

# Transform the datacenter

## Customer Solution Case Study



### Standard Life Transforms IT Management to Improve Market Responsiveness and Efficiency

#### Overview

**Customer:** Standard Life

**Customer Website:**

[www.standardlife.com](http://www.standardlife.com)

**Customer Size:** 8,500 employees

**Country or Region:** United Kingdom

**Industry:** Financial services

#### Customer Profile

Standard Life provides long-term savings and investment products in the United Kingdom and beyond. The company is headquartered in Edinburgh, Scotland.

#### Business Situation

Standard Life had a diverse set of aging datacenter technologies, which began to affect overall business agility, profitability, and service reliability.

#### Solution

The company standardized on Microsoft System Center 2012 R2 as its core IT management tool and is deploying a Hyper-V private cloud using Windows Server 2012.

#### Benefits

- Respond faster to global markets
- Handle more work with 20 percent fewer staff members
- Reduce IT capital costs by six figures annually
- Enhance IT system availability

“The use of Microsoft technology helps our company behave as a single global enterprise that can be more competitive, provide better customer service, and win more business.”

Paul Chong, Group IT and Commercial Director, Standard Life

To become more agile and competitive in fast-moving global financial markets, Standard Life is renovating its datacenters using Microsoft software. By making Microsoft System Center 2012 R2 the management centerpiece of its diverse datacenter, Standard Life can respond faster to increased demands across global markets with fewer IT staff, reduce IT costs by six figures annually, and ensure high availability of critical business systems.



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Andrew Gordon, Senior Enterprise Architect in Datacenter Services, Information Systems, Standard Life

## Situation

Established in 1825 in Edinburgh, Scotland, Standard Life is a leading provider of long-term savings and investment products through businesses in the UK, Europe, North America, and Asia. The Standard Life customer base includes approximately 6 million people worldwide; through its joint ventures in China and India, it supports another 16 million customers. At the end of December 2013, the Standard Life group managed assets of more than £244 billion (approximately US\$410 billion).

Standard Life has constantly evolved its technology to keep up with the times. But over the last decade, rapidly changing financial markets and regulations have made it challenging to keep up. Like just about all large financial institutions, Standard Life has long depended on mainframe computers to run its core financial systems. It modernized the employee-facing portions of these systems with client/server-based systems running the Windows and Linux operating systems and virtualized its server holdings using VMware virtualization software.

Over time, however, Standard Life has accumulated a broad mix of technologies—different email systems, directory services, operating systems, IT management tools, and more—that ultimately impaired the company’s ability to work as a single global enterprise. “The world has shrunk considerably for global organizations like ours,” says Walter Hackland, Delivery Manager in Datacenter Services, Information Systems, at Standard Life. “We can no longer operate as a collection of global outposts; we need to pool all of our employees’ expertise and exercise economies of scale to compete effectively. We were experiencing tremendous friction in trying to work across diverse technologies.”

Employees traveling to different Standard Life offices couldn’t get their email or even log on to a company PC. Applications used

by the different businesses couldn’t easily share data. Datacenter staffs in different locations used different management tools, so they had no way of sharing information and progressively improving operational processes. All this ultimately affected the company’s ability to pool knowledge, react quickly to customer needs and market opportunities, and streamline costs.

During the global recession that began in 2007, Standard Life closely reviewed new technology spending and reduced its IT operations team by 20 percent. By 2011 when the recession ended, many of the company’s key systems were approaching end of life, and the downsized IT staff was challenged to support rising business demands using older technology. About that time, several UK financial services companies experienced severe and highly publicized service outages due to their use of older and unsupported IT systems. Appropriate action was taken to ensure that Standard Life was not vulnerable to the same issues.

The older, heterogeneous technology was also a drag on the bottom line. “The top-down business directives for IT are to maximize revenue, drive down costs, and deliver the biggest return possible to shareholders,” says Andrew Gordon, Senior Enterprise Architect in Datacenter Services, Information Systems, Standard Life. “For those of us in IT, this means that we have to deliver the best possible service at the lowest possible cost.”

## Solution

In 2011, Group IT and Commercial Director Paul Chong took on the challenge of standardizing and streamlining the company’s eclectic technology holdings and procedures to reduce costs, eliminate downtime vulnerabilities, and help the various businesses around the world work together more cohesively and nimbly.

About the same time, the company made a strategic shift to standardize on Microsoft

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Walter Hackland, Delivery Manager in Datacenter Services, Information Systems, Standard Life

System Center 2012 as its global datacenter management software and to move toward a hybrid cloud computing strategy using Microsoft cloud software and services. In a hybrid cloud environment, some applications run in an on-premises private cloud and others in a public cloud environment, sometimes with different tiers of the same application running in different cloud environments.

