



Dynamic capacity enables flexible, cost-effective services

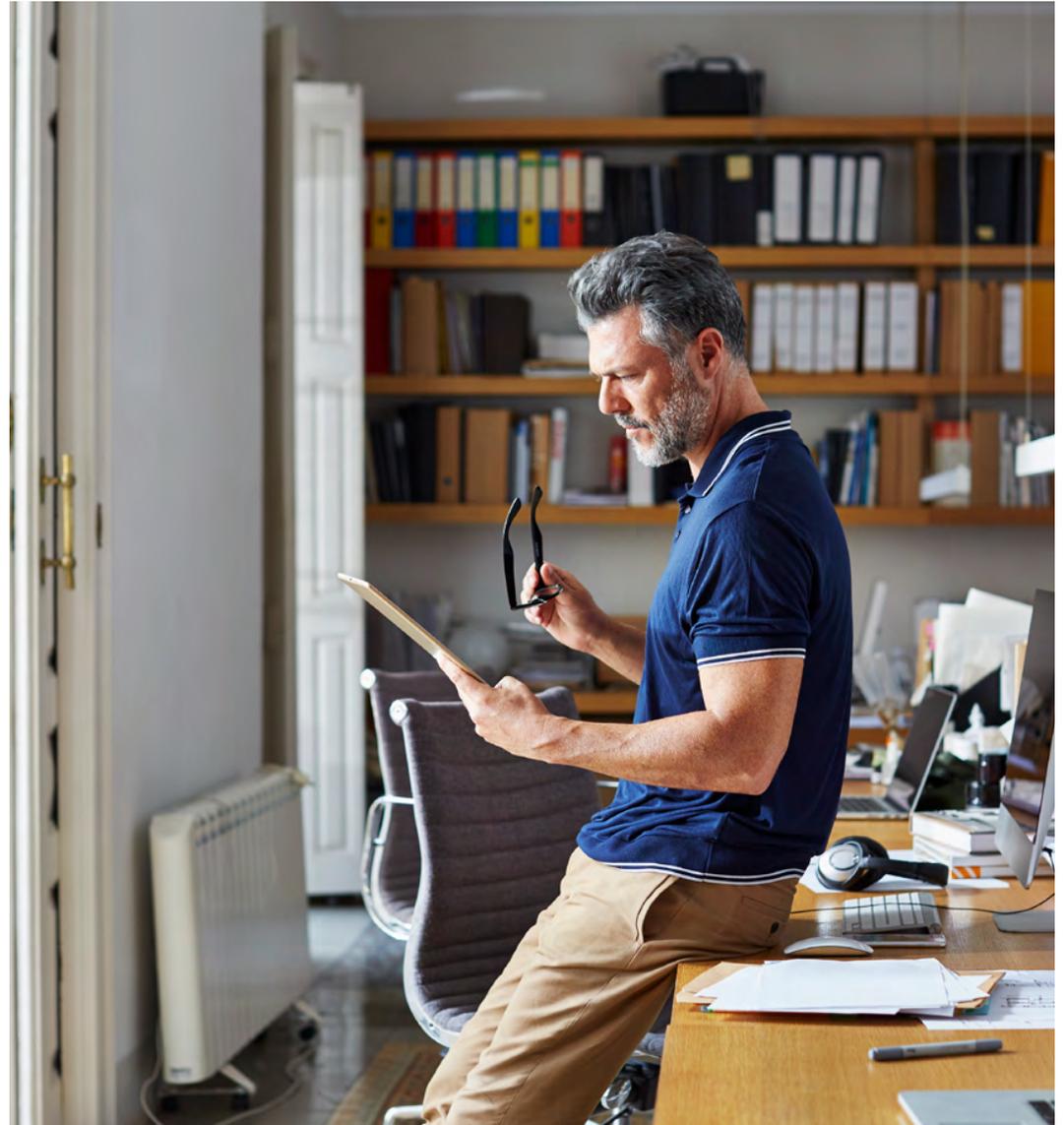
Rg19 uses dynamic capacity to reduce costs and provide flexibility

Systems Hardware

4-minute read

The managed service provider (MSP) environment in Sweden and throughout Europe has grown increasingly competitive. Rg19, a privately-owned Swedish cloud solution provider, holds a leadership position in the cloud service provider market and intends to maintain that position by evaluating its IT infrastructure, optimizing capabilities and reducing operating costs wherever possible to increase margin.

