



Threadneedle increases profitability with savings of £1.5 million per year



Customer agenda

- Cost Reduction
- Access to Skilled Resources
- Continuous Improvement/Innovation

Services

- Network Management
- Server Management
- Storage Management
- Datacenter Relocation
- Infrastructure Virtualisation
- Replication
- Server & Storage Consolidation

Technology

Software:

VMware, Microsoft, Lotus Notes Email, Cisco UCM, Cisco Unity, Arc Solutions, Solaris

Hardware:

EMC SAN, Backup and NAS, HP and Dell servers, Cisco Network, Telephony Infrastructure

Business challenge

To maintain profitability throughout the economic downturn, Threadneedle was looking to reduce its operating costs. With its investment management services and products reliant upon IT, any financial savings would have to be achieved without impacting system performance or availability. The firm also needed access to a broad range of IT resources and expertise to facilitate continuous improvement and the adoption of new technologies.

Computacenter solution

Threadneedle has out-tasked datacenter and network management to Computacenter under a 10-year contract. The agreement includes support for servers, operating systems, storage, backup, email and IP (Internet Protocol) telephony. The two companies have also undertaken an IT transformation programme that involved consolidating five datacenters and re-locating to two new managed facilities, halving its server estate through virtualisation and implementing a new storage area network (SAN) and backup environment.

Results

Threadneedle has reduced its operational costs by around £1.5 million a year. These savings have been achieved by freeing up office space, decreasing IT management, power and cooling costs and reducing the need for capital expense on new hardware. Thanks to the partnership with Computacenter, Threadneedle has also been able to enhance business agility and continuity, which contributes to the overall quality of its investment services.

Customer profile

Generating superior returns for clients

Threadneedle provides asset management and investment services to institutional and retail clients across the globe. The firm's expertise extends to equities, bonds, property and alternative investments.

Owned by Ameriprise Financial, a publicly quoted investment company listed on the NYSE, Threadneedle has a presence in America, Europe, the Middle East and Asia and employs over 500 people, of which more than 100 are investment professionals.

Threadneedle's goals are to deliver superior investment returns for its clients and the firm and thereby grow its assets.

Business challenge

Coping with the credit crunch

As for many other investment management firms, the recent economic downturn has put pressure on Threadneedle to retain its profitability. The company was therefore looking to reduce its operational expenses.

Although IT is often an early target for cost-cutting measures, Threadneedle knew it would have to balance any financial savings with business continuity and IT availability.

Mark Prior, IT Director at Threadneedle, comments: "We need to have the technology in place to support the financial products and services that we provide to clients. We operate in a competitive industry; a lack of confidence in the availability of our business systems and financial information would severely impact our reputation and clients' decisions to invest with us."

Guaranteeing system availability requires a high level of IT service quality, which can be difficult and expensive to maintain – especially when it requires a diverse skill set. "We have a broad range of technologies that can only be managed effectively with specialist knowledge," comments Mark. "Due to the scale of the organisation, obtaining the right mix of IT skills at the right price is very difficult."

This lack of internal resources and expertise had the potential to impact the evolution and maturity of IT at Threadneedle. As Mark explains: "It is not financially viable for us to retain a critical mass of key technology infrastructure skills on an on-going basis. Without a technology partner it would be difficult for us to take advantage of key technologies, such as virtualisation, that have been key to our efficiency and cost reduction efforts."

“By undertaking an IT transformation programme and out-tasking to Computacenter we have been able to save in excess of £1.5 million annually, while maintaining system performance and availability.”

Mark Prior
IT Director
Threadneedle

IT solution

Out-tasked IT management

Threadneedle decided to out-task non-core aspects of IT management to Computacenter under a 10-year contract, which commenced in November 2008. Mark comments: "We selected Computacenter as it has the necessary breadth and depth of expertise across multiple technologies and a cost-effective approach."

Computacenter is responsible for managing Threadneedle's network infrastructure and datacenter technologies, including servers, operating systems, storage, backup, email and IP telephony. Computacenter also provides 24x7 monitoring of the company's systems and overnight processing, and deals with any incidents, problems and change requests relating to the datacenter and network. As Mark explains: "Computacenter's shared services model means that we have access to a large pool of highly skilled resources as and when we need them. This should ensure a rapid response to even the most complex problems, which in turn safeguards IT availability."

