

Datacenter Consolidation Is Saving the Government Big Bucks. Why Not You?

Have you ever heard of the United States government saving money? Have you heard of them actually cutting costs?

Not just *talking* about it — they do that all the time. But actually saving money; have you heard of the government doing that?

You're about to.

Datacenter Consolidations Can Lead to HUGE Savings

For many organizations, datacenters have sprung-up in great numbers as we've progressed further into the Information Age. The result, quite frequently, is that many organizations have ended up with more datacenters than are really needed.

And that has prompted many organizations into consolidating their datacenters. More often than not that's a smart move. Because the result is typically a reduction of costs *and* an improvement in performance.

According to the IT management research and advisory firm [Computer Economics](#), examples in recent years of companies benefiting from datacenter consolidations have included:

- **Microsoft:** Company-wide datacenter consolidation efforts were expected to produce annual savings of around \$23 million — nearly halving pre-consolidation costs.
- **Hewlett-Packard:** Consolidating 85 datacenters around the globe into just 6. Savings anticipated to be around \$1 billion annually.
- **IBM:** Consolidation of 3,900 servers into 30 virtualized mainframes. Anticipated benefits include energy usage reduction of 80%, and significant shrinkage of IBM's datacenter space (around 8 million square feet before consolidation).

Each of these are huge companies, of course. But datacenter migrations can offer substantial savings to companies of all sizes.

According to a report by the [National Resources Defense Council](#), the servers at most datacenters in the U.S. operate at only about 12-18% capacity. And that represents a huge waste of energy, manpower, equipment, facility upkeep, and a plethora of other associated costs.

Even the Government Couldn't Bungle *This* Cost-Saver

It's clear that datacenter consolidations can offer substantial cost-cutting opportunities. So the U.S. government decided that it wanted to tap into the same cost-savings potential that have benefited many private companies.

As reported in [Computerworld](#), the government devised a comprehensive plan that included consolidating datacenters and moving to cloud computing.

The effort was kicked-off in 2010, and it's still underway. But early reports are in.

According to the Government Accountability Office, about \$3.6 billion in savings have been realized to date. Some of the savings have occurred through reductions in ongoing operational costs, and some from the avoidance of new costs.

Not surprisingly, the largest federal agencies have reported the largest cost savings. And it's estimated that datacenter consolidations have accounted for about half of the overall cost savings. That means that the government has saved nearly \$2 billion in five years by consolidating datacenters.

And in fact, the [GAO's report](#) indicates that the cost savings have very probably been underreported.

If the U.S. Government Can Do It...

Is datacenter consolidation an opportunity waiting to happen for your organization? It's worth looking into.

Lots of companies have saved lots of money by consolidating datacenters. It's very possible that your company could do the same. At the least, casting a critical, evaluating eye over the functionality and distribution of your datacenters will certainly do no harm.

And if the thought of managing a datacenter migration during the consolidation process sets your nerves on edge, there's no need for concern. We can help you with that; it's what we do.

So if your company hasn't seriously considered consolidating datacenters, perhaps it's time. After all, the U.S. government has managed to make something of this opportunity without blowing it through bureaucratic bungling.

And if *they* can do it...