Case Study

Moving Fortune 100 company with a $2.2 Billion Annual IT Spend to Cloud

A Fortune 100 company with a $2.2 billion annual IT spend ($800 million on infrastructure costs alone), was struggling with the cost and complexity of its legacy IT environment. Its IT department was supporting 8,000 applications (including 150 instances of SAP) and 20,000 workloads. Not surprisingly, provisioning was slow. It took more than 45 days to set up a server, and the company knew this was not sustainable.

Consequently, the company invested more than $200 million in aggressive digital transformation. It was a significant effort, but the company achieved a return on its investment in less than four years.

The company first defined its cloud sourcing strategy, grounding it in an aggressive move to a hybrid (public and private) cloud model as public cloud options were still maturing in late 2013. It opted for a single strategic partner for each cloud and recently added a second public cloud partner. It then created a cloud operating model, setting up a new 100-person team working within an agile operations framework.

Then, beginning in 2015, the company began its legacy-remediation work, moving all its applications to a private cloud, heavily incentivizing its application teams. It took an opportunistic approach to upskilling IT: every application team that wanted to use cloud had to go through an in-house training program.

Within the first six months, the company had moved its complex SAP environment to private cloud and adopted a cloud-first policy for all new applications. It replaced expensive co-located contracts and moved its systems to a software-defined data center.

Less than three years in, the company has moved more than 2,000 workloads and two petabytes of data to the public cloud. The company reduced costs by $90 million at the two-year mark and is on track to cut another $60 million. Automation also significantly improved performance and agility. With the transformation on track to completion in 2018, the company is now one of the largest enterprises operating on cloud.