UCX

Cloud Buying Made Easy

CASE STUDY
UCX Provides Quote to Save Client 275%

Like a "Priceline for the Cloud", UCX is a secondary market created to make buying cloud resources less expensive and less complicated. UCX takes your solution specifications to multiple partner CSPs and unlocks their excess capacity to get you the best pricing with the most term flexibility. Guaranteed.

The Opportunity

UCX was approached by a global software provider that offers solutions to drive competitive technology advantages to large businesses. We will call them "TechCo" to protect their privacy.

TechCo had been at a networking event and spoke with part of the UCX team, including Jack Bouroudjian (CME, CNBC), UCX's Chief Economist and a Co-Founder. While talking with Jack, the TechCo team realized that UCX might be able to help them with the technology infrastructure around a very large event where they were planning to promote one of their solutions. Jack referred them to UCX's Solution Specialist so they could hear more about the process and explain what they were looking to accomplish.

TechCo was setting up infrastructure for a software product launch at a large conference on the west coast, and they needed resources to support the launch. To do that, they had a very specific cloud hardware solution they were looking for, including detailed topography and equipment requirements.

TechCo was also looking for a shorter term or possibly a temporary solution and they were therefore focused on a 6 month term or contract, and they needed it racked and configured in 4 weeks' time. They also needed the infrastructure to be in or near San Francisco due to latency concerns.

On top of these specs, the server hardware, networking routers and switches needed to be exactly as specified, and could not be manufactured by any other hardware provider as they were trying to mirror a solution they were running in Asia.

To add complexity, they wanted the option of keeping the solution longer, so they wanted additional terms out to 3 years. For more detail on the solution required, please see the attached Documents: "Equipment Specs" and "Network Topography" for TechCo.

> *I know that I am getting a competitive price because people are competing for my business. Now I can just go to UCX and they have their marketplace with different providers, which saves me lots of time and makes sure I am getting the best deal.*

UCX *Cloud Pricing Perfected*
233 S. Wacker Drive, Suite #9425, Chicago, IL 60606
tel 312-762-5728   email contact@ucxchange.com
www.ucxchange.com

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TechCo's Original Considerations

TechCo was very strongly considering buying the hardware and collocating, based on the assumption of a lower total cost. This also seemed like their preference based on perceived control over the process.

The other option for TechCo was a Cloud Solution, which was obviously attractive because of the large upfront costs in purchasing and the manpower involved in physically setting up the hardware. Additionally, for a co-location based approach, they would need help in finding space in a data-center in metro San Francisco. A constant consideration was the time for the deployment.

UCX's Consultative Approach with TechCo

A large component of what UCX does is getting a thorough understanding of what a client is trying to accomplish educating them on the variables at play, and then providing options and pricing for executing those options. In this case, TechCo needed to understand the pluses and minuses of both of their options-which were a hosted solution and co-location.

Regarding the specific hardware required, they needed to really understand how the pricing typically works, for both options. Basically, when hardware has to be purchased, the capital investment needs to be paid off over a period of time. A shorter term means more a higher expense, as there is a shorter time to recoup the cost. A longer the term means the capitalized cost can be stretched out over a longer period of time.

Another consideration TechCo needed to understand was the option for a more commonly used server equipment type. This is a big factor, because when using server hardware that is commonly used or exists at a CSP's data-centers, the CSP can make a much more aggressive proposal. Another benefit of using server hardware that the CSP has available is related to maintenance. Parts are usually on-hand or easily accessible, increasing uptime and service levels, which of course is positive.

TechCo vastly underestimated the potential impact of this component on their total solution cost, and the UCX team was able to provide a comparison that was demonstrative of

the significant differences between the options. *See the "Co-location vs. Hosted Value Matrix" attached.* Co-location was simply more complicated, required internal resource for setup and maintenance, and then there would be the issue of finding a place to put the equipment.

The UCX Impact

One of TechCo's requirements was a specific latency metric related to the geographic location of the possible data centers. UCX coordinated with our CSP partners to run testing and make sure the locations they could provide met those needs. We then used the results to shape the list of CSPs that we would be contacting for a quote on the solution. When we were certain that we had the right partners involved in the process, and what TechCo was looking for, we completed our internal process for structuring an RFQ.

