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—Bill Raduchel, CSO of Sun

Bottom Line: Customer Satisfaction

Like any service organization, SunIR want to ensure that its customers are satisfied and productive. SunIR has developed several systems for measuring customer satisfaction. Two corporate-wide surveys provide qualitative responses on customer satisfaction and specific problems. Survey results from the Employee Quality Index (EQI) and the Customer Satisfaction Index (CSI) are evaluated to uncover service problems and help guide improvements at SunIR. Based on this data, cross-organization teams have been created to address specific problems, such as remote access service performance, cost structure, and network application development.

In addition, SunIR provides measurements of its technical services through the IR Quality Index (IRQI). The IRQI, accessible to any employee through IR's web site, provides information on network down time and email responsiveness, among other metrics.

HEADQUARTERS

SUN MICROSYSTEMS COMPUTER COMPANY, 901 SAN ANTONIO ROAD, PALO ALTO, CA 94303-4900 USA
PHONE: 650 960-1300 FAX: 650 969-9131 INTERNET: www.sun.com



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SALES OFFICES

ARGENTINA: +54-1-317-5600 • AUSTRALIA: +61-2-9844-5000 • AUSTRIA: +43-1-60563-0 • BELGIUM: +32-2-716-79-11 • BRAZIL: +55-11-5181-8988 • CANADA: +905-477-6745 • CHILE: +56-2-638-6364 • COLOMBIA: +571-622-1717 • COMMONWEALTH OF INDEPENDENT STATES: +7-502-935-8411 • CZECH/SLOVAK REPUBLICS: +420-2-33-00-93-11 • DENMARK: +45-44-89-49-89 • ESTONIA: +372-6-308-900 • FINLAND: +358-9-525-561 • FRANCE: +33-01-30-67-50-00 • GERMANY: +49-89-46008-0 • GREECE: +30-1-6188130 • HONG KONG: +852-2802-4188 • HUNGARY: +36-1-202-4415 • ICELAND: +354-563-3010 • INDIA: +91-80-559-9595 • IRELAND: +353-1-8055-666 • ISRAEL: +972-9-9513465 • ITALY: +39-39-60551 • JAPAN: +81-3-5717-5000 • KOREA: +822-3469-0114 • LATVIA: +371-755-11-33 • LITHUANIA: +370-729-8468 • LUXEMBOURG: +352-49-11-33-1 • MALAYSIA: +603-264-9988 • MEXICO: +52-5-258-6100 • NETHERLANDS: +31-33-450-1234 • NEW ZEALAND: +64-4-499-2344 • NORWAY: +47-2218-5800 • PEOPLE'S REPUBLIC OF CHINA: BEIJING: +86-10-6803-5588; CHENGDU: +86-28-678-0121; GUANGZHOU: +86-20-8777-9913; SHANGHAI: +86-21-6247-4068 • POLAND: +48-22-8747800 • PORTUGAL: +351-1-412-7710 • RUSSIA: +7-502-935-8411 • SINGAPORE: +65-438-1888 • SOUTH AFRICA: +2711-805-4305 • SPAIN: +34-1-596-9900 • SWEDEN: +46-8-623-90-00 • SWITZERLAND: +41-1-825-7111 • TAIWAN: +886-2-514-0567 • THAILAND: +662-636-1555 • TURKEY: +90-212-236-3300 • UNITED ARAB EMIRATES: +971-4-366-333 • UNITED KINGDOM: +44-1-276-20444 • UNITED STATES: +1-800-821-4643 • VENEZUELA: +58-2-286-1044 • WORLDWIDE HEADQUARTERS: +1-650-960-1300

