Founded in 1987, Blue Chip is a leading provider of managed hosting and co-located hosting services, hybrid cloud solutions, IT maintenance and monitoring services, and business continuity solutions. With multiple locations in the UK and in continental Europe, and with a software development division based in Sri Lanka, Blue Chip has deep expertise in designing, building and maintaining IT infrastructures around the IBM® Power Systems™ platform.

Business challenge
To help clients seize data-driven opportunities, Blue Chip wanted to offer more responsive, flexible and efficient managed services—but needed to achieve this transformation without breaking the bank.

Transformation
Blue Chip is embracing a new approach to the provision of managed services and hosting, based on IBM software-defined storage solutions and enabled through an agreement with IBM Global Financing.

“*We believe that the combination of our skills with IBM’s technology leadership will help our clients win in the digital economy.*”
Douglas Greenwell
Strategy, Marketing & Sales Director
Blue Chip

Business benefits:

99%
anticipated reduction in time to on-board new clients

Enhanced
processing speed for clients

36-month
spread of costs enabled fast time-to-market and lower impact on cash flow

Blue Chip
Deploys software-defined storage for transformational performance and efficiency gains
Keeping pace with the digital world

The digital economy is dramatically reshaping industries. Armed with smart ideas, enormous volumes of data and the analytical tools to make sense of them, new competitors can emerge in the blink of an eye to seize market share. To counter this threat, established businesses need the ability to make rapid, highly informed decisions and the agility to adapt quickly to changes in their markets.

For managed services providers, these transformational pressures represent a great opportunity, as Douglas Greenwell, Strategy, Marketing & Sales Director of Blue Chip, explains: “As a long-standing specialist in hosting and managed services, we have both the technical expertise and the economies of scale to help companies compete more effectively in the digital economy. Recognising that our clients increasingly want hybrid solutions that blur the distinction between on-premises and cloud, we wanted to boost the speed and flexibility of our IT service provision.”

Following years of investment, Blue Chip had built up world-class server and storage infrastructure for its hosted clients, but found that it could take up to 12 weeks to bring new clients on board. One of the key obstacles was that the existing infrastructure was fragmented into separate islands of resources, each with its own management tools and organization.

Douglas Greenwell says: “We needed to modernize our data centre to bring it in line with the demands our clients face now and in the future. Moving to a software-defined data centre promised the ability to decouple the underlying physical resources from the management logic, enabling us to move more quickly to address our clients’ changing requirements.”

By adopting a “software-defined-everything” approach, Blue Chip is aiming not only to increase its flexibility and on-boarding speed, but also to reduce cost and effort through the automation of low-level maintenance and management tasks. This automation should enable the company to focus even more closely on delivering a personalized service to its clients.
“Businesses increasingly want information technology that works seamlessly across multiple locations and types of infrastructure, which is easier to achieve through a software-defined approach,” comments Douglas Greenwell.

“We wanted to offer the same flexibility and speed that businesses can access in the public cloud, but with the tailored support for mission-critical services that remains our key point of competitive differentiation. Our core business is built around the IBM Power Systems platform, which is typically used for the most important systems that any company runs — so reliability is vital.

“As we looked for the right software-defined storage environment to support our future growth, it was also important to find a solution that would preserve cash flow and enable us to align costs with benefits.”

Full-spectrum solution

As a key element in its transformation program, Blue Chip selected IBM Spectrum Storage Suite™ to provide software-defined storage capabilities. The company also deployed an IBM FlashSystem® A9000 grid storage array as the first step towards an all-flash future.

Thanks to the IBM Advanced System Placement (ASP) model, Blue Chip was able to deploy the new technology without paying the total fee up-front. Through the ASP model, the balance of the fee is payable when the company reaches an agreed utilization factor.

Blue Chip also engaged IBM Global Financing for a finance deal covering all elements of the solution, agreeing to a 36-month contract with quarterly payments, enabling the company to spread the investment. Through IBM Capacity on Demand, Blue Chip can scale up storage capacity to meet spikes in demand as needed, helping it continue to keep tight control of costs.
Narendhar Tangella, Data Management Technical Architect at Blue Chip, comments on the choice of IBM: “We considered other major storage vendors, but IBM offered everything we needed from the functional perspective as well as enabling us to leverage the deep skills we have built up over a number of years. IBM Spectrum Storage Suite brings under a single convenient licence several technologies we were already using, giving us a highly integrated software-defined environment.”

Marcus Witts, Data Management Consultant at Blue Chip, adds: “In one sense, Blue Chip has been using software-defined storage for years. However, we had multiple islands in our infrastructure, and that made it hard to achieve the targeted economies of scale. Especially when you invest in high-end capacity like FlashSystem A9000, you want to have everything in a single place so that you can get the best results out of features such as deduplication. The more data you can throw at the solution, the better the deduplication, so your effective capacity becomes much greater and the cost per client falls.”

The combination of Spectrum Storage Suite and FlashSystem technology has given Blue Chip a centralized software-defined storage solution that can be shared seamlessly and securely between multiple clients.

As the company brings all of its existing and future storage capacity into this environment, the ability to manage everything from a single point of control will dramatically increase both flexibility and responsiveness to clients.

For Blue Chip, the three most important elements in the IBM Spectrum Storage Suite are IBM Spectrum Control™, IBM Spectrum Accelerate™ and IBM Spectrum Virtualize™. IBM Spectrum Control provides centralized monitoring, reporting and automation of storage management tasks, and is already bringing value by simplifying and de-risking the migration of data to the new FlashSystem A9000.

