



Slimming down with slim computers.

Total IT costs make the difference.



Flexible thin clients in server-based computing architectures are replacing classic terminals and PCs and release unnecessarily tied up IT budgets.

The idea of server-based computing with a central server and connected user terminals is not new. Apart from the technologically outdated terminals of the era of large computers, the underlying principle of centrally stored applications is back to stay. A comparison between server-based computing architectures and the predominantly used client/server networks shows that the latter are often inadequately utilized and that workstation PCs, clearly oversized in terms of capacity, represent a steady cost driver.

Consolidating PC and terminal

Such unproductive capital can be permanently freed up by means of server-based computing architectures. Thin clients are compact and robust in design and highly flexible at the same time. Integrated terminal emulations provide access to various typical PC applications in addition to legacy host systems. With this method, several terminals can be eliminated and consolidated with multi-session capability. The graphic user interface of the clients is identical to the accustomed Windows workstation PC environment. Expensive user training is not necessary, benefiting all involved. Also, in the absence of local memory (hard disks) viruses are unable to infiltrate the terminals.

Lower total cost of ownership

Total cost of ownership (TCO), which is the sum of all expenses related to the investment, represents a major aspect of any complete cost savings overview. Thin clients are effectively curbing costs due to the central administration capability alone. Thin client firmware, for example, can be updated within minutes by means of an easy and automated process. Application software is managed only on the application server. Individual workstation updates are no longer required. The computers run without any mechanical moving parts. Fans that are susceptible to wear and touchy hard disks are eliminated to ensure a long service life. Also, considerably lower energy requirements offer noticeable relief with respect to power consumption and bandwidth. (Fig.1, page 4: Diagram cost comparison fat-thin client).

The real magnitude of the TCO savings potential of a thin client infrastructure in a large company is illustrated by an in-depth analysis conducted in the United States comparing all cost factors with those of a traditional PC landscape.

The analysis is based on a company using 2,500 terminals. The purchase price of an average PC, including software is about 645 Euro. Allowing for lower software licensing fees as a result of program concentration on the server plus a certain investment in the application server, the comparable price for a thin client averages 380 Euro. Extrapolated to the entire company, savings of almost 22% can be achieved in the acquisition price alone. According to this calculation, operating expenses decrease by more than 53% due to lower administrative costs. Expenditures for users (training, management, support) caused by a thin client system drop by as much as 60% from those of a client/server architecture: IGEL thin clients do not require individual configuration or application support.

Another important savings factor is the superior reliability and security of thin clients. Downtimes in this type of infrastructure are far below those of PCs: Fewer hardware failures, reduced risk of virus infection, short installation times for local software updates and considerably less need for user training are some of the major factors that contribute to savings of 55% in downtime costs. Finally, the power consumption of thin clients is only 30% of what a PCs uses, which allows further cost savings of 70% in this category.

Overall, a detailed analysis of the company described above results in cost reductions of 51% or approximately 4.2 million Euro in the first year compared to a PC system, increasing to 57% or 17.3 million Euro after five years.

Network at half the price

That this is not mere speculation is evidenced by recent experiences of thin client users. For example, CommerzLeasing, a bank subsidiary, has been using thin clients from IGEL for more than four years. The server-based system replaced the existing client/server environment. End result: The new intercompany network, consisting of about 400 workstations, causes a fraction of the former expenses. (Fig. 2, page 4: Diagram administrative expenses).

Compared to the client/server-based model, personnel costs dropped 30% and line charges 22% due to reduced bandwidth requirements. All this is perfectly in line with the cost analyses of thin client infrastructures described above.

Converting to thin clients is not always tied to a large one-time investment. The American retail chain, Mark's Work Warehouse, for example, decided to migrate step-by-step. The company started out with IGEL upgrade kits for the existing IBM NetVista clients and gradually expanded its infrastructure with IGEL thin clients. Again, this resulted in considerable savings: IT costs for opening a new store decreased by 29% and maintenance expenses by 51%.

Slim and trim into the future

Thin clients and server-based computing architectures offer budget-conscious businesses a solution that reflects the demands with which IT departments are currently faced: Reducing administrative expenses without ending up in a technological dead-end. This is now possible by applying the principle of server-based computing to today's world in combination with a new generation of terminals that stand out by flexibility and performance. So-called thin client cards turn outdated workstation PCs into powerful thin clients until they are discarded. In the long term, however, only IGEL thin clients offer the full savings potential, including protection of investments in computer workstations, an issue which was so often disregarded in the past.

