



## CASE STUDY

### PUBLIC GLOBAL INSURER TRANSFORMS WITH A CLOUD AND FINANCIAL MODEL UNIQUE TO THE INDUSTRY



#### THE CLIENT

Aon, PLC

[www.aon.com](http://www.aon.com)

Aon PLC (NYSE: AON) is a \$11.6 billion professional services firm that provides risk, retirement and health consulting. Headquartered in London, the firm has 69,000 employees serving 120 countries across the globe.

#### THE CHALLENGE

The 2015, the publicly held Aon, a S&P 500 company and one of the world's largest insurers, had a vast legacy footprint of applications and data centers resulting from the 450 acquisitions it had made over the course of time. It was costly, complex, and prevented the global organization from leveraging all of what a centralized, modern IT solution could provide. The organization also had to prepare for a potential divestiture of one of its major subsidiaries: a \$4.8 billion human resources outsourcing business. With a new Chief Information Officer on board, a bold but necessary decision was made to posit a solution that would be unique to the industry for improved IT operations, reduced cost and complexity, and to fast-track many long-neglected projects and prepare for a potential divestiture.

The Aon IT leaders decided they would seek a public-like consumption model in a private data center solution, so they could purchase usage in units of measure and flex with the usage of those assets. They did not want to make a capital purchase or utilize a traditional leasing model—as those options would have put Aon in a position of significant financial risk. In sum, they wanted an RU (resource-based) model in two co-located data centers all sourced through one partner while Aon maintained architectural control of the manufacturer solutions/technology stack. But could this best-of-both-worlds request be finessed?

[www.siriuscom.com](http://www.siriuscom.com)  
800.460.1237



## THE SOLUTION

Aon's IT leaders prepared for the strategic initiative by consolidating a vast number of independently operated data centers across the globe. They invited a select group of solution providers to compete for the massive undertaking, which required months of pro bono technical analysis and the design of a custom financial model as well as implementation.

Sirius (the former Forsythe) followed Aon's architectural guidelines and specifications and sent technical teams to meet with the different domains within Aon's infrastructure teams, assessing its networking, compute and storage requirements. On a parallel path with the technical assessments, designs and builds, Sirius worked on a consumption model and, in the end, proposed a dual data-center solution that kept Aon's upfront investment at a minimum to accomplish enterprise-level services capabilities and thwart unnecessary consumption.

## THE TECHNOLOGY

Based on Sirius technical assessments and design workshops conducted with Aon over a three-month period by teams of specialized architects and engineers, Aon purchased a technology stack through Sirius. It was executed through a consumption-based model. The technology platform included:

- A VMware®-orchestrated internal private cloud solution leveraging VMware NSX
- A Dell EMC™ Vblock compute and storage platform
- Juniper Networks® products for the data center networking solution
- Palo Alto Security
- F5 Networks Load Balancers

## THE CONSUMPTION MODEL

Sirius created a customized solution in which risks were shared and the costs were fairly capped, protecting the client from what's called a 'gotcha' scenario of buying too little up front and then suffering both internal credibility and financial capital from having to re-buy additional capacity and upgrades on vendors terms, and simultaneously creating accounting issues with different start-and-stop milestones to the projects given the different buy-in time frames. The model provided Aon the ability to pay for platform resources on a monthly basis that was tied to actual utilization, similar to a public-cloud model.

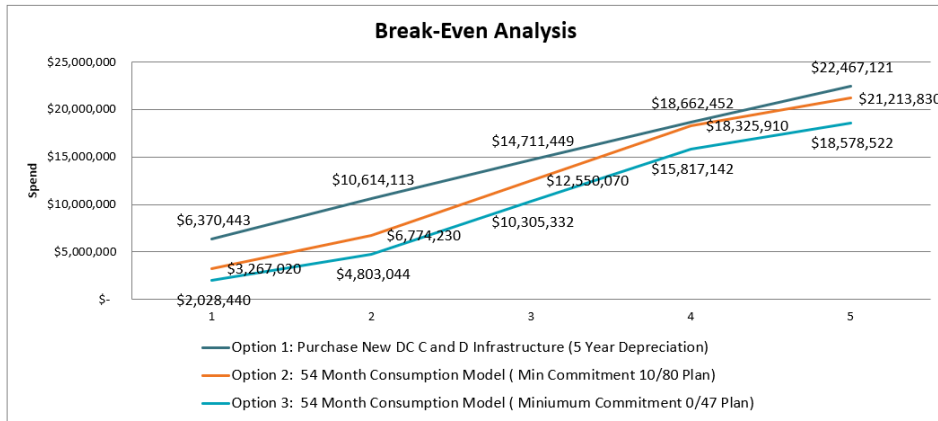
The solution was unique in that Aon agreed to a minimum usage amount that was to start at modest percentage of utilized resources for a designated period of time and then ramp up to a different percentage until the time when the contract would end. This afforded Aon time to ease in to the solution without expending large sums of capital up front as is the case with most financial models. And more importantly, and different than most business models today—public or private—the agreement contained a maximum usage amount that capped the upside to Sirius in the case that Aon grew very quickly, thereby insuring Aon from a disastrous financial outcome should they outgrow their solution.

That cap was determined based on the net-present value of all monies paid to Sirius in usage. Other specifications for the solution's financial model included:

- Payments in increments
- A true-up to pre-determined commitments
- Flexibility to dial up/down based on requirements
- A transparency-to-cost model
- Low entry point, which allows for small up-front expense



# CONSUMPTION MODEL



## THE RESULTS

A corporation built by acquisition with over 350 disparate data centers in the Americas alone in 2015, combined operations centrally and stood up two new co-locations/ data centers in three months—a unique achievement in and of itself. The technical architecture and delivery spearheaded by Sirius came together flawlessly with a financing model unique to the industry.

By the end of June 2017, Aon had migrated consolidated applications to its new co-locations.

Aon also successfully divested a large company, all this contributing to positive news in its 2017 annual report that states: “We increased our operating income by 15%, reflecting both core operational improvement and savings related to the restructuring program and other operational initiatives. Operating margin increased by 180 basis points to a record 23.4%.”

## THE BENEFITS

- Aon significantly improved its IT operation while significantly reducing IT costs.
- Aon returned a point of gross profit to the business.
- By moving to the private data centers, Aon was able to turn off contracts costing \$2 million per month.
- The consolidation easily paid for the expenses incurred from the modernization.
- Consolidating IT was a business driver to cut costs, but it also creates a more agile organization, setting the stage for better business outcomes by leveraging modern technology and custom financial modeling for better business outcomes.

Sirius is a national integrator of technology-based business solutions and one of the largest solutions providers in North America. To meet the needs most integral to our clients’ successes, we provide world-class solutions designed and built on today’s leading technologies. These solutions are classified in four key areas:

- IT Strategy
- Security
- Business Innovation
- Cloud & Managed Services

Call Sirius today to schedule a discussion of your needs at 800-460-1237.

