

First Interstate Bank



“Accuracy is my biggest concern—and VMware vCenter Chargeback gives our IT division a way to accurately charge individual business units for the virtualized workloads we provide them.”

— Jeff Moore
IT Infrastructure Planning Manager
First Interstate Bank

KEY HIGHLIGHTS

Challenge

Enable accurate cost measurement for IT services in a virtual environment.

Solution

VMware vSphere™ featuring VMware vCenter™ Chargeback to help administrators understand costs associated with virtualized workloads
VMware Professional Services for Chargeback implementation

First Interstate Bank is a multistate, \$7.1 billion banking organization headquartered in Billings, Montana.

First Interstate has evolved since 1968 from a single bank in Sheridan, Wyoming, to operating more than 70 branches and more than 100 ATMs in Montana, Wyoming and South Dakota.

As with many banks, a centralized IT division at First Interstate is responsible for providing core IT services to all the individual bank branches. Accurately charging the branches for the technology they use is challenging when those services exist in a largely virtual environment.

“We had successfully used VMware technology to virtualize 90 percent of our IT environment,” says Jeff Moore, IT infrastructure planning manager for First Interstate. “While virtual machines are significantly cheaper to create and administer than physical servers, there is still an associated cost. We wanted to be able to accurately measure the cost of those virtual workloads so that we could charge the business units for the amount of resources they’re using. We are not looking to make a profit—our goal is simply to break even.”

Creating a Chargeback Model

VMware vCenter™ Chargeback, part of the vCenter family of management products, was the ideal tool for First Interstate to use with its VMware vSphere™ deployment. vCenter Chargeback enables accurate cost measurement, analysis and reporting for virtual environments—with flexible cost models that include fixed costs, costs for allocated resources and costs for actual resource utilization.

To ensure a smooth implementation of vCenter Chargeback, First Interstate retained the services of the VMware Professional Services organization. “Our VMware consultant was very competent and professional,” says Moore. “He came onsite, helped us develop some chargeback numbers and got us up and running on the system within two days.”

Greater Cost Transparency

With vCenter Chargeback in place, First Interstate is able to easily account, monitor and report on costs associated with its virtual infrastructure. “Before, we didn’t really have a way of putting that kind of information together without a tremendous amount of work—it was a very manual process,” says Moore. “Now I have a piece of software that can automatically put numbers to the pieces of hardware residing in our server room.”

By offering increased visibility into the workings of its IT environment, vCenter Chargeback has given First Interstate a much more nuanced understanding of individual costs. “vCenter Chargeback really lets you see which virtual machines are taking the most

“vCenter Chargeback allows us to tell business units, ‘This is the technology you’re using, and this is how much it costs.’ And then it gives us the numbers to back it up.”

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IT Infrastructure Planning Manager
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VMWARE AT WORK

VMware vSphere, featuring

- VMware® ESX® Server
- VMware High Availability
- VMware vMotion™
- VMware Distributed Resource Scheduler
- VMware vCenter Server
- VMware vCenter Chargeback

Deployment Environment

- Hardware: IBM 3850 M2 and 3650 M2 servers with EMC CX-480 SAN
- Guest operating systems: Windows Server 2003, Windows Server 2008, Linux
- Production applications: MS Exchange 2007, MS SCCM, MS Domain Controllers, Harland EZTeller, Harland LaserPro (Terminal Services), Fundtech PAYplus Wire System

resources,” says Moore. “For example, one virtual machine might cost \$1.80 per day to run, while another costs \$8 per day because of the amount of CPU, memory and disk space it uses.”

Measuring costs more accurately also helps with yearly budget planning and in making intelligent decisions about where to focus resources. “Having access to detailed IT cost metrics for our virtual environment makes the planning role that I play here much easier,” says Moore. “For example, I can use vCenter Chargeback to generate detailed reports that I can share with our executive management to help justify new IT projects that we’re undertaking. That makes everyone’s jobs easier: theirs and mine.”

Results

- Understand the costs of virtual machines.
- Create cost transparency and accountability with business owners.
- Reduce manual time and effort required to gather cost data.
- Budget more effectively through enhanced visibility and analysis of IT costs in a virtual environment.

