



### Business challenge

Independently owned insurance company Seguros Ocaso, S.A. wanted to reduce unused server time and eliminate the redundancy of housing duplicate infrastructures for its disaster recovery system in its two on-premises data centers.

### Transformation

Ocaso, one of Spain's largest insurance companies, wanted to reduce unused server time and streamline its disaster recovery solution. Using the IBM® Cloud™ for VMware solution, the privately-owned company created a cloud infrastructure perfectly suited to its needs and anticipates a 20 percent cost savings within five years.

## Results

### Creates an estimated 20 percent cost reduction

by moving 100 servers to the cloud over five years

### Improves cost effectiveness earlier than projected

achieving savings after moving just nine servers to the cloud

### Can restore infrastructure in less than an hour

with new cloud-based disaster recovery environment

# Seguros Ocaso, S.A. Insurer expects 20 percent savings in five years with custom cloud solution

Ocaso is an insurance company founded in 1920, with headquarters in Madrid, Spain. The company is privately owned and operates independently of any bank or other financial institution. Ocaso has 400 branch offices in Spain and two in the UK, where in 1988, it became the first Spanish company authorized to work in the direct insurance sector. It also operates in UK in the home insurance and life insurance markets.

*“You cannot move to the cloud and continue to operate your servers as you did in the past. You have to do things in a completely different way.”*

—IT Manager, Seguros Ocaso, S.A.

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## A commitment to efficiency

An independent spirit runs deep at Ocaso. The 100-year-old insurance company, one of the largest in Spain, has been privately owned since its inception and still doesn't rely on any outside banking or financial institution.

The company, headquartered in Madrid, operates primarily in Spain and opened a subsidiary in the UK in 1988. In all, it has a team of 30,000, more than 7,000 of whom are salespeople. Traditionally, the company has managed two on-premises data centers that support its entire infrastructure and insurance platform.

As a private company with no debt, Ocaso is committed to keeping its operations running efficiently and its customers happy. Recently, the IT team identified two areas in which resources were not being fully utilized.

First, its sales representatives were using only a small part of the company's server capacity, with peak access during working hours and low or no usage at night. Second, the company's disaster recovery system was based on two on-premises data centers with duplicate infrastructures.

"We wanted to address these issues to make our data center infrastructure more productive, flexible and cost efficient," says the IT Manager for Ocaso. "After evaluating and testing

several possible solutions, we decided to move one data center to the cloud to cover peak-time server usage and disaster recovery, and to keep the other data center on premises for our daily operations platform."

## A flexible, virtualized cloud solution

In keeping with its independent culture, the IT team took the lead in designing a new cloud solution. The team fully embraced the challenges it faced. "When we started the project, we weren't sure it was going to be successful," says the IT Manager. "We had selected VMware as the software portfolio for our move to the cloud. In looking at different cloud providers, we discovered that IBM had a good implementation on the VMware portfolio."

Compatibility and flexibility were the key drivers of Ocaso's decision to use the IBM Cloud with VMware platform as the foundation of its new cloud data center. IBM likewise offered the company greater freedom in designing and implementing its cloud solution. "Working with IBM was easy for us," says the IT Manager. "We had a previous agreement with IBM that gave us flexibility in moving traditional workloads to cloud workloads."

It was a challenging project, especially for a company accustomed to doing things on its

own. "When we started the journey to the cloud, we were sure that we had to design things in a completely different way. Cloud solutions require you to reprogram your brain. You need time to learn, you have to fail to discover the best way to do things. When you have no previous experience, you have to learn from failing," says the IT Manager.

Ocaso worked with IBM Garage™, the IBM service that brings together IBM designers and developers with clients' IT and business stakeholders to brainstorm, test out and develop strategies for new solutions, to help the company focus on the project and develop a productive approach. "And when we experienced a failure, the IBM team helped us understand why it happened and how to move forward," says the IT Manager.

Another key benefit the IBM Cloud offering provided was access to bare metal servers—entire servers dedicated only to Ocaso. This feature enabled the company to configure servers specifically to fit its business needs—configurations outside of the regular IBM Cloud portfolio.

According to the IT Manager, this practice is becoming standard in the industry. "Now all the cloud providers are starting to offer these kinds of servers," he says. "It's like when you go to a friend's house to have dinner. You have to use his plates, his forks and his knives. Having bare metal servers allows you to bring your own dishes."

The project took approximately eight months to complete, but the team knew from the beginning that time was not the most important factor. "It was not a typical project," the IT Manager says. "It was the first phase of our strategy to move to the cloud. It was more important to have a good solution and learn along the way than to finish faster."

## From differentiator to competitive imperative

The time Ocaso spent developing its cloud implementation is now paying off. "We are starting to deploy the second phase of a five-phase process," says the IT Manager. "In Phase Two, we are moving three times the workload and expect to finish the project in four months. But now we can be faster. We have the experience to know what to do and how this solution works."

Previously, the company had the server capacity for 2,000 salespeople to access its two on-premises data centers at a given time. Today, the company's on-premises and cloud data centers can accommodate 4,000 users: the on-premises data center can serve as many as 400 desktops concurrently, and the cloud infrastructure can serve any number of additional desktops as needed at a given time.

Based on Ocaso's tests of its cloud-based disaster recovery system, if a disaster occurs, the entire

infrastructure can be up and running in the cloud in less than an hour. What's more, the company hasn't experienced any loss of performance in transitioning from working in its data center to working in the cloud.

Moving to the cloud requires investment at the beginning to reduce costs at the end. When Ocaso started the project, it housed 100 servers in its two data centers, with plans to keep 50 servers in the on-premises data center and move 50 servers to the cloud. The IT team calculated that moving those servers to the cloud was going to become more cost effective at the point of moving the 28th server. In the implementation, that cost effectiveness actually started at the point of moving the ninth server.

According to the IT Manager, the company expects to reduce costs by 20 percent over five years at the end of the five-phase project by moving its workload of 100 Intel servers to the cloud. Why a five-year time frame? "We buy servers expecting them to last for five years, after which time we invest in more servers. Now, we've decided to spend that money

in a smarter way. When we reach the end of the five-year lifecycle for the servers we bought last year, we plan to invest that money into our new strategy," he says.

The IT Manager says that today with cloud technologies, it's no longer a question of if you want to move to the cloud, it's a question of how and when to start. "In the old days, we could differentiate ourselves from smaller companies due to our ability to invest," he says. "With the cloud, a new, innovative company could quickly start doing more interesting things than us if we were to remain in our data center. If you want to profit from the new technologies, you have to move to the cloud."

## Solution components

- IBM® Cloud™ for VMWare
- IBM Garage™

### Take the next step

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