CASE STUDY

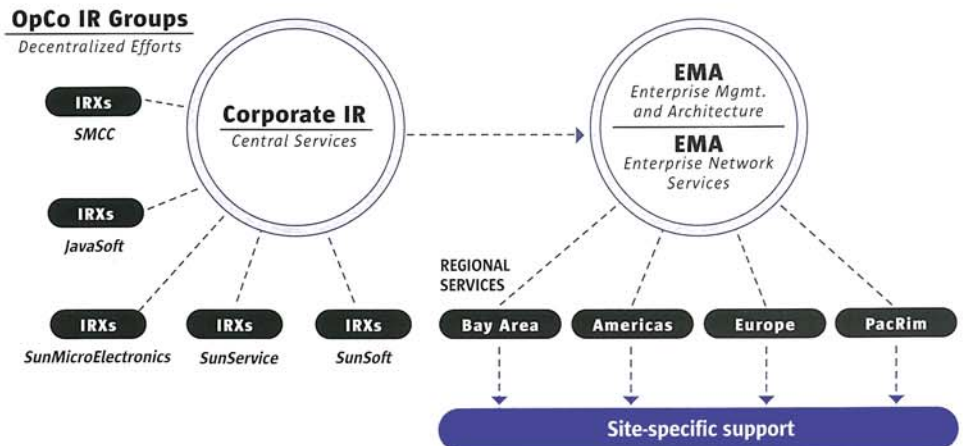
Key Business Results

Centralizing corporate-wide services and decentralizing functions specific to Sun's operating companies helps SunIR to balance its diverse IT needs.

Implementing standardization practices helps to lower capital costs, consolidate servers, and reduce system administration requirements.

Implementing a break-even business model requires SunIR to deliver services at reasonable prices.

The SunIR Organization



Providing Quality Services

SunIR balances its diverse IT needs by centralizing corporate-wide services and decentralizing functions specific to Sun's operating companies. Centralization of network and desktop services and support allows SunIR to provide Sun employees and operating companies with high-quality consistent services. Each Sun operating company has its own Information Resources team that funds, plans, and forecasts the IR needs of their own companies. This decentralized aspect of SunIR's operating model allows individual operating companies to develop applications and systems that meet their specific needs without imposing the costs of those systems on the entire Sun organization.

Keeping TCO Under Control

Rising headcount, skyrocketing infrastructure costs, and the astonishingly rapid rate of change and complexity in running a \$9+ billion business have made TCO a critical issue for SunIR. The group focuses on TCO initiatives that will deliver long-term positive gains across Sun. While these initiatives may require time to achieve demonstrable results, the lasting benefits will be significant.

Standardization is one of SunIR's primary tools for decreasing TCO. During 1997, Sun deployed its Common Desktop Environment (CDE) on all Sun desktops worldwide. SunIR offers a standard technical system for engineers and sales engineers and a non-technical system for sales representatives, executives, and managers. All desktops run off the network: there are no local applications, data or printing, and only the technical users have root access to their system. These standardization practices lower capital costs, consolidate servers, and reduce desktop administration requirements, which all contribute to keeping TCO down. Today, SunIR is in the midst of reconfiguring desktop environments with its webtop and web server initiatives, which will extend standardization to applications and even further decrease the cost of desktop support.

SunIR has developed another initiative, called Capital Asset Management (CAM), to improve asset use through standardization, basic asset management practices, and life cycle management. Better asset management supports SunIR's efforts to lower TCO. First, standard configuration offerings make demand forecasting easier, allow volume purchasing, better inventory management, and reduce delivery time on new orders. Tracking and reporting of service use allows managers to more efficiently allocate resources and budget (see below). And finally, asset recovery and recycling programs improve asset use.

Running on a Business Model

SunIR also keeps TCO under control by operating on a demand-based, break-even business model. This business model requires SunIR to provide services, at reasonable prices, that can be 'bought' by its customers, i.e. the Sun operating companies. All SunIR services are included on a price list that is published annually. This list is reviewed and approved by Sun's Chief Information Officer and each operating company before it is published. Every quarter, Sun's operating companies and business operations use this list to forecast demand for services. Each demand forecast requires approval by the appropriate personnel at the individual operating companies.

This process ensures that operating companies understand the cost of SunIR's services and that they can be held accountable for their expenditures. To make these costs visible and understandable, SunIR tracks and reports demand and trends at each operating company. This data provides operating companies with the insight they need to better manage and control expenses.

