



## Zurich Financial Services Runs Messaging & Collaboration as a Business with CONTROL!™

### Usage-Based Cost-Allocation System Reduces Costs

When tackling the costs of messaging and collaboration became paramount at one major insurance firm, usage-based cost-allocation was the answer – and DYS Analytics uniquely met the need with a system built using CONTROL! solutions and expertise.

Zurich Financial Services, a \$41 billion global insurance-based financial services provider with about 68,000 employees, serves its customers through offices in around 60 countries. A long-time IBM Lotus Domino customer, Zurich handles messaging and replication traffic through a centrally-managed communications network (“backbone”) managed by the Group Network Services (GNS) team in Zurich, Switzerland. Individual business units own and manage over 500 servers storing mail and Domino applications. GNS, in turn, routes emails and handles database replication traffic between business units and from/to the Internet via backbone servers located in Schaumburg, Illinois, and Schlieren, Switzerland.

For years, GNS’ costs were funded centrally by the corporate IT budget. In late 2001, Zurich’s IT board made the decision that the individual business units would be charged for the backbone resources they consumed. As a result, the IT board chartered GNS to implement a usage-based cost-allocation system to equitably assign messaging and replication costs to Zurich business units. GNS, in effect, needed to run its messaging and replication network like a business – charging for usage of the backbone infrastructure while providing the same exceptional Quality of Service (QoS) its users had come to expect.

**“CONTROL! has helped us maintain our high standards.”**

FLAVIO DEL MESTRE  
HEAD OF GNS SERVICES UNIT

#### USAGE-BASED COST ALLOCATION: PROVIDES ACCOUNTABILITY, FAIRNESS

The requirement for usage-based cost-allocation solutions is becoming increasingly common among large enterprises because they ultimately drive down costs and provide a fairer way to allocate costs than merely charging “per head.” They give senior management clearer and tighter control of costs at their source and provide the metrics business unit managers need to reduce consumption.

Yet the GNS team realized that a system that could equitably assign costs across such a massive enterprise as Zurich’s would have to be extremely robust and sophisticated enough to handle the complexities of their distributed network. With average loads of 7 million emails per month, over 500 GB of messaging traffic and 100 GB of replication traffic handled by the backbone monthly, the data volumes were clearly far too large for manual analysis. The cost allocation system would require an in-depth understanding of global messaging and replication behavior as well as sophisticated technology to extract and analyze huge volumes of data from server logs and directories.

#### ENTERPRISE-WIDE INTELLIGENCE

In late summer 2002, GNS chose DYS Analytics and its CONTROL! solutions for email and replication as the foundation of its new cost-allocation system. For email analysis, the GNS team uses Email CONTROL! to collect, correlate and analyze all the messaging traffic across the enterprise and then summarize findings into easy-to-understand graphical and tabular reports. GNS uses Replication CONTROL! to analyze replication traffic between the business units and the backbone, and to provide reports that are used to calculate resource consumption for each business unit’s replicated databases.

**“CONTROL!’s flexibility was key in enabling us to create a system that fully met our needs.”**

Using CONTROL! solutions, Zurich’s cost allocation system calculates costs based on the actual impact that messages and replicated data have on the backbone infrastructure. This includes mail to and from each business unit and to/from the Internet. The system automatically associates users and databases to their respective business units and allocates costs accordingly.

## HOW COSTS ARE ALLOCATED

Email costs include a fee based on the number of MBs of network traffic consumed by messages as they are routed to all of their recipients, not just on the number of emails sent out by a particular business unit. For example, a 1 MB message sent to 10 people all on the same server has less impact and, hence, carries a lower cost than a 1 MB message sent to hundreds of recipients on multiple servers. In a similar fashion, replication costs are allocated to each business unit based on MBs handled by the backbone, plus a flat charge for every database owner.

This usage-based method reflects DYS' deep understanding of the complexities of messaging and collaboration data propagation in large distributed enterprises – assuring the approach is accurate and calculated on actual resource consumption. The CONTROL! solutions were both scalable and robust enough to provide a cost allocation system that was tailored to Zurich's routing topology – yet flexible enough to deliver the same cost-reduction benefits to virtually any network topology.

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## IT EMPOWERED BY CONTROL!

The DYS cost-allocation facility includes customized “billing statement” reports, and starting in November 2002, billing statements were sent to all business unit budgetary managers. As expected, aggregate charges for smaller business units are typically far less than those for larger business units; however, since charges are based on usage and not “per head,” business units that send less mail will be charged less, regardless of their size. It can easily happen that a smaller business unit could be charged more than a much larger one depending on its message and replication traffic volumes. In fact, another aspect of the solution that is critical for its success is how quickly GNS can respond to questions from business unit managers about how they were charged. The GNS team simply turns to CONTROL! to run a report showing how the costs were incurred – down to the employee level if necessary.

The phones began ringing in the Group Network Services department when business unit managers received their first billing statements. However, they weren't calling to complain – rather they were calling to ask for specific ways they could reduce their costs, and GNS was able to assist them. This was just what management was hoping would happen.

## ASSURING QUALITY OF SERVICE

Zurich's IT staff also uses Email CONTROL! to optimize email traffic flow to ensure continued high service levels. Using the flexible report design features of the product, they created various custom reports to evaluate delivery performance and proactively identify potential bottlenecks before they impact delivery times. Using Replication CONTROL!, Zurich's team keeps an accurate pulse on replication traffic. The solution provides daily analysis on replication activity and reports on which servers and databases are not replicating properly, so that action can be taken to avoid data integrity issues at the user level.

## THE FLEXIBILITY TO MEET ZURICH'S NEEDS

“DYS Analytics fully understands messaging and replication networks at an extremely detailed level, and CONTROL!'s flexibility was key in enabling us to create a system that fully met our needs,” said Flavio Del Mestre, head of Zurich's GNS Services unit. “The solution is stable, it works in the background without interruption, and we can trust the figures it provides.”

**“Using CONTROL!, we are running messaging and collaboration like a business – to the benefit of everyone in the enterprise.”**

Del Mestre added: “Zurich has always been very cost-conscious while at the same time delivering superior service, and CONTROL! has helped us maintain our high standards. We've gotten the business units' attention on infrastructure usage and are providing them with fair and accurate charges based on actual resources they consume. Using CONTROL!, we are running messaging and collaboration like a business – to the benefit of everyone in the enterprise.”

## ABOUT PERMESSA

Founded in 1993, Permesssa provides application management solutions for messaging and collaboration applications such as Lotus Domino and Microsoft Exchange. Permesssa makes these applications more efficient and easier to manage, resulting in a substantial reduction in infrastructure and management costs and improved service levels. Permesssa also helps customers more effectively plan and execute strategic network projects. Permesssa customers are major global organizations such as Bank One, JPMorgan Chase, ABN AMRO, GlaxoSmithKline, Novartis, CSC, IBM, PricewaterhouseCoopers and U.S. Navy. For more information, visit [www.permessa.com](http://www.permessa.com).

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