IBM Spectrum Accelerate provides the self-tuning grid that powers the FlashSystem A9000 and delivers hotspot-free performance. IBM Spectrum Virtualize uses IBM SAN Volume Controller technology to virtualize multiple types of capacity (even non-IBM capacity) into a single pool, and provides advanced compression, migration and snapshot tools. By deploying the IBM Spectrum solutions, Blue Chip has ensured it is also prepared to provide hybrid cloud solutions to customers, if and when required.

“We are moving towards an all-flash future for almost all requirements,” says Narendhar Tangella. “Not every client is ready to put everything on flash today, but that is where the most critical production data will go. As the price of flash continues to drop, the economics of an all-flash approach are becoming more and more attractive. And in the meantime, we’ll continue to use our IBM Storwize® V7000 and IBM XIV® arrays as a second tier of storage.”

“Managed services providers are traditionally required to make large speculative investments in new technology, taking on the risk of not being able to resell all of the new capacity to clients,” states Douglas Greenwell. “Thanks to the IBM Global Financing deal, we were able to make this transformational investment without over-committing our capital. We also gained the ability to synchronize the costs with the benefits.”

At the time of writing, Blue Chip is working through a migration program that will take between 18 and 24 months to complete. Although the biggest benefits will accrue only towards the end of the migration to the fully software-defined data centre, clients already on the FlashSystem A9000 have seen dramatic gains in performance.

For example, a department store chain that is a client of Blue Chip has cut processing time in logistics. As a direct result, it has been able to delay the cut-off time for next-day orders by several hours, giving customers the convenience of longer online shopping hours.
As another example, Blue Chip has improved response times for one client’s critical system from 400 to 200 microseconds thanks to the combination of IBM Spectrum Virtualize and FlashSystem A9000.

Equally, IBM Spectrum Control is beginning to reduce the burden of day-to-day administration at Blue Chip. The software provides alerts when a given pool of storage is at risk of running out of space, and it also flags up imbalances in I/O that are impacting network performance. “The IBM Spectrum tools are helping us to be proactive, so that we can identify and resolve potential issues before our clients are even aware of them,” says Marcus Witts.

Narendhar Tangella adds: “As more clients move into the software-defined environment, we’ll be able to automate low-level administration and focus more on growth opportunities. Increasing our efficiency in this way ultimately brings greater value to our clients as well as ensuring more predictable services. We also expect to cut the on-boarding time for new clients down to one day or less.”

As an organization that prides itself on understanding its clients’ needs and tailoring solutions accordingly — rather than simply providing off-the-shelf services — Blue Chip sees great value in releasing staff from lower-level activities.

Douglas Greenwell comments: “The key difference we offer is the level of personalized service. Other providers may offer similar SLAs, but we go one step beyond: the people who work on each client’s environment are always familiar with it and they understand what each client’s objectives are. With IBM Spectrum Storage Suite giving us a single, consistent set of tools for automating common storage management tasks, we expect to be able to increase our focus on personalized service.”

By enabling more efficient use of the underlying physical resources — for example, through compression and de-duplication — the IBM Spectrum technologies will reduce long-term costs for both Blue Chip and its clients.
And as technologies continue to evolve, the abstraction of the physical resources from the management software will allow Blue Chip to change the underlying hardware without disruption to client and without changing the front-end tools used by technical staff.

Greater automation also opens up new possibilities around analytics. Blue Chip is interested in predicting its clients’ use of storage capacity and processing power, so that it can meet their needs in a responsive and economic way.

Douglas Greenwell notes: “If you work in the gambling industry, it’s fairly obvious that events like the Grand National or FA Cup Final will produce huge peaks in demand. But what might be less obvious is that you’ll also see spikes at midnight on the last Saturday in every month, or some other pattern like that. Our ultimate goal is to have an infrastructure that seamlessly provides exactly the resources our clients need at any given time.”

He concludes: “This is part of the value proposition we offer as a managed services provider. Our clients buy into our technical competence but also our future vision and ability to move them forward in technological terms. And this is where ‘why IBM?’ really comes into play. IBM makes huge ongoing investments in R&D, and we believe that the combination of our skills and personalized approach to IT services with IBM’s technology leadership will help our clients win in the digital economy.”

© Copyright IBM Corporation 2018, IBM Corporation, 1 New Orchard Road, Armonk, NY 10504 U.S.A. Produced in the United States of America, January 2018.

IBM, the IBM logo, ibm.com, FlashSystem, IBM Spectrum, IBM Spectrum Storage, IBM Spectrum Accelerate, IBM Spectrum Control, IBM Spectrum Virtualize, Power Systems, Storwize, and XIV are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the Web at “Copyright and trademark information” at ibm.com/legal/copytrade.shtml.

This document is current as of the initial date of publication and may be changed by IBM at any time. Not all offerings are available in every country in which IBM operates.

The performance data and client examples cited are presented for illustrative purposes only. Actual performance results may vary depending on specific configurations and operating conditions. THE INFORMATION IN THIS DOCUMENT IS PROVIDED “AS IS” WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OR CONDITION OF NON-INFRINGEMENT. IBM products are warranted according to the terms and conditions of the agreements under which they are provided. The client is responsible for ensuring compliance with laws and regulations applicable to it. IBM does not provide legal advice or represent or warrant that its services or products will ensure that the client is in compliance with any law or regulation.

IBM Global Financing offerings are provided through IBM subsidiaries and divisions worldwide to qualified commercial and government clients. Rates and availability are based on a client’s credit rating, financing terms, offering type, equipment and product type and options, and may vary by country. Non-hardware items must be one-time, non-recurring charges and are financed by means of loans. Other restrictions may apply. Rates and offerings are subject to change, extension or withdrawal without notice and may not be available in all countries. IBM and IBM Global Financing do not, nor intend to, offer or provide accounting, tax or legal advice to clients. Clients should consult with their own financial, tax and legal advisors. Any tax or accounting treatment decisions made by or on behalf of the client are the sole responsibility of the client.