"Data helps IT departments prove that their services cost money and that someone needs to pay for those services. Ultimately, a charge-back system communicates to the entire organization what the need and demand is for IT services," said Nick Johnson director of SunIR's Business Architecture Management Services.

In addition, SunIR also measures its performance against its competitors to measure effectiveness and identify opportunities for improvement. By providing benchmark comparisons, SunIR can ensure Sun's operating companies that they are buying services at fair-market value or, in many cases, below the industry average for IT services.

SunIR: a Living Laboratory

SunIR is pushing the envelope in defining new computing strategies for Sun's evolving corporate enterprise. As part of its charter, SunIR is tasked with helping Sun practice what it preaches, continually balancing its mission critical responsibilities with its role as Sun's living laboratory. Today, SunIR is playing a revolutionary role in defining the future of business information management at Sun with Java™ Enterprise Computing.

"SunIR is the agent for changing the way we operate as a company. The Java enterprise is an entirely new way of delivering our information systems. It's significantly better than any other way that's existed before, and we're stepping up to the challenge of leading the way into the new networked age," stated Bill Raduchel, CSO of Sun.

Best Practices

- Balance centralizing common-denominator services with providing services to meet individualized needs.
- Dedicate resources to consistently communicate the value that IT adds to the organization.
- Measure, measure, measure. Solid data on demand and use helps customers understand costs.
- Don't over-complicate the chargeback model. Complexity causes confusion and resistance among customers.
- Use true cost drivers and user demand to develop price lists.
- Conduct peer benchmarking studies to ensure customers that prices for goods and services are fair.
- Provide customers with options so they don't feel locked in to a cookie-cutter service.

SunIR as a Business

by Sun Information Resources

Highlights

Company

Sun Microsystems

Organization

Sun Information Resources
(SunIR)

About SunIR

SunIR is Sun's internal information technology support organization that is directly responsible for the information infrastructure supporting Sun's 22,000+ employees in more than 185 Sun offices worldwide. SunIR provides the vision and the engine for Sun's network and business systems including architecture, planning, development, deployment, and maintenance.

Running SunIR as a Business

According to a recent article in CFO Magazine, information technology (IT) is now the single largest capital expense for corporate America. This new development is both a boon and a bane to CIOs. On the one hand, now more than ever, businesses rely on IT to run efficiently and stay competitive in a global economy. At the same time, IT departments are spending heavily just to stay the course — and they haven't received the returns on their investments that they were expecting. Today, CIOs need to contain costs and respond to increased demands from internal customers. As dependencies on IT increase, the entire structure for IT spending is changing.

As Paul Strassman, author of *The Squandered Computer*, said, "After forty years of paying primary attention to technology, and secondary attention to economics, the roles are going to reverse. From now on, top management will be asking and demanding economic results before they will even consider technology options."

Sun's IT needs and demands create even greater IT complexity than the industry norm. The company's computing environment is absorbing more technology, faster than most other IT organizations. The number of platforms and protocols supported at Sun are expanding in response to business needs and new business solutions, such as electronic commerce, are adding significant infrastructure, application, and security challenges to the mix.

Sun Information Resources (SunIR) services and supports the IT infrastructure to meet Sun's IT needs. SunIR supports more than 22,000 worldwide users, ranging from novices to experts, and maintains almost 100 percent network uptime availability. SunIR also runs the Sun Wide-Area Network, also called SWAN, which has over 185 networked sites. The group's mission is to service and support Sun's complex network and user systems so that employees and operating companies have predictable, dependable access to and use of network and desktop systems and applications. In addition SunIR is chartered with creating shareholder value by managing the total cost of ownership (TCO) of the IT infrastructure, facilitating its growth and making it more efficient. And, unlike other IT organizations, SunIR also provides a 'living laboratory' for evaluating Sun products in a production environment and implementing breakthrough business solutions that use new technