

Pay per Use program satisfies data-processing appetite of leading ice cream maker

Success story



“With HP’s Pay per Use program, we get the IT resources we need – when and where we need them – with payment based on actual usage.”

- Mark Johnson, Manager of Systems Engineering, Wells' Dairy

Imagine if there was enough ice cream in your freezer to satisfy even the sweetest sweet tooth — yet the goods were always fresh and you only had to pay for the amount you consumed. For Le Mars, Iowa-based Wells' Dairy Inc., the largest family-owned and managed dairy processor in the United States, this is precisely the case with its information-technology (IT) infrastructure. Thanks to an innovative Pay per Use leasing program from HP and HP Financial Services, this leading ice cream maker always has plenty of CPU power available — on a budget that won't melt profits.



“As we fill new applications, sizing servers correctly is often a guessing game,” admits Manager of Systems Engineering Mark Johnson at Wells' Dairy. “With HP’s Pay per Use program, we can add processing power as needed, and we only pay for what we use. We don’t have to be as accurate in our sizing. That’s a big advantage for a growing company.”

Well known for its Blue Bunny® brand of ice cream, yogurt, and frozen treats, Wells' Dairy, Inc. (www.bluebunny.com) chose the HP 9000 N-Class Enterprise server as the platform of choice for its Oracle Enterprise Resource Planning (ERP) systems in 1998. IT professionals implemented two HP N-Class servers to run 15 Oracle applications and associated Oracle databases, deploying the servers in a high availability, clustered HP ServiceGuard environment. This advanced, resilient IT infrastructure, coupled with a booming ice cream business, quickly launched the company's food-production business onto a fast growth track.

As the company grew, the intensifying processing demands of the company's ERP systems were like hungry kids swarming an ice cream truck on a hot July afternoon. Wells' Dairy faced a dilemma familiar to many companies: how to size new servers to meet growing utilization demands without purchasing more capacity than the company could afford. To solve the problem,



Pay per Use solution

Hardware

- Two HP rp8400 servers (875 MHz, 24 GB of RAM per server)
- Two HP 9000 N-Class Enterprise servers (440 MHz, 12 GB of RAM per server)
- HP Integrated Lights Out (iLO) boards
- Numerous HP ProLiant DL380 servers

Software

- HP-UX operating system
- HP ServiceGuard
- HP Pay per Use metering software
- HP OpenView Performance Manager
- Oracle E-Business Suite
- Oracle database
- Microsoft Windows 2000 operating system
- Microsoft .NET Server

HP Services

- Customer support
- Financial Services
- Hardware upgrade



IT professionals asked the experts at Net Direct Systems (www.netdirectsystems.com) to assist with an infrastructure upgrade.

A taste for efficiency

Based in Cedar Rapids, Iowa, Net Direct Systems (NDS) is an HP solution provider and channel partner specializing in enterprise information systems, voice/data network design, and security solutions. Senior Account Representative Pete Ebeling recommended adding two HP rp8400 servers to the company's existing infrastructure and financing them using HP's Pay per Use program. "In essence, Pay per Use allows a company to 'dial up' and 'dial down' actual CPU usage," says Ebeling. "Other IT manufacturers claim to have utility-like offerings but HP's Pay per Use is different because it uses a proprietary, highly secure and automated metering technology that enables customers to pay based on actual metered usage computed on a moment-to-moment basis."

Wells' Dairy took advantage of Pay per Use, one of HP's On Demand solutions, to finance their HP rp8400 servers. These high-performance UNIX servers, running the HP-UX operating system, operate in a fully redundant HP ServiceGuard environment. One server handles production processing, while the other is a failover system for disaster recovery. "With the new HP rp8400 server environment, we can complete Oracle financial processing jobs in one tenth of the time," Johnson says. "We are quadrupling the amount of horsepower we can provide an application."