"We wanted to consolidate to a smaller number of strategic vendors and products that were the best in their respective fields," Gordon says. "This would reduce licensing costs but more importantly give us more flexibility and automated efficiencies that would let us manage a growing volume of work with fewer people."

Standard Life signed a Microsoft Enterprise Agreement, which provided a commercial framework for consuming a broad array of Microsoft software and services, and worked with its local Microsoft account team to create a technology upgrade road map. The first step was to standardize on System Center 2012 as the companywide system management foundation. The next step is to give Microsoft Office365 subscriptions to a majority of the company's 8,500 staff members to provide cloud-based access to Office applications, email, audio and videoconferencing, and document sharing. The company also decided to upgrade to the Windows Server 2012 operating system and use the Hyper-V virtualization technology to build an on-premises private cloud. Lastly, Standard Life will begin to migrate workloads to Microsoft Azure, the Microsoft public cloud environment, and implement a hybrid cloud computing model that meets both the company's risk appetite and regulatory obligations.

"We felt that Microsoft had a stronger datacenter and cloud story than other vendors, and its offerings better fit our needs," Hackland says. "It was also very attractive to be able to use the same strong

management tools to manage both on-premises and public cloud instances."

#### **Standardized Management Foundation**

To speed its adoption of System Center 2012 R2, the latest version of System Center 2012, and take maximum advantage of the Orchestrator process automation component in that software, Standard Life engaged Kelverion, a member of the Microsoft Partner Network and an Orchestrator expert. Kelverion helped Standard Life connect System Center to a third-party service desk system to enhance its process automation in service management workflows.

Processes that previously involved some automation and some manual intervention will be completely automated. For example, when a Standard Life developer wants to request a virtual machine, he submits the request through the customer portal. Once approved, Orchestrator picks up the request and automates the provisioning work through other System Center 2012 R2 components, all while feeding status updates back to service desk system. When the virtual machine is configured as requested, Orchestrator updates the original request as complete and available for use.

Standard Life also decided to use System Center to replace the IBM Tivoli Enterprise Console used to manage events across the datacenter environment, including the mainframe. The Tivoli product was approaching end of life and not cost effective to maintain or upgrade.

Standard Life connected the mainframe and many other disparate computer systems and applications to System Center 2012 R2 and today uses it as the management hub for all of the company's IT systems, monitoring and managing the availability of the entire financial services infrastructure. It uses Microsoft System Center 2012 R2 Operations Manager to monitor the health and performance of all

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systems and create alerts and events that in turn become service requests.

“Like most financial organizations, we have a number of applications running across a variety of different infrastructures and systems,” Gordon says. “These include IBM WebSphere, DB2 databases, AIX operating system, the Linux and Windows Server operating systems, IBM iSeries computers, and many other hardware and software elements as front ends. We are using System Center 2012 R2 to manage as many of these as we can. By using Orchestrator, we can connect System Center to a wide variety of systems and management tools.”

One process that Standard Life has automated with System Center 2012 R2 is the weekly Windows security update testing process. Previously, beginning every “patch Tuesday,” Standard Life spent a great deal of time testing newly updated servers; one employee worked full-time for several days and weekends to complete the task. Kelverion automated the entire process using System Center 2012 R2 Configuration Manager and Orchestrator.

“We’re only at the start of our System Center automation journey,” Hackland says. The company wants to use Orchestrator to automate the service problem remediation process, automatically applying fixes to problems as they come in. Instead of taking four to five hours to fix a problem, the service desk team will be able to reduce fix time to minutes. Standard Life also plans to feed more infrastructure information into the configuration management database, which will give the company more complete documentation of its infrastructure.

### On-Premises Private Cloud

Standard Life has taken the first steps toward setting up a private cloud environment in its Edinburgh datacenter that will ultimately span all of its datacenters; the company is working towards consolidating and optimizing its

global datacenter operations. It is using an Orchestrator-based private cloud product from Infracore, another member of the Microsoft Partner Network, to help migrate VMware virtual machines to Hyper-V.

To date, Standard Life has deployed the Windows Server 2012 operating system on 24 host servers and used Hyper-V technology to create hundreds of virtual machines. Standard Life is working with Infracore to determine which VMware hosts to switch to Hyper-V, train its team, and begin the actual migration. “Hyper-V is now our default hypervisor for all new workloads and applications,” Gordon says. “Plus, we are moving many of our existing applications from VMware to Hyper-V. We’ll be able to manage both hypervisor environments using System Center 2012 R2, which is a huge advantage.”

