

BANKS SAVE MILLIONS ON SERVER MEMORY

Summary

- Substantial cost savings
- Proven reliability and 100% compatibility
- Doesn't affect the system manufacturer's warranty
- Lifetime guarantee and technical support

Business challenge

Buyers are well aware these days that high quality memory modules from a top independent manufacturer are a practical option when memory upgrades or replacements are being planned. Proven reliability and 100 per cent compatibility with original equipment have allowed the independents to take a large slice of the upgrade market. But what is not so well known is the fact that many leading global companies decline to accept the manufacturer's own memory modules as part of the spec when purchasing brand new systems. They prefer to fit system-specific non-OEM memory right from the start – and some have saved millions by doing it.

For 12 years now, this US corporate and investment banking giant has always specified independently manufactured memory when ordering new IT systems. With 10,000 servers spread across the EMEA zone, this generates multi-million pound cost savings every year.

Banking and financial services will always be among the most demanding sectors for IT suppliers. With server applications ranging from simple email to complex transactional databases and more CPU- and memory-intensive activities such as market modelling, data analysis and running virtualised server farms, today's global banking giants need good performance and proven, long-term reliability.

But cost is an important factor too. For the EMEA IT manager of one very large US investment banking group, it is simply too big to ignore. He has worked for the bank for 14 years and has responsibility for 10,000 servers in 20 different locations, with an annual spend on memory modules alone of £12m to £15m. It was the quest for cost savings in this area that led him to investigate the idea of using system specific memory modules from Kingston Technology – not just for upgrades and replacements, but in brand new installations.

"We are always looking for competitive pricing and excellent reliability," he says. "Once we were satisfied we could depend on consistent reliability and 100 per cent compatibility, we began to focus on the possibility that using brand specific non-OEM memory could give us substantial and repeated cost savings."

Technology solution

The case for switching away from manufacturer-supplied memory seemed unanswerable. Thus, 12 years ago the bank took the plunge and decided that 100 per cent compatible memory modules from Kingston Technology would form part of the specification for all its new IT systems.

The change of policy seemed radical at the time, yet the bank knew these system-specific modules were made and tested to meet the specification of each brand name system, with careful tuning to match the timing of the original system.



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The IT manager had been to Kingston Technology's HQ in Fountain Valley, California, and seen the care and consistency with which the company tests every cell of every chip of every memory module that it ships.

The company's lifetime guarantee and technical support programmes are also reassuringly comprehensive, though, in the event, they have never yet been put to the test at the bank.

"I'm told the KingstonCare Platinum service plan is pretty good," says the bank's IT manager. "But I can't speak from experience. In 12 years, we've never had to use it."

Installing independently manufactured memory modules does not affect the system manufacturer's warranty, as that is an issue that was settled years ago. The bank had discussed this question with the major manufacturers and won the pragmatic agreement it was looking for.

"We have that fully covered, in writing, from the big IT companies," says the IT manager.

"They'd rather we took their memory, of course. But they understand what we want and why we want it and there is explicit agreement that doing this will not invalidate any of their guarantees."

Business results

The bank is not alone in its sector in committing itself to independently manufactured memory. When the credit crunch came and it suddenly inherited the business, people and systems of one of its best-known investment banking competitors, it discovered the technology was very much on a par with its own. When the IT experts looked under the bonnet, they found the other bank had also been a Kingston Technology customer for many years.

This close alignment between the two organisations' systems has made it possible to push ahead quickly with better ways of doing business.

"Since autumn 2009, we've been able to approach our purchasing in a new way," says the IT manager.

"We have chosen to standardise on a few server bundles that we can deploy in many different contexts. There are basically five bundles we order, via the resellers, from our two preferred manufacturers."

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The cost savings that flow from choosing Kingston Technology memory modules can be substantial. The entire EMEA IT estate of 10,000 servers has to be replaced every three to five years, in line with a strict company-wide IT roadmap, and the bank can rely on saving more than £10 million over the course of each replacement cycle.

"You could be saving 20 per cent plus – sometimes nearer 30 per cent – on the cost of your memory modules," says the IT manager.

"When you're paying up to £9,000 for memory for a big server, that's not to be sniffed at. That's why we have had nothing but Kingston Technology modules in our servers for 12 years now."

To find out how system-specific memory from Kingston Technology can help your organisation, visit www.think-kingston.com