If business continues to rise, Wells' Dairy can quickly scale and expand its operation to handle peaks in capacity, as the Oracle ERP systems dictate. "We sized the data center with plenty of capacity to meet the business cycles of the Oracle applications," explains Ebeling. "That's why the Pay per Use finance program is so ideal. You get the IT resources you need — when and where you need them — with payment based on actual usage."

Johnson says the server upgrade costs were easy to justify. Formerly, Wells' Dairy paid \$13,000 per month for a standard lease on its HP N-Class servers. Although the dairy company is paying \$20,000 per month to finance the new computers, the four-fold increase in processing power and the comfort of knowing it won't run out of capacity clearly justify the expense. Johnson predicts a 20 percent savings over a traditional lease.

Currently, Wells' Dairy is using about half of the processing capacity of the HP rp8400 servers. If the business continues to grow as expected, Johnson simply uses more capacity as his needs increase. "On average, we use less than 50 percent of the server capacity," confirms Johnson. "However, at peak flows we hit 80 percent. This ensures the company still has room to accommodate future growth without going through the administrative hassles associated with an upgrade."

Dishing out value

The Wells' Dairy information architecture consists of about 100 servers in a variety of manufacturing, sales, and distribution centers throughout the United States. Half of the total are UNIX servers, handling applications and databases. The other half are ProLiant servers running Microsoft Windows 2000 and Microsoft .NET Server applications, in addition to basic file and print serving functions. "We use HP ProLiant DL380 servers in our outlying facilities," says Johnson. "I've worked on all brands of UNIX - IBM, Sun, and SCO UNIX, to name a few - and HP technology is as strong and reliable as any of them. HP is always current with the latest technologies."

Wells' Dairy also depends on HP management utilities to keep its information systems running smoothly. "HP OpenView Performance Manager is one of the best management utilities I've seen," says Johnson. "It gives us a precise view of all the operations in the server, which enables us to provide the best possible level of service. It tells us CPU performance, activity levels, resource utilization, disk memory status, and more. Everything is presented in a very detailed fashion."

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Since the company has outlying facilities all over the United States, remote management is an important factor. "We use HP Integrated Lights Out (iLO) boards on our HP ProLiant servers," says Johnson. "If there is a problem with a server, we can tend to it from anywhere. That makes economical use of manpower, since we can keep our experts at headquarters and still provide high level services to our remote facilities."

Wells' Dairy has enjoyed a double scoop of advantages by upgrading to HP rp8400 servers for its mission critical applications. Pay per Use only sweetens the deal. "The Pay per Use program has worked out in practice the way we hoped it would," Johnson concludes. "We are sold on the concept."

On Demand

Pay per Use is part of HP's On Demand Solutions suite. On Demand Solutions align computing resources with fluctuating demand, presenting an attractive alternative to traditional IT ownership and service contracting.

As one of the On Demand solutions, Pay per Use gives companies such as Wells' Dairy enough capacity to meet peak demands. It uses a unique metering technology to track actual usage on a second-by-second basis and provide a daily average.

Business results

- Wells' Dairy is paying 35 percent more to run ERP jobs in one-tenth of the time — with access to plenty of additional processing capacity.
- ROI projections for the HP Pay per Use program indicate a 20 percent savings over a traditional lease after just three years.
- Wells' Dairy IT pros can easily deploy and expand new information systems, taking the guesswork out of server sizing.
- The company obtains the IT resources it needs — when and where it needs them — with payment based on actual usage.
- The HP rp8400 server environment delivers a four-fold increase in processing power for mission critical applications.

Who we are

HP Financial Services delivers a total "acquire-to-retain" suite of offerings that simplifies the entire IT financial life-cycle management process — from flexible acquisition alternatives to TCO-reducing asset management services to value-maximizing end-of-life solutions. As a wholly owned subsidiary of HP, Hewlett-Packard Financial Services Company is unmatched in the world, for both the capability and flexibility to deliver financial services that work the way you want to work, worldwide.



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