



VMware Cloud Platform Enables Capgemini to Improve SLAs, Reduce Costs for ERP Hosting

Capgemini wanted to leverage the value of virtualization for ERP customers within its managed services line of business. After a rigorous, year-long evaluation of virtualization technologies, it decided to build a cloud-based managed services platform using VMware vSphere® technology. The new platform allows Capgemini clients to reduce their ERP capitalization costs. In addition, the platform allows Capgemini to offer more stringent SLAs to clients at lower price points than is possible with traditional hosting architectures.

The Capgemini Group is one of the world's foremost providers of consulting, technology and outsourcing services. With more than 120,000 consultants and employees in 40 countries, Capgemini creates and delivers technology solutions to fit clients' needs and drive the results they want. The company reported 2011 global revenues of EUR 9.7 billion (approximately USD \$12.8 billion).

The Challenge

When businesses approach Capgemini about managed services for their SAP implementations, they're seeking two things. They want the kind of cost efficiencies made possible by cloud-based service offerings. They also want service levels that are not typically offered by public cloud providers. As Anthony Palacios, Principal and Cloud Services Business Leader, Capgemini, explains, "Our customers want to take advantage of economies of scale, but they also want an offering wrapped around strict SLAs. They're transferring the risk of running their challenging ERP systems to a third-party provider. They need to have comfort on things like response times and batch job completions."

Capgemini has a longstanding reputation for its capability in SAP implementations. Capgemini is SAP certified and manages its customers' SAP environments with its unique set of capabilities to deliver virtualization and cloud services as one

of its core competencies. And while at one time it ran these implementations on traditional server platforms, its thinking has since evolved. The company realized that virtualization would allow it to consolidate its datacenter facilities, which would in turn allow it to achieve cost savings that it could pass along to its customers. In recent years, as virtualization technology matured, Capgemini became confident that the technology was stable and robust enough to support significant business applications.

In 2010, the company decided to launch a cloud infrastructure tailored to SAP deployments, and began the process of selecting a virtualization platform.

The Solution

To select its virtualization platform, Capgemini evaluated a range of options, including both open source and proprietary hypervisors. The criteria it used as the basis for its evaluation included a number of non-technical considerations. Pricing was one factor: Capgemini needed a platform

INDUSTRY

IT Services and Consulting

LOCATION

Palo Alto, California

KEY CHALLENGES

- Businesses looking to outsource their SAP environments want the cost-efficiencies offered by cloud-based service offerings.
- These same businesses also require stringent SLAs.
- Capgemini needed to protect its reputation as a trusted provider of ERP managed services.

SOLUTION

Capgemini built a new, cloud-based managed services platform using VMware vSphere technology.

BUSINESS BENEFITS

- Because of reduced capitalization costs, moving SAP environments onto Capgemini's cloud pays for itself in as little as three years.
- More rigorous SLAs can be met without additional cost; the cost of service with 99.8% availability on the cloud is the same as that with 99.5% availability on traditional hosting platforms.
- Demand for managed services is growing due to improved benefits and reduced costs.

VMWARE CASE STUDY

“Companies today are looking to become more competitive and innovative, but to also achieve sustainable cost reductions. Our VMware cloud managed services offering lets our clients achieve those objectives.”

Anthony Palacios
Principal and Cloud Services
Business Leader,
Cappgemini

VMWARE FOOTPRINT

- VMware vSphere 5

APPLICATIONS VIRTUALIZED

- SAP and other ERP systems
- Web 2.0 applications
- Mobility suits
- Other sector- and industry-specific solutions

PLATFORM

- Varies, depending on clients' requirements and preferences

that would deliver the expected cost-savings. Another driver was whether SAP was certifying the technology in question. Cappgemini also considered its alliances with virtualization technology providers.

Equally important, the company needed a reliable virtualization solution that it could trust technically, so it also performed an in-depth technical analysis, running virtualization hypervisors to test both Windows and UNIX environments on hardware from all major manufacturers, from HP to IBM to Fujitsu. “We ran our analyses for about a year, looking at all major combinations of hardware and hypervisors,” says Palacios.

VMware vSphere came out as the leading choice on every single feature. “The VMware product line is the most mature virtualization technology out there,” notes Jacques Telles, Senior Manager, Cappgemini. “We found it to be the leading choice for customers running either Windows or the various Linux operating system flavors.” VMware supports ERP application, operating system and database vendors without the limitations that Cappgemini found in other hypervisors.

Because the industry sees VMware as the virtualization standard, Cappgemini knew that its customers would feel comfortable with a cloud offering based on VMware vSphere technology. Cappgemini also had previous experience with VMware; it has VMware certified technicians on its staff, which means that deploying a cloud architecture on VMware would require less of a learning curve. The company is also confident in the VMware support organization, another factor crucial to business-critical deployments.

Based on the findings of its analysis, Cappgemini proceeded with using VMware to build its cloud architecture. For hardware, Cappgemini works with its customers, choosing configurations that address their targeted requirements and preferences.

Business Results & Benefits

Cappgemini's new VMware cloud services environment has proved an easy sell for its SAP customers. The combination of a highly regarded service integrator and a leading technology provider is a clear benefit to clients that wish to accelerate the business benefits of virtualization. Cappgemini's clients trust them with their business-critical ERP applications; indeed, their reputation is built upon this. So, if Cappgemini is hosting SAP applications in a VMware environment, it's a given that the technology is stable, robust and mature.

With the question of risk eliminated, left over are value and cost savings—and the latter is often significant. Because the capitalization costs of building out a new environment are so much lower, for instance, customers often find that moving their SAP environments onto the Cappgemini cloud will pay for itself in as little as three years.

To make the cloud service offering even more attractive, the SLAs are typically more rigorous. For example, in the past Cappgemini promised 99.5 percent availability for its enterprise-level managed hosting service (the level most commonly selected by SAP customers). Now that this service is hosted on a VMware vSphere cloud platform, it supports 99.8 percent availability—an improvement in service levels that doesn't cost Cappgemini customers any more than what they already pay through the traditional enterprise-level SAP hosting. “In the past, customers could upgrade to a clustered environment if they wanted 99.8 percent availability,” Palacio notes. “That incurs significantly higher costs. Today, thanks to our VMware cloud, we can offer that level of availability without the added costs of a clustered server architecture.”

The Cappgemini cloud service solution offers other benefits as well, including scalability, rapid provisioning, and easier implementation and execution of disaster recovery services.

Needless to say, the benefits of Capgemini's cloud-based ERP architecture have triggered growing demand for its managed services offering. The company, in turn, is expanding the service, adding a Sybase mobile enterprise application platform to support mobile device management and security. "We started out with challenging SAP applications, and are now expanding into different services and sectors," Palacio notes.

Looking Ahead

As Capgemini continues to expand its cloud-based managed services offering, it is adding support for additional business-critical applications. One is ERP Business (SyteLine) by Infor, an ERP solution for the Microsoft .NET technology platform; Capgemini is working with Infor to build out a disaster recovery solution for the technology. The company is also targeting applications such as Microsoft Exchange Internet Information Services (ISS) and Oracle Internet File System (iFS).

