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Centralized IT pays off for ADP

2008 InfoWorld 100 finalist: Payroll and HR services firm consolidates IT operations to achieve resiliency — and significant savings

WHEN YOU'VE BUILT A \$9 BILLION business fulfilling the payroll and HR needs of more than half a million clients, your own needs can get lost in the shuffle. For ADP, IT efficiency is essential. That's why the payroll and HR services firm took a step back in 2004 to make sure it was getting the most for its IT money.

For years, ADP IT had been divided along business-unit lines. But when senior management looked into centralizing the company's IT infrastructure, the results were compelling. According to a feasibility study, ADP could save roughly \$70 million per year by centralizing IT. Furthermore, centralization would help the company realize substantial environmental benefits, including a 56 percent reduction in its datacenter footprint, a 3,000-kW reduction in power, and a 24,000-ton reduction in carbon-dioxide emissions each year.

Renato Crocetti, corporate vice president of the engineering and data processing group, was tagged to head up ADP's centralization efforts. Getting the project from study to final approval was a significant project in itself, he says.

"For ADP, this was considered a large-scale project with a significant financial commitment. Many months were needed to complete

analysis and obtain executive support," says Greg Levine, ADP's vice president of IT. Levine worked under Crocetti on this project. And, due to the size and scope of the project, that executive support had to include Gary Butler, president and CEO of ADP, who required strict project governance throughout.

All told, the project would require ADP to construct two identical Tier IV datacenters to provide not only essential IT capacity for existing and planned operations but also total redundancy, so that ADP could sustain at least one worst-case failure without critical impact. Levine and team situated the datacenters approximately 1,000 miles apart, with each location selected based on proximity to multiple network-carrier backbones and direct access to reliable power sources, among other criteria.

For ADP, siting the physical infrastructure was a significant effort but far from the only challenge the company faced, Levine says.

"Centralizing IT Infrastructure required a significant amount of organizational, process, and technological change," Levine says. "Leading change — especially trying to convince the various business units to realign their teams and environ-

ments, which really means transferring control of their data processing to a centralized 'utility' — always presents many challenges."

Even after control was ceded to the now-centralized "utility," Levine says, integrating and aligning the plethora of fragmented IT teams into one organization with one vision and common objectives was no small feat.

Consolidation brought innumerable benefits to ADP, including improved operational efficiency, security, and environmental responsibility. And by bringing disaster recovery in-house and shifting to an internal utility model, ADP staff became more vested — and more competent — in multiple aspects of IT.

Improved resiliency, real-time replication across highly fault-tolerant facilities, cost savings — the success of ADP's centralization effort has made it something of a template for how best to keep the company competitive in the years ahead.

"Many of the lessons learned have already been applied to medium- and large-scale projects," Levine says. Chief among those lessons: a strict program-management methodology, sole project ownership, and tying associate compensation to robust project milestones and objectives.

— Curtis Franklin Jr.

