

# CASE STUDY

Comune di Modena



## MODENA Mainframe re-hosting reaps immediate financial and operational benefits

**80% annual operating costs have been saved,**

“Through the re-hosting of our Mainframe application from the z/OS operating system to Linux Red Hat V.4 we managed to save 80% of our IT budget, and create a more agile Environment”

## PROJECT HIGHLIGHTS

Comune di Modena	Management of data	Modena, Italy	<a href="http://www.comune.modena.it">www.comune.modena.it</a>
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### Challenge

80% of IT budget being used for Maintenance and Licensing

Key Business Logic embedded in Applications

Limited expansion possibilities

Be ready for anticipated growth requirements

### Solution

Implement XFRAME® to Re-host Mainframe services onto Linux system

Project duration 6 months

### Customer Benefits

Up-to €1M ANNUAL savings

Grater system flexibility

Added value to legacy applications

Addressed pending mainframe skills' shortages

## THE CLIENT

City Counsel of Modena is one of the most important industrial areas in Italy. Located in the southern Po plains, Modena is home to prestigious car makers Ferrari, De Tomaso, Lamborghini, Pagani and Maserati.

The City Counsel of Modena is responsible for the administration of some 200,000 citizens of Modena and the surrounding area.

The Mainframe hosts applications for approximately 1000 concurrent users.

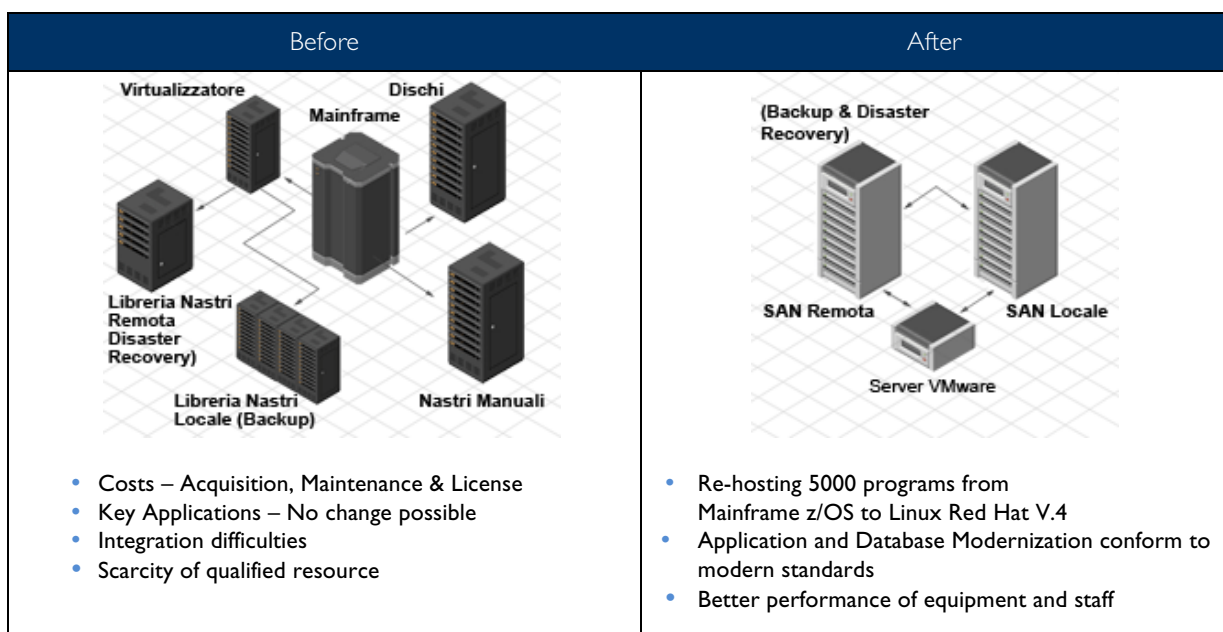
## CHALLENGE

Our client was facing the dual challenge of increasing business needs whilst needing to address spiraling cost issues.

- 70-80% of IT budget went on license and maintenance alone
- Increasingly difficult to find skilled maintenance and development personnel
- Closed system, high barriers to the integration of new technologies
- Sourcing from very few resellers possible
- High costs and performance issues to overcome for the introduction of new features