We then sent the RFQ to all of our partner CSPs, and encouraged them to provide different options on term, after some initial follow up, and several attempts by the CSPs to figure out more than we could tell them about the client, we arrived at our first round of pricing. Although co-location was still an option, the client seemed to prefer the ease and support of the hosted solutions, and we focused most of our energy on the CSP solutions.

The results were impressive. By finding sources of excess capacity for the RFQ process, the pricing dropped dramatically. As an example, one Supplier initially quoted $110K per month on a 27 month contract, and by the final round of pricing the cost came in at $40K per month, which represents a saving of 275%.

In addition, the client received offers for incentives, including the first month for free in one scenario. In addition as its advocate and centralized source of information, UCX was able to deliver a huge time savings by providing TechCo general guidance on the architecture of their solution (hosted vs. co-located), and multiple quotes on varied and flexible terms.

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TechCo's Specifications

Category	Details	Qty
Server	CPU : Xeon 8C E5-2620 v4 2.1GHz MEM : 16GB TruDDR4 Memory (2Rx4, 1.2V) PC4-19200 CL17 2400MHz LP RDIMM HDD : 300GB 10K 12Gbps SAS 2.5" G3HS HDD Intel x520 Dual Port 10GbE SFP+ Adapter Brocade 10Gb SFP+ SR Optical Transceiver	4
	CPU : Xeon 8C E5-2620 v4 2.1GHz MEM : 16GB TruDDR4 Memory (2Rx4, 1.2V) PC4-19200 CL17 2400MHz LP RDIMM HDD : 300GB 10K 12Gbps SAS 2.5" G3HS HDD	25
	CPU : Xeon 8C E5-2620 v4 2.1GHz MEM : 16GB TruDDR4 Memory (2Rx4, 1.2V) PC4-19200 CL17 2400MHz LP RDIMM HDD : 600GB 10K 12Gbps SAS 2.5" G3HS HDD 240GB Enterprise Entry SATA HS 2.5" SSD	15
	CPU : Xeon E5-2630 v3 8C 2.4GHz MEM : 16GB TruDDR4 Memory (2Rx4, 1.2V) PC4-17000 CL15 2133MHz LP RDIMM HDD : 600GB 10K 6Gbps SAS 2.5 G3HS HDD Intel x520 Dual Port 10GbE SFP+ Adapter Brocade 10Gb SFP+ SR Optical Transceiver	2
	CPU : Xeon E5-2630 v3 8C 2.4GHz MEM : 16GB TruDDR4 Memory (2Rx4, 1.2V) PC4-17000 CL15 2133MHz LP RDIMM HDD : 600GB 10K 6Gbps SAS 2.5 G3HS HDD	8
	CPU : SS5028D-TLF Platform (X10SLL-F & 825TQ-600LPB) - 4-core(Quad-Core) Intel®Xeon E3-1231v3(3.4GHz, 8M Cache) MEM : 16GB HDD : 1TB	4
Network	- PICA8 support - Fixed Port : 48 x 1G Ethernet ports - 4 x 10Gbps SFP+ switch ports - CPU : Dual core ARM Cortex A9 1GHz - Switch Silicon : Broadcomm Helix 4 - Dual Hot-Swappable Redundant PSUs - ONIE (Open Network Install Environment) support - 1 Year Hardware Warranty PicOS - 1GE Switch OS - L2/L3 Support - OpenFlow Support - 1 Year Softwre Warranty Included - PicOS purchase and includes 1 Support 10GBASE-SR, 850nm, MMF, 300m(OM3),LC,3.3V,DDM '- HP PROCURVE J9150A compatible	4
	24-port 1G Switch, 6x1G SFP+ , 2x10G SFP+ Uplink/Stacking Ports ICX 7250 PREMIUM SOFTWARE LICENSE	1
	24-port 1G Switch, 4 x 1G SFP Uplink/Stacking Ports, Fanless	6
	SRX550 Platform, 2RU Height, 6 GPIM Slots, 2 MPIM Slots, 6 10/100/1000Base-T Ports, 4 GE SFP Ports, dual PS Slots, fans. Ships with 1 645Watt AC Power Supply with POE power, power cord, rack mount kit, Operate Specialist AR5 Support for SRX550 645W AC-source power supply for SRX 650. Provides 397W System Power @ 12V and 248W POE Power @ 50VDC. - Works with 90-250VAC input. Does not	1

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