



OneCloud

Running IT as an Internal Cloud Service Provider

Business Transformation through IT Transformation

Summary

The journey to the cloud involves technology, but also people and business processes. After VMware's sales organization experienced that many customer's IT shops were wrestling with their own shift to the cloud, the OneCloud project was launched to put VMware's own IT people in the position of running IT as a service business.

The Journey

"We launched OneCloud to learn first-hand what it takes to operate IT as an internal service provider," said Matthew Meyer, OneCloud Solution Architect. "VMware was selling a 'consume cloud' kind of model but finding a lot of IT shops were still set up to procure and even think about their capacity issues in the older, hardware-based model."

OneCloud was launched in June 2012 and today has more than a dozen internal tenants, including VMware's IT organization, Education, Technical Marketing, Management Business Unit, and the Field Services organization.

One goal is to create use cases, best practices, and reference content for delivering and supporting Infrastructure-as-a-Service to internal customers, so that VMware can better support external customers with IT organizations that must do the same.

"The purpose of OneCloud is to take our own department and transform it into a service business," said Meyer. "That means defining business requirements with internal customers, meeting with them to understand their needs, and capacity planning to meet those needs."

Today OneCloud provides compute, storage, and network infrastructure but is building out its own service catalog to include backup and recovery, replication, load balancing, developer service, and other offerings.

OneCloud is designed to offer internal VMware organizations the chance to purchase cloud services like an external customer and realize the benefits of the cloud, such as automation and significantly reduced costs.

"For example, by moving a business operation to OneCloud, internal customers are able to basically eliminate their CAPEX costs for that project," said Dina Smelyansky, OneCloud senior program manager.

One such customer is Technical Marketing, the group that brings us VMworld. Each year Tech Marketing rallied the troops to build out the labs needed for VMworld, creating the instances it needed just for the show and then breaking it down. This year, OneCloud will "host" VMworld, providing what amounts to "burst capacity" similar to what an external customer might experience during a seasonal spike. When the event is over, OneCloud has that capacity to redeploy to other internal customers, essentially re-using its infrastructure.

"We are able to capture performance data for VMworld and learn how many virtual machines it takes to service that level of need," said Meyer. "This is a wonderful use case for us to realize and document some of the benefits of centralized management."

OneCloud has provided a real-world opportunity for VMware to work with people still adapting to the cultural shift of moving to the cloud. Lessons learned? “There is a start-up cost to going cloud,” said Smelyansky. “The early phases will not be like operating at scale. You must estimate and have sufficient hardware to get started and then be able to adjust as you come to really understand your own capacity requirements to support customers. There is an up-front investment that businesses must be willing to make, but the returns can be substantial.”

Just entering its second year, OneCloud employs about 30 people worldwide and is moving toward a true subscription-based delivery model. Today OneCloud charges internal clients for services in instance-based chunks.

“In a service delivery lifecycle, it is paramount that IT service providers learn to forecast demand and capacity needs,” noted Meyer. “It’s critical that your capacity model aligns with your cost model. It took us a while to really understand what our tenants needed and learn what our capacity requirements would be to service them.”

Now that OneCloud has reached production levels, the team is better able to create the Service Level Agreements (SLAs) that form the basis of a subscription delivery model. VMware internal customers have been asking for it, and OneCloud will operate on a chargeback basis soon.

“Now that we have a cost model and benchmarks, we can better answer the question ‘at what price do we offer these services?’ We have a large enough pool of internal customers that we can realize—and offer—economies of scale,” said Meyer.

The Benefits

OneCloud offers a faster and better way of provisioning instances and reduces costs through automation. Internal customers seem pleased—in fact VMware’s IT organization is moving its whole infrastructure to OneCloud.

“IT will be free from supporting infrastructure for its own internal operations and can focus more resources on building new and better products for our customers and on providing more value to the business,” noted Meyer.