

# FOCUS ON IT

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AN ALICOMP INFORMATION TECHNOLOGY NEWSLETTER

## OUTSOURCING IS NOT A DIRTY WORD

Although outsourcing corporate functions to companies outside the United States has become a controversial concept, outsourcing by organizations to companies within America has been and continues to be an advantageous decision and direction. One area that is heavily outsourced within the U.S. is a company's mainframe environment. In fact, outsourcing a company's mainframe environment can be one of the best business options available to improve service and reduce costs.

For many companies, the mainframe is and will continue to be a cornerstone of their corporate infrastructure. For decades, the mainframe

has proven to be capable of performing voluminous processing not to mention the upward scalability that it provides. The mainframe is hardware that has been designed specifically for data-intensive work and functions as it is advertised: 99.99% uptime. In fact, when companies explore the possibility of moving from the mainframe to a different platform and they review this hardware's proven track record of reliability and the stability of the applications that the mainframe supports, they often decide to stay with mainframe. However, it is not necessary to assume that a company needs to manage, monitor and house its own mainframe environment. Outsourcing the mainframe to a



Lorraine Drake

vendor in the U. S., rather than continuing to have an in-house operation, can result in numerous benefits to an organization.

### Maintaining In-House Control:

One of the first concerns that arises about the possibility of outsourcing a company's mainframe environment relates to control: a company may

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*According to the November 11, 2003 article in Computerworld, "by the end of the second year of outsourcing major IT functions, 70% of those companies are unhappy." However, Alicomp has a 100% retention rate of its mainframe clients.*

## ALICOMP UPGRADES TO Z/OS

### What Is z/OS?

z/OS is the computer operating system for IBM's zSeries 900 and is a re-named and upgraded version of OS/390, which in turn evolved from the MVS operating system. z/OS is described as an extremely scalable and secure high-performance operating system based

on the 64-bit z/Architecture. Like its predecessor, OS/390, z/OS lays claim to being highly reliable for running mission-critical applications. The operating system supports Web- and Java-based applications.

### Why Is It Important For Alicomp To Upgrade To z/OS?

Alicomp is committed to being an innovative and client-oriented vendor. Therefore, it is a priority to provide clients with the option of using the latest technology. Many of Alicomp's clients require

leading edge technology including clients such as software development companies. Those clients are demanding of our resources and require the latest software and features to support their progressive user and client community.

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## DIRTY WORD...

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want to have the same control it has with its in-house operation. This is a standard business practice of outsourcing vendors. It can and should be fortified by developing a contract with a vendor that assures the same service levels mandated by the company.

During the process of exploring vendors, look for one that provides customized and personalized service. It is not acceptable to just be assured that the vendor has adequate hardware resources. The vendor needs to gain knowledge about your corporate culture. This assures the client that the vendor meets or exceeds the areas of strength of a company's in-house operation and, very importantly, elevates those areas of weakness.

If a company's mainframe environment is being migrated to the vendor's facility, it is the client who decides the "go live" date. Target dates are just that... until a client is comfortable that everything has been tested and it is business as usual. The migration to a vendor's facility should be low risk and seamless to the users and should assure required in-house control.

### Reducing IT Costs:

When a company outsources its mainframe operation, it can reduce its expenses by 15-40% and run its operation on state-of-the-art equipment. Instead of running on a 15 MIPS engine, it would probably run on a 65 MIPS machine at the vendor's data center. That can mean

faster throughput and response time. There are other cost reduction aspects: eliminating the need for in-house hardware, operating systems software, personnel operations, technical support, help desk and management for each of those areas as well as the special environmentally controlled data center. All of us are also aware that staff costs continue to rise, assuming you can find and keep qualified staff. Outsourcing not only reduces costs, but it gives the client the opportunity to control them in the future.

### Increasing Flexibility:

To be successful today, the business environment demands innovation and flexibility from companies. Outsourcing the mainframe enhances flexibility. Companies that outsource their mainframe services pay the vendor only for those resources (i.e., MIPS and DASD) required as needed. There are times when a company requires more resources, whether it is for a week, a month, or more: the company should have that option with its vendor. That flexibility offered by outsourcing vendors enables a client to control costs, remain competitive, and meet its IT needs as they change.

### Assurances of Best of Breed Technical Staff:

To retain top technical talent for in-house data centers has become a challenge to many companies. They demand salaries that are often above the pay scale of many organizations. Therefore, a company may compromise on the expectations of the technical skill sets available by an in-house staff. There are also fewer mainframe

technicians available today since many of them have decided to expand their expertise about other platforms and work in those areas.

