

# USOURCEIT REDUCES CLIENT'S I.T. COSTS BY 50 PERCENT

Also Improves Service Levels via Hosted Solutions from Rackspace® Hosting

## CASE STUDY SYNOPSIS

Sperry Van Ness (SVN), in Irvine, California, is one of the nation's top 20 commercial real estate advisory firms with a nationwide network of broker agents. SVN was faced with meeting the growing IT demands of a burgeoning nationwide network of brokers. Over the last several years, SVN's broker network sustained astounding growth from 100 to more than 1,500 brokers and support staff. SVN needed to improve its IT service levels and control costs at the same time.

SVN turned to USourceIT and Rackspace Hosting to develop an on-site/off-shore network to deliver more automation to brokers and reduce costs. Rackspace was selected as the hosting partner, along with two vendors based in India, to manage the SVN applications and Remote Infrastructure Management (RIM). As a result, SVN reduced its monthly IT costs by nearly 50 percent, and dramatically improved service levels to its network of brokers.

## SITUATION

Just prior to the decline of the national real estate market, USourceIT, a Cerritos, California-based start-up provider of outsourced IT solutions, was contacted by a commercial real estate company that was trapped in a Catch 22 of sorts.

Sperry Van Ness, a real estate investment and management advisor in Irvine, California, needed to rein in IT costs that had escalated out of control and disproportionate to the growth in the number of users. Meanwhile, higher service levels were demanded by an exploding network of users, which had grown from 100 to 1,500. As the real estate market slowed, these agents needed more IT services to compete and sell SVN property listings in a declining market.

SVN markets national properties to more than 100,000 commercial real estate brokers and investors. To support its brokers, SVN provides a complete turn-key service of e-mail and online publishing services through proprietary applications on dedicated servers. SVN's IT services were managed offsite through a small consulting firm. "SVN was under severe pressure to improve the service levels of an outdated and overtaxed environment," said SVN CIO Norm Williams. "At the same time, the market conditions became unfavorable and management needed to look at ways to offload the costs of supporting and maintaining the environment."

USourceIT specializes in helping small- to medium-sized businesses solve their IT problems, matching their needs with outsourced experts. Led by Chairman and Vice President Subbu Murthy, a 25-year IT veteran and former CIO, USourceIT provides SMBs with services that include e-mail hosting, server hosting, ERP customization, e-commerce applications and data warehousing.

SVN asked USourceIT to completely renovate the firm's IT infrastructure. USourceIT convinced SVN to consider an on-site/off-shore network to help reduce costs and deliver more automation to brokers. If their plan worked, SVN would significantly reduce their IT costs and still be able to enhance the services their brokers needed to sell more commercial real estate.



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**Subbu Murthy**  
Chairman and Vice President, USourceIT

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## SOLUTION

The first step for USourceIT was to transfer the domain expertise. Its Source OnDemand technology helped select pre-credentialed service providers for programming and maintenance services to SVN. Within four weeks, a service provider was brought online to help SVN, which helped to immediately reduce application costs.

However, SVN was still burdened with older hardware and increased demands from their clients. USourceIT spent several weeks engaging SVN to understand their technology needs and roadmaps. From there, the team recommended a transition plan that would be led by an IT specialist with Rackspace as the hosting partner.

In November 2008, USourceIT chose Rackspace Hosting, along with a pre-credentialed off-shore vendor who provided RIM services. USourceIT was then able to help SVN develop the strong infrastructure required to meet the needs of more than 1,500 SVN real estate brokers and staff.

Rackspace provided a hosted management solution that included eight dedicated servers, 18 virtual machines, and custom configurations designed specifically to support SVN's applications that included e-mail, proprietary property listing software and a website for brokers. Rackspace designed the SVN configuration to replace the firm's colocation-based servers and supported the solution with a dedicated team 24x7x365. Despite the round-the-clock support and personal touch, the Rackspace solution resulted in significantly lower cost than their previous server model.

Murthy said he was attracted to Rackspace not only for its price and performance, but for the service levels that would allow USourceIT's team to focus on SVN's critical applications. Rackspace's award-winning Fanatical Support® was a key component in the decision to select them as the hosting provider, as service was an important concern for SVN. "We were first attracted to Rackspace because we knew we could offload day-to-day support and maintenance of the SVN servers and refocus our people resources on improving the firm's proprietary applications and their infrastructure support," said Murthy. "The other reason we selected Rackspace as our hosting partner was because of their reputation for support and their ability to quickly customize our hosting configuration to fit the needs of SVN's in-house applications. Their service has been phenomenal."

Murthy said through his previous experiences with other hosting providers, he would receive four or five solution alternatives. But the solution that Rackspace provided was highly customized for SVN's needs. "We looked at several other vendors but this level of flexibility and support is what helped us choose Rackspace," he said. "Nobody came close to Rackspace in this regard."

## BENEFITS

With USourceIT's services, its outsourced team of professionals and Rackspace hosting services, SVN estimates that its annual IT cost savings is well over \$500,000, while improving SLAs in the process. This was a win for users and a win for SVN with partners that can support the continued growth of the organization in the coming years.

The new outsourced solutions and partnership with Rackspace is now providing SVN the tools they need to keep IT costs down and focus on the critical aspects of their business, which is giving their member brokers the tools they need to compete in a down economy.

For Murthy, Rackspace played a key role in this success by removing the worry of server management and allowing his team to focus on SVN's applications. "We no longer had to worry about the uptime of servers," said Murthy. "We didn't have to worry about operation systems or patch updates. Plus, the Rackspace solution was very cost effective. The other advantage with Rackspace was that we could easily engage their experts in the early stages of the contracting to ensure that we had designs that met our customer requirements."

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