Downtime for Rg19's customers is unacceptable. They need personalized managed services that allow them to view and manage their cloud-based



business-critical systems and processes with ease.

Rg19's infrastructure was outdated and in need of an upgrade. Continuing with its existing solution risked downtime due to hardware failure, which would negatively affect its service level agreements (SLAs) and incur greater support costs for customers. This risk drove the company to research more flexible solutions to help support its customers' needs.

Likewise, its customers intend to grow without breaking the bank and were looking for solutions that support that effort. Capacity is top of mind for most cloud customers. Their workloads experience shifts in demand and they want to scale their capacity based on that, while aligning their costs with usage.

Rg19 predicts a

19%

reduction in operating costs

Rg19 estimates the solution to be

50%

more scalable than its previous infrastructure

Dynamic capacity increases flexibility and reduces cost

RG19 is focused on maintaining leadership in delivering cloud services for business-critical applications. As a cloud provider, it needs to enable frictionless scaling of capacity to meet the service levels of its customers. This focus led the company to select [IBM® Power® Private Cloud Solution](#) running [IBM AIX®](#) and [IBM i](#) operating systems on an [IBM Power System S924](#). Rg19 had a financing agreement already in place with [IBM Financing](#) for its installed systems. To help acquire the new system while maintaining the existing system, IBM provided a flexible financing solution that enabled Rg19 to



minimize the duration of downtime for the transition between systems while balancing out cost.

Rg19 customers run their core business applications on AIX, IBM i and Linux® on Power environments. The transition to IBM Power Private Cloud provides the assurance that this critical workload will run fast.

“Any added risk is unacceptable because ... any risk for us is also a risk for our customers.”

Lars Nygren, Chief Technology Officer, Rg19

Cost savings and scalability for the win

The results of the new infrastructure became apparent almost immediately. Dynamic capacity provides Rg19 a pay-per-use pricing model that allows it to maintain buffer capacity for future growth. The company will only be charged for this capacity when it is used, and now it can quickly onboard new customers and rapidly adapt to capacity changes, align costs with customer usage and pass that flexibility along to its customers. Because costs are now usage based, Rg19 can offer shorter

and more flexible terms without risk, and can scale up as its customers need to, without paying for more capacity than they use. Since most capacity usage is not linear, this is a huge boost to Rg19's cost structure and reduces the operating costs for customers. In addition, Rg19 anticipates achieving a 19% reduction in operating costs—a substantial benefit to its bottom line.

Financing is more important than ever in many implementation

projects because it can help companies start projects earlier and sooner than they would otherwise be able to move forward.

“The greatest benefit is that we are now more flexible in how we can propose offerings to the market, and more flexible in how we can implement solutions for customers. We excel in every SLA and are extremely happy with the robustness and ability of the systems,” says Lars Nygren, Chief Technology Officer at Rg19.

“It is always a risk when swapping systems—customers have critical, sensitive systems running in our environment and can’t risk downtime. We had both systems running in parallel. IBM presented a solution that works for use both financially and in terms of implementation.”

Lars Nygren, Chief Technology Officer, Rg19



About Rg19

Rg19, a privately-owned Swedish company, was started in 2013 with its roots in the company formerly known as Industri-Matematik. The future strategy is to maintain leadership in business-critical IT with services in public, private and hybrid clouds as well as business-related applications and management solutions.

Solution components

- IBM® AIX®
- IBM Financing
- IBM i
- IBM Power®

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