious things to some IT disciples out there. You just have to ignore it. They all do similar things and you cannot love one more than another. You have to leave that cultural bias at the door. You just can't bring that to the dance so to speak. You have to be sure everyone understands WHY you are doing this. And in fact, help the culture by mentoring them – doing the training so they don't feel like they're losing a skill. They need to think they are gaining more skill. That is really the key for the IT portion of the business. The executive and finance portion of this is all about making sure you hit your hurdles on what you promised. I'm going to save this much money or I'm going to provide this much more reliability or my service levels are going to go up. All of the things that are most important to them, you have to plan to make sure that you can explain what they are going to be and communicate the results each time. If you don't, you will be back in some troubled room being crucified for making a bad

decision even though it might have been a wonderful one. So it is really about leaving the bias at the door. Make sure you communicate what you planned and absolutely brag about your results.

Summary

The IT migration life cycle starts with the IT executive's vision that there is a business advantage to move off the current platform base to new technology and the recognition that that vision must be justified to executive management. Next come careful planning, partner and platform selection, and then the tasks associated with the actual migration. One thread that runs through Joe DeBella's story is his focus on communications with and buy-in from executive management and the IT staff. People and culture trump process and technology; so you have to have all the ducks lined up and keep them aligned if the migration is going to be successful for all parties involved.

The Bottom Line: Migration has its risks but delaying a migration also has risks and could be more expensive than taking action at the right time. IT executives need to understand the tradeoffs and value proposition of acting or sitting pat, and should be prepared to justify the effort and gain buy-in from all stakeholders once it makes sense to move. IT executives should also evaluate the vendor alternatives and take advantage of the relevant knowledge and tools that the vendor possesses so that the migration time is minimized, the resources optimized, and the probability of achieving the stated goals and objectives are maximized.

Additional relevant research is available. Interested readers should contact Client Services to arrange further discussion or interview with Mr. Cal Braunstein.