

# Taking to the skies with Pay per use computing

Success story



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- Eduardo Malamut, Rockwell Collins

**Rockwell  
Collins**





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#### **Increase computing thrusters but not complexity or costs**

When Rockwell Collins decided to upgrade its \$2.5 billion enterprise from SAP 3.1 to SAP 4.6, it needed more computing power. The company also knew that more computing power usually means extra capital outlay, negative cash flow, increased depreciation costs, additional assets, added operating system images, and more IT staff to manage the new equipment.

Rockwell Collins wanted extra computing power but without the associated complexities and costs that go with customary hardware procurement. Additionally the company wanted to be able to pay only for the computing cycles it uses — much like the way we pay for our electricity. For us it's simple: Need more? Throw the switch. Rockwell Collins wanted the same simplicity for its IT infrastructure. "We wanted to move to a service-on-demand computing model, and at the same time take the opportunity of the SAP upgrade to simplify and consolidate our IT environment," says Eduardo Malamut, manager of business application systems in E-Business operations for Rockwell Collins.

#### **Laser-guided consolidation**

More computing power with less cost and more agility with less complexity was the challenge presented to HP and HP solutions provider, Net Direct Systems (NDS). HP and Net Direct Systems, in conjunction with Rockwell Collins personnel, scrutinized Rockwell Collins historical data and future needs, and with laser-guided precision, sized the company's server capacity. "We are very pleased with HP's SAP practice and Center of Excellence. They have many tools and algorithms to help us plan based on the nature and volumes of our transactions," says Malamut. "HP's planning has been right on the money."

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The analysis revealed that Rockwell Collins could consolidate 50 of its 85 Enterprise Resource Planning (ERP) servers to five HP Superdome servers. Similarly, the company could reduce its 50 operating systems to 21, which gave Rockwell Collins improved performance with fewer resources. By redeploying IT staff from sustaining systems to more valuable business projects, Rockwell Collins was able to reduce IT support costs by about 20 percent. Consolidating resources also freed 400 feet of data center floor space. Rockwell Collins planned carefully for the transition and ran both sets of systems before switching over to the five Superdomes. "In our business, we have to be risk adverse," says Malamut. "SAP is mission critical, and can't be down. That's why we have HP Services monitor our systems. If there's going to be a problem, they generally know at the same time we do and by the time we call them, they have planned ahead."

#### **A purchasing model that keeps costs grounded**

Fifty systems have been reduced to five, but how many Central Processing Units (CPUs) is that? The answer is somewhere between 33 and 132 at any given time, because Rockwell Collins only pays for what it needs. NDS Senior Account Representative Pete Ebeling recommended HP's innovative Pay per use leasing Program to meet Rockwell Collins requirement for on-demand computing. "With Pay per use leasing customers never pay more than the price of the lease, but they may well pay less," he says. "If HP significantly underestimates usage, HP will be paying for the difference, so HP is assuming the risk."

Malamut says, "The combination of consolidating to Superdome and Pay per use provides us with improved agility and scalability. It's easier to move applications around on Superdome boxes, and since these servers are powerful and we have more CPUs than we need, we can add applications without buying more servers."

He continues, "With Pay per use we can increase the CPU activation if we need to, and pay a little more at the end of the month. It's a lot cheaper than buying another server." One monthly fee covers high-availability software, HP OpenView software, Superdome use, and HP critical support. It's a solution that pleases both IT and finance managers alike.

Rockwell Collins has a minimum of 33 CPUs activated in the five Superdome environment at all times, but can activate and deactivate CPUs up to a maximum of 132. Metering software, behind the customer's firewall, measures CPU usage, and all information is encrypted and secure. The company also uses HP's Pay per use web site to track activation times and receive other useful tools and information.

The Rockwell Collins new purchasing model challenges customary thinking on response times to the business. "When you purchase servers, you want them to be fully utilized because you've already paid for them," says Malamut. "But when you pay for what you use, you don't want to drive response times below what's adequate to support the business, because that would mean paying for more than you need. It's a paradigm shift in the way IT managers think about utilization."

Along with increased agility and scalability, the bottom line on Pay per use comes down to cost. "In a three year period, we save between 30 to 40 percent with Pay per use over the cost of traditional purchasing — 70 to 80 percent of that figure being in the first year," Malamut says.

Ease of use is also an important part of the equation for Rockwell Collins. "HP is great at listening to its customers and helping create win-win situations," says Malamut. "HP's Pay per use program has been easy to manage and is a big step forward in on-demand computing."

## Challenge

- SAP upgrade required more computing power
- Concern about added complexity and cost
- Desire to pay only for what they use

## Solutions

- Consolidate 50 Enterprise Resource Planning (ERP) servers to five HP Superdome servers
- HP's Pay per use metering software measures CPUs in use
- HP's Pay per use web site tracks activation and usage
- HP's Pay per use bills according to level of usage

## Results

- Between 30 and 40 percent procurement cost saving over typical purchasing methods
- IT support costs reduced by 20 percent as a result of staff redeployment to higher value work
- Four hundred feet of data center space made available for other uses
- Highly agile, scalable, IT platform capable of supporting future business needs

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### Hardware

- Two HP Superdome 32-way servers
- One HP Superdome 28-way server
- Two HP Superdome 20-way servers

### Software

- HP OpenView and high availability software
- SAP 4.6

### HP Services

- Pay per use financing solution from HP Financial Services
- HP support services, CSS (Critical System Support)

### Who we are

HP Financial Services delivers a total "acquire-to-retire" suite of offerings that simplifies the entire IT financial lifecycle 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.

For more information on how working with HP can benefit you, contact your local HP Financial Services representative, or find us on the web at [www.hp.com/go/hpfinancialservices](http://www.hp.com/go/hpfinancialservices).