*According to Best Review survey in May 2004 issue, 90% of the Insurance Industry, who outsource, do so domestically and NOT offshore.*

Outsourcing vendors must employ best of breed technical specialists because it is required that they provide best practices and the highest technical expertise for their clients. This is an area where a vendor can strengthen a company's technical support requirements.

### Focusing On Core Business:

If Information Technology is not a company's core business, it is advantageous to allow those services to be provided by an IT vendor who specializes in such business. This change in strategy enables the company's staff to focus on its core business and expertise.

Today, outsourcing of the mainframe in the U. S. is a standard business practice. It started 25 years ago when Kodak outsourced its IT operation. Since then, vendors have become seasoned providers of services and companies have become educated partners.

With a vendor who emphasizes service, problem management, commitment and flexibility, the results should be: the contract is signed and then it is stored in a file cabinet! A good working relationship between the vendor and client's company assures that consistent communication eliminates problems as they occur. The results for companies often include value added services not contemplated during the initial agreement signing process. In exploring the field of outsourcing vendors, look for one that focuses on your company's requirements

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## UPGRADE TO Z/OS

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### What Are The Benefits Of The Upgrade To Alicomp?

When our clients are happy and satisfied with our resources and services, Alicomp benefits because "Client

Satisfaction" is one of our most critical philosophies. Also, IBM will eventually drop support for the older OS/390 systems, so continued IBM support is another major factor.

### What Are The Benefits Of The Upgrade To Alicomp's Existing Clients?

z/OS provides support for the

current 32 bit software and the new 64 bit software. Other new features include better performance, better use of advance hardware features, stronger security and enhanced communication such as support for IPv6 protocol.

*"Client Satisfaction" is one of our most critical philosophies.*

### Why Is It Important To A New Or Potential Client That We Provide This Latest Technology?

For obvious reasons, clients require that Alicomp provide continued support from IBM. By staying current with IBM's newest technologies Alicomp is in a position to provide the most robust support possible. With

the current state of world politics and the unrestrained Internet, security is a number one priority; the latest version of RACF used on z/OS is up to the challenge.

### Will Alicomp Maintain The Older MVS And OS/390 Operating Systems, and if so, Why?

Alicomp will provide what is needed by our clients. At this time, there are no plans to continue to run the old OS/390 system once all the current clients are migrated to z/OS. But, if the need arises Alicomp will be able to restore our old OS/390 image and run it for a client, but, support from IBM will be limited.

## REDUNDANT POWER SYSTEMS

Our data centers have fully redundant power feeds into the facilities, which go through an Automatic Transfer Switch (ATS). The ATS feeds a redundant, uninterrupted power supply system (UPS) and monitors the incurrent of electricity. If there is an anomaly within the in-

coming power from the street, the ATS control system instantly switches over to a battery bank, and at the same time, initiates the diesel generator to start-up. Once the diesel generator comes online, the ATS switches off of battery power and onto the generator. This entire

process takes less than a minute. We have enough power to maintain battery backup for ½ hour at full load. Our diesel generators have enough power for 48 hours of continual operation between fuel deliveries.



## MEET GLENN RING...A MEMBER OF THE ALICOMP TEAM

What is red and black and has 463,000 miles on it? It's Glenn Ring's Volkswagen Beetle that he bought in 1974. When asked about



his beetle, Glenn said "it's a prima donna and only comes out on nice days or for car shows." Glenn sees a parallel between his attitude towards his Beetle and his working at Alicomp. "This car is more like a member of my family and it is the same way I see our clients. I have become part of a client family as I work on their behalf."

His expertise on Beetles is consistent with his expertise on IT Operating Systems. Glenn Ring, Senior Technical Support Specialist, joined Alicomp in April 1993 and is responsible for support of

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**DIRTY WORD...**

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rather than attempting to fit it into a vendor's mold.

Having a relationship with a vendor that makes corporate management comfortable about the services that are to be provided is a hallmark of a service-driven outsourcer. Customer care should be the highest priority. With the need for corporate management to be creative about cost reductions and increased productivity, outsourcing the mainframe can be a sound decision. So, outsourcing is not a dirty word!

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**MEET GLENN RING...**

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OS/390, VSE, and VM platforms and associated vendor products. Glenn started his career in data processing as an Operator while still a senior in High School in 1973. His duties later included programming in Assembler and application debugging.

In 1981 he accepted a position at a major software company as a Level 2 support technician and later became responsible for the development of some products.

From 1987 to 1993 Glenn worked for a major international institution where he was responsible for support and upgrades to the VM and VSE operating systems. He was then involved with the installation and migration to MVS, including all vendor software.

Glenn has worked with CPUs ranging from the early IBM-360s, through the current IBM CMOS product line. The DASD has been model 2311 through the current EMC Symetrics models. His software exposure includes all three operating systems and all industry standard vendor software.

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