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AIG Technologies Uses VMware ESX Server to Boost ROI, Enhance Business Response

VMware ESX Server helps AIG Technologies achieve a 50 percent increase in server deployment speed and 20:1 reduction in the number of servers

RESULTS

- Reduced server provisioning time in half, from 6 hours to 3 hours

- Substantially increased server utilization

- Consolidated servers 20:1

- Reduced data center rack space 8:1

- Increased quality and reliability of IT environments through built-in redundancy

- Improved response time to customers

AIG Technologies (AIGT) is a leading supplier of information technology solutions, including applications geared to the insurance industry, managed IT infrastructure services and technology consulting services. AIGT is a member of American International Group, Inc. (AIG), the world's leading international insurance and financial services organization, with operations in approximately 130 countries and jurisdictions.

As a managed services company, AIGT supports back office operations for AIG business units and third-party customers. "We wanted to free up data center space for additional projects, and we knew that replacing physical machines with virtual machines would accomplish that goal," says Joseph Nadan, AIGT Chief Technology Officer.

Jon Stumpf, Chief Technology Officer of Corporate Infrastructure at AIG, the parent company of AIGT, adds "Virtualizing our servers also would help reduce the time it takes to deploy them—improvements that would ultimately improve our business response to AIGT customers."

AIGT chose VMware™ ESX Server™ as the virtual machine software. ESX Server is designed to allow many virtual servers to reside on one physical server in demanding environments such as enterprise data centers. After a quick prototype phase to evaluate ESX Server, the AIGT team decided to proceed with a virtualization pilot project: consolidating servers at AIGT's processing facility in Livingston, New Jersey.

ESX Server Consolidates Physical Servers 20:1, Improves Scalability

For the pilot, the AIGT operational team determined that the workloads of 37 existing servers could be moved to an equal number of virtual machines residing on only three physical servers running VMware ESX Server. Most were performing as Domain Controllers running the Microsoft® Windows NT® Server or Windows® 2000 Server operating system. The virtual machines ran on three 4-CPU Dell™ PowerEdge™ 6650 servers, with a fourth server as backup.

VMware ESX Server enabled an immediate return on investment (ROI) and improved business response to AIGT's managed services client base:

- **Decreased hardware costs**. Since the pilot, AIGT has lowered its costs by reducing the number of physical servers it maintains by a 20:1 ratio. The company also has achieved an 8:1 rack space reduction by consolidating servers, providing the scalability to accommodate additional projects without physically increasing the size of the data center.

- **Substantially increased server utilization**. By allowing multiple applications to co-exist on one physical server, virtualization enabled AIGT to use resources more efficiently and harness more of each server's capacity, increasing server utilization.

- **Reduced server provisioning time**. Virtualization also has reduced server provisioning time by 50 percent, which enables AIGT to be much more responsive to customer needs. Previously, server deployment took more than six hours when an appropriate physical server was available onsite. Now it takes only three hours to deploy a virtual machine. The savings are even greater when you factor in the additional time to obtain a physical server; the procurement process typically consumes six to eight weeks.

- **Remote management of VM instances**. Trouble shooting servers can be done anytime, anywhere on the network, which has eliminated the need for AIGT technicians to physically be in front of the machine. As a result, AIGT can support VM instances throughout the world from a central location without the need for "smart hands" to be dispatched to the physical servers' location.

> "Our customers are our highest priority. Product quality and customer service are two key metrics by which we measure success at AIGT—and VMware has helped improve both."
>
> *Joseph Nadan*
>
> *Chief Technology Officer, AIGT*

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AIGT Improves Product Reliability, Customer Service with VMware

According to Stumpf, the increase in deployment time has led to a dramatic improvement in customer service. "VMware provides AIGT with the capability to quickly address customer needs," he says. "It also helps us position ourselves for the future with respect to utility computing models."

"Flexibility is an example of how virtualization has enabled AIGT to improve the reliability of the services it provides to customers," says Nadan. "Our customers, whether AIG business units or third parties, are our highest priority. Product quality and customer service are two key metrics by which we measure success at AIGT—and VMware has helped improve both."

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