## SOLUTION

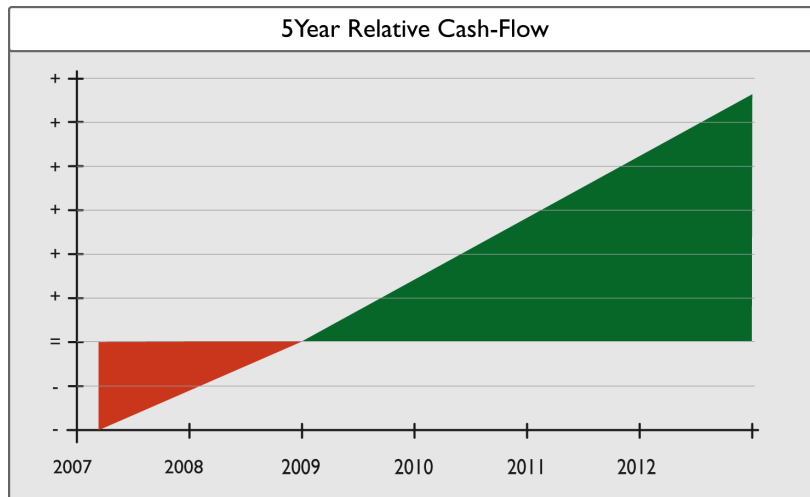
Rehosting of the KSV z/OS applications running with:	To Linux (Intel Xeon processor) running:	The Migration involved:
IBM CICS TS 2.2	HTWC XFRAME Enterprise Edition	About 5000 COBOL programs
IBM VSAM	Net Express 5.2 COBOL compiler	More than 170 VSAM files
IBM DB2		About 1800 Jobs (JCL)



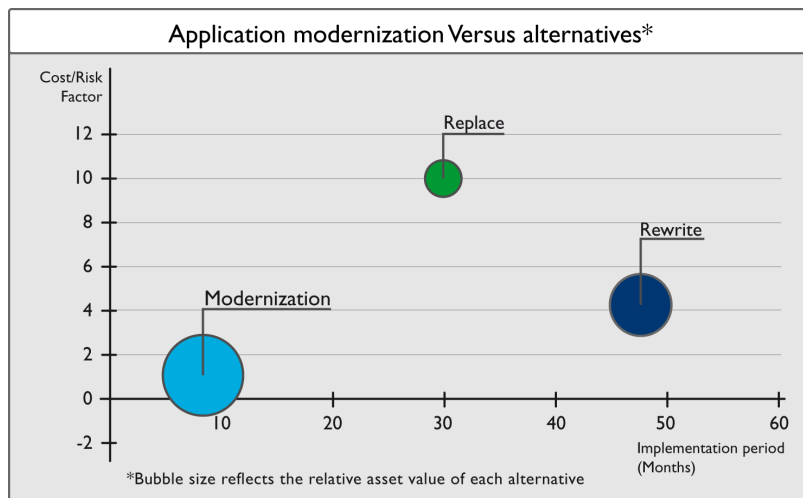
## ROI

Addressing one of the major issues, the migration of applications and databases away from the Mainframe to the more cost effective and efficient Linux operating system, major cost advantages were achieved. The ROI metrics illustrated below show are based upon a amortization period of 5 years, taking into consideration all investment costs, capital costs, operating costs and annual savings. The solution achieved annual savings of 1€M.

The 5 year cash flow shows the relative relationship between investment + operating costs and the savings



Analyses shows that opting to re-write or replace the applications brings with it additional cost, risk and the turn-around time is a lot longer. Not to mention the cultural change and loss of key intellectual property.



Some key ratios based upon the net present value of the savings achieved, illustrate incredible returns in a very short period of time. This was all achieved with minimal disruption to the daily operations.

Metrics	Value
ROI (based upon Net Savings after Capital)	71%
PAYBACK PERIOD MONTHS	18
IRR	81%

The reduced staffing, development and integration costs are not reflected in these numbers, and further enhance the extent of the achievement.

Additionally the system performance has improved by 30 - 40%, which will reflect on productivity and reduced hardware needs going forward

## SUCCESS FACTORS

As one of the several city councils whose mainframe applications have been modernized by HTWC, Modena is now in a position to provide its citizens and local businesses, with improved services, employing a modern IT system to serve the demands of a modern population.

Where an impressive ROI has been achieved, more importantly Modena is now in a stronger position to provide additional online services to its own citizens and businesses as well as those contemplating visiting or investing in Modena. Such a step is a subtle, yet major step towards raising the profile of any city striving for prosperity in short and long terms.

The officials from the city of Modena had very clear objectives, which enabled them together with HTWC to specify exactly the correct product and services required resulting a correctly scoped project, delivered within time and budget.

Other success factors included;

- The wide range of XFRAME's feature and its flexibility
- The direct interaction between HTWC Development Team and the customer's team
- See ROI scorecard for financial benefits

## CONCLUSION

The Modena city council report a resounding success, with so many different advantages achieved through this project. Such a short payback and the methodology used by HTWC ensured a virtually risk and interruption free fulfillment, and the project being completed within the deadlines originally set.

The new environment opens up the doors to new creativity, as development and further integration no longer present a huge technical and financial hurdle.

Platform modernization with HTWC's XFRAME solution and project methodology is a sure bet. Establishing clear objectives together with the HTWC team is key to the extent of the success, as there is so much to achieve through this very unique technology and the expertise behind it.

## WE ARE HTWC

- Absolute market leader in mainframe re-hosting and migration
- Most complete solution
- 97% of migration fully automated
- Over 30 years experience
- Truly global
- All sectors