Standard Life is investigating moving some workloads to Microsoft Azure. “We’ll be able to extend all the work we’re doing with System Center in our datacenters into the Azure cloud with no change, which is key for us. We don’t want to reengineer those processes,” Gordon says.

### Benefits

By making a strategic shift to Microsoft software and services, Standard Life can become a more agile organization, able to respond faster to changing global financial markets. Its IT staff is far more efficient and can do more work with fewer people. The company will significantly reduce its IT capital costs while providing higher availability of systems that customers rely on.

### Respond Faster to Global Markets

By taking advantage of its Microsoft Enterprise Agreement and Microsoft software and services, Standard Life was able to very quickly revamp its global IT infrastructure to better match the needs of the business. “Organizationally, Standard Life is a group of enterprises spread across the globe, but the use of Microsoft

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technology helps our company behave as a single global enterprise that can be more competitive, provide better customer service, and win more business,” Chong says. “We currently have a big focus on our global service model, and the ability for geographically remote employees to communicate quickly and effectively is a huge business booster.”

With its consolidated, modernized datacenter management infrastructure, Standard Life can deliver IT servers and services to the business much faster—in minutes instead of weeks. “With System Center 2012 R2, we have one ‘virtual’ team managing all of our global systems using one automated tool set, so issues are identified and fixed faster and progressively eliminated over time,” Hackland says.

Adds Gordon, “We want customers to perceive us as stable, modern, and responsive. ‘Digital’ is the new buzzword for our customers, which they perceive to mean delivering electronic services and delivering them quickly and flexibly. Our Microsoft infrastructure is helping us provide a new generation of digital services to our customers and do it more cost effectively.”

#### **Handle More Work with 20 Percent Fewer Staff Members**

The efficiencies that Standard Life has achieved with System Center 2012 R2 has helped it withstand the 20 percent reduction to its IT operations staff. “By using System Center 2012 R2, we’ve been able to do an increased amount of work with fewer people,” Gordon says. “We are building a library of common objects and automation tasks that we can reuse so we won’t have to repeat work already done for every process.”

Even better, technical staff members are relieved of the low-level work that previously consumed much of their days; with so many tasks automated, they can focus on activities that add more value and

“make a difference,” Gordon says. An example is automating the time-consuming security update test process, which previously took 24 days’ worth of effort and now takes 4 days. “Our people can do more problem remediation and things that support our business mission,” Gordon says.

#### **Reduce IT Capital Costs by Six Figures Annually**

Standard Life will ultimately consolidate nine datacenters to three, in the United Kingdom, Canada, and the Middle and Far East. “By consolidating our on-premises datacenters and transitioning to a hybrid cloud model with Hyper-V and Microsoft Azure, we’ll save a six-figure sum annually,” Gordon says. “That drives our costs down and improves our profitability. We’re not spending as much running datacenters, which is not the business we’re in anyway. With a Microsoft cloud strategy, we’ll have the right datacenter capabilities in the right parts of the world with the right people running them. That gives the business the agility and costs it needs to deliver a good return to shareholders.”

#### **Enhance IT System Availability**

Standard Life has improved service availability by modernizing its datacenters with Microsoft software. “Availability and stability are key to our customers,” Gordon says. “They don’t care which systems we run in our datacenter or which management tools we use. They care that the Standard Life services that they depend on are available when they need them. With System Center 2012 R2, we can monitor our critical systems proactively versus reacting to problems. We can also do root-cause analysis to prevent problems from recurring. This helps us progressively improve the quality of our services and lower our costs, which is a double win.”

## For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers in the United States and Canada who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to:  
[www.microsoft.com](http://www.microsoft.com)

For more information about Kolverion products and services, visit the website at:  
[www.kolverion.com](http://www.kolverion.com)

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For more information about Standard Life products and services, visit the website at:  
[www.standardlife.com](http://www.standardlife.com)

## Transform the Datacenter

The hybrid cloud from Microsoft transforms the datacenter by extending existing investments in skills and technology with public cloud services and a common set of management tools. With an on-premises infrastructure connected to the Microsoft Azure platform, you can deliver services faster and scale up or down quickly to meet changing needs.

For more information about transforming the datacenter, go to:  
[www.microsoft.com/en-us/server-cloud/cloud-os/modern-data-center.aspx](http://www.microsoft.com/en-us/server-cloud/cloud-os/modern-data-center.aspx)

### Software and Services

- Microsoft Server Product Portfolio
  - Windows Server 2012 Datacenter
  - Microsoft System Center 2012 R2
- Microsoft Office 365
- Technologies
  - Hyper-V

### Partners

- Inframom
- Kolverion