Fig. 1: Diagram cost comparison fat-thin client

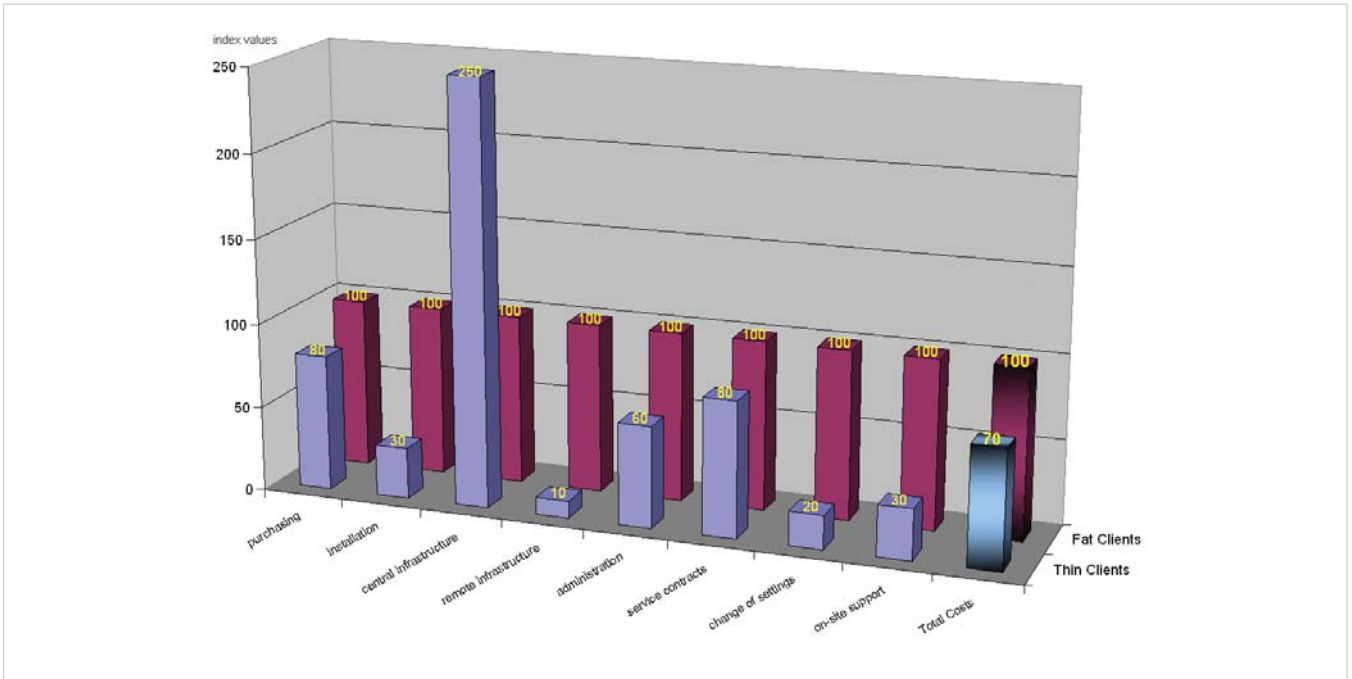
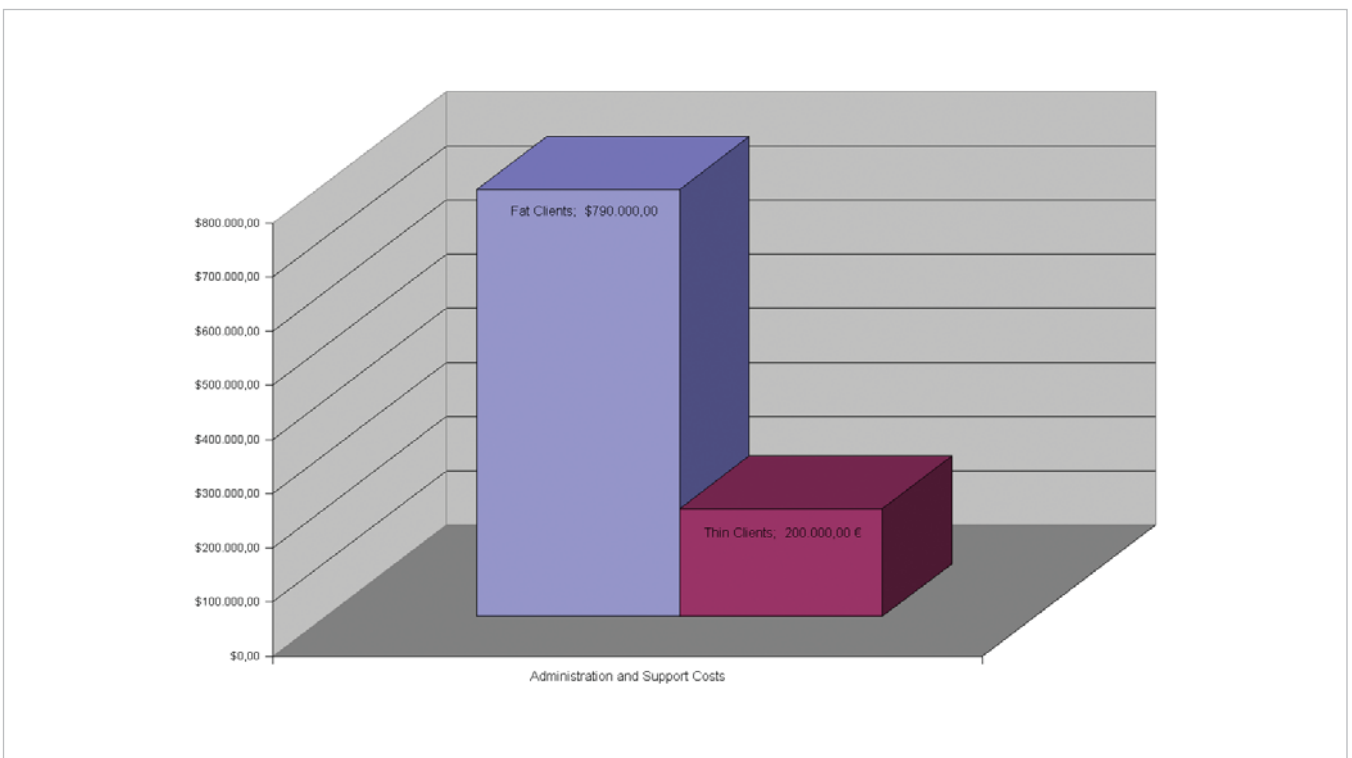


Fig. 2: Diagram administrative expenses, caption: The introduction of thin client technology resulted in a 74% decrease in administrative expenses and hotline and support costs for CommerzLeasing, a bank subsidiary



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