

# Putting flexibility first

Why a British-Australian global player chose IT services from T-Systems France; how the right partner can turn virtual concepts into real benefits; and what global players demand from their IT providers. Alain Chave (Rio Tinto Group) talks about acquisitions and divestments, about flexibility and dynamism, and about an exciting new departure.

## Why did Rio Tinto choose Dynamic Services from T-Systems France?

Our company is one hundred years old and is the product of a series of mergers. But European and global antitrust regulations frequently force us to divest certain activities. I began to notice that we had IT systems, particularly hardware, that were oversized. And we were implementing projects that required us to quickly adapt our hardware resources. Projects like this are highly dynamic, and I need to be able to scale up or down the capacity of our systems. I approached all of our outsourcing service providers, not just T-Systems, for an answer. T-Systems was the first to suggest a dynamic solution that would enable us to respond flexibly to the requirements of our customers and our projects.

## How many providers were in the running?

There were three: two computer hardware vendors and T-Systems. The fact that T-Systems' proposals were based on the hardware of these two vendors really impressed us.

## With hindsight, what are the main advantages of T-Systems Dynamic Services over conventional managed services and outsourcing?

Today we can build new application environments and increase computing capacity much faster, whenever we need to. What's more, we can scale down again when a project is finished or when it's necessary to carve out certain applications and create two separate environments. The key issues for me are flexibility and responsiveness to our own requirements and the demands of our customers.

## How about cost?

This is an area where we're really benefiting: previously, when we started a project and installed all the necessary hardware, we rarely made full use of capacity. That meant we were paying too much. With Dynamic Services, we only pay for what we actually use, when we use it. And we no longer have to decide every three years whether and how to replace the hardware, and go hat in hand to our customers for them to pick up the bill. If, however, these hardware costs are included in our operating costs, and if updates, changes to service levels and technology are handled within the terms of the contract, I, as the manager responsible for data-center services, have far more control over these changes.

## How did you make the transition from conventional SAP outsourcing to the new dynamic approach?

I wanted an IT provider who offered shared IT resources and services not just to my company but to all customers. How did the changeover to Dynamic Services come about? One day we were presented with an extremely large project that involved centralizing various systems. With this project and the results of our research in mind, I opted for Dynamic Services. Incidentally, this was a new departure for

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Alain Chave, Rio Tinto Group

T-Systems, too. And we worked hand in hand to get it off the ground – an exciting challenge for both sides. The results were so positive that many of our systems environments, which worked with other technologies and procurement methods, have been switched to our new approach.

## What can you tell us about the solution's flexibility in terms of service levels, resources, particularly with respect to how fast changes are implemented?

With outsourcing or managed services, my internal customers regard me as being responsible, but in actual fact it is my provider – when it comes to scaling up to handle organic growth, for example. For instance, when my environment requires an additional 10 GB of storage capacity per month, I don't need to ask T-Systems to add disk storage. They do it without being asked, and precisely when it is needed. So our round-the-clock, 365-days-a-year operations are never interrupted. The same applies to the IT that underpins our operations. And because it's my signature on the agreement, I am the person responsible for increasing storage capacity. The flexibility comes on the one hand from the Dynamic Services model, but also from T-Systems, whose organizational structure is designed to deliver agility.

## What would you say to other companies who are skeptical about shared or virtual IT environments?

Even within our own organization, I have to work hard to convince new internal customers. Their skepticism mainly relates to data protection. Sharing hardware resources within the group is not the problem. But sharing resources with the service provider's other customers via Dynamic Services is not so readily accepted. But I have discovered that security is better in a shared environment than in an apparently self-contained internal systems landscape, where less attention is paid to who or what is trying to get in. In today's business world, where sales and acquisitions are frequent, divestments and mergers are often necessary, and flexibility really matters. The best way to achieve it is with solutions based on Dynamic Services or resources on demand. And cutting-edge technology like this has now become a reality.

## Speaking of cutting-edge technology, how do you see cloud computing developing?


It's an interesting concept with a bright future. But right now it is more a matter for the media than for IT experts. We will have to wait and see how it is put into practice. I work a lot with large-scale ERP applications (without singling out SAP), and these systems are not yet capable of adapting to cloud computing. But that is always the case with new technology. Three years ago, most providers were saying that resources on demand were pie in the sky. Today, they have a lot of catching up to do, with the exception of T-Systems.

## Where and how can providers improve their services?

I think Dynamic Services have evolved very well in the Unix world. And in the WinTel space (i.e. everything related to VMware, etc.), virtualization has a very promising future. The market for Windows-based products will continue to develop at an increasingly fast pace. There is an immense amount of work to do, and in my opinion, that is probably the next big challenge facing T-Systems and ourselves.

INTERVIEW: TAHIANA HEIDET

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A man in a light-colored suit is walking towards the camera through a large, modern architectural archway. The archway is made of light-colored stone or concrete with a grid-like pattern. In the background, there are power lines and a large, white, tent-like structure. The sky is clear and blue.

Looking to the future: Alain Chave has recognized the great potential of Dynamic Services.

## Rio Tinto

### A key mining player

The British-Australian Rio Tinto Group is the second-largest mining company and the biggest aluminum producer in the world. In its iron ore, aluminum, uranium, bauxite, copper, diamonds, gold and silver business segments, the organization generated revenues of 60 billion euros in 2007.

It employs a workforce of over 100,000. Alain Chave is Head of Information Systems & Technology for data centers in Europe, the Middle East and Africa (EMEA). Chave, who is French, was previously in charge of IT at multinationals Pechiney and ALCAN, that were acquired by Rio Tinto in 2003 and 2007 respectively.