IT transformation for cost reduction

In its role as Threadneedle's primary IT partner, Computacenter has also taken the lead on a major technology transformation programme that will help the investment firm meet its cost reduction goals.

For example, Computacenter assisted with a datacenter relocation and consolidation project that involved moving Threadneedle's business-critical systems from five sites spread throughout the UK to two new co-location facilities located around London. Phil Whittock, Head of Infrastructure Architecture at Threadneedle, comments: "The datacenter relocation was conducted by a combined team of Threadneedle and Computacenter resources. While we devised the strategy and came up with the new architecture, Computacenter provided technical and implementation skills."

This teamwork approach helped to reduce risk and ensured the project was a success. "The datacenter relocation ran smoothly with minimum disruption to staff and clients," comments Mark. "Crucially, it meant we were able to repurpose our previous datacenter space as offices and vacate another of our central London properties."

As part of the project, Computacenter also helped Threadneedle deploy a new EMC Storage Area Network (SAN), implement data replication for disaster recovery purposes and migrate to a virtual server environment, which is based on VMware technology. By virtualising its Intel server estate, Threadneedle has been able to reduce its server estate from around 350 physical devices to approximately 150, and the company can now deploy new servers in a matter of minutes, rather than six weeks.

"The virtual server environment reduces the cost and complexity of SAN connectivity. Combining these technologies significantly improves our ability to failover faster to the disaster recovery site in the event of an incident," comments Mark.

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Mark Prior
IT Director
Threadneedle

To maximise hardware utilisation and minimise cost, Threadneedle's disaster recovery infrastructure is used as a development and test environment on a day-to-day basis. If the availability of primary systems is threatened, Computacenter is responsible for taking down the test image and loading the production image in its place. This is a key component of the business continuity planning test which is executed on a six monthly basis by Computacenter on behalf of Threadneedle.

Result

Annual savings of more than £1.5 million and enhanced business agility

By partnering with Computacenter, Threadneedle has been able to significantly reduce its operational expenditure in line with its strategic goals. These savings have been achieved in a number of ways:

- Relocating one of the datacenters from an expensive London location has resulted in rent avoidance of around £1 million per annum
- Out-tasking aspects of IT management to Computacenter has saved approximately £500,000 a year
- By halving its server estate, Threadneedle has decreased IT support and maintenance costs. Reduced power, cooling and space requirements have also resulted in lower facilities costs
- Capital expenditure on servers is lower as virtualisation maximises the utilisation of existing assets.

Mark comments: "By undertaking an IT transformation programme and out-tasking to Computacenter we have been able to save in excess of £1.5 million annually, while improving system performance and availability." In addition to achieving immediate and long-term financial savings, Threadneedle has been able to:

Improve access to skills: With Computacenter's support, Threadneedle can implement new technologies without having to invest in internal skills development.

Enhance business agility: Threadneedle's IT department can now respond more quickly and effectively to business change and growth. For example, if additional systems are required to support a new client product or an acquisition, they can be provisioned in a matter of minutes within the virtual environment.

Safeguard business continuity: Computacenter's services are delivered in accordance with stringent service level agreements. This is vital for Threadneedle's business continuity strategy, which has been recognised as being particularly strong by the Continuity Insurance & Risk magazine Business Continuity Awards.

Remove the risks associated with key people dependencies: Access to the large technical resource pool at Computacenter mitigates the risks associated with losing key technical personnel to which Threadneedle was previously exposed. "Our partnership with Computacenter has not only delivered greater cost savings than expected, but also helps safeguard the continuity and quality of our investment services and therefore our reputation," concludes Mark.

“The datacenter relocation ran smoothly with minimum disruption to staff and clients.”

Mark Prior
IT Director
Threadneedle

More resources

To find out more about our out-tasking and datacenter services, visit:

www.computacenter.com/services

Read more customer case studies at:
www.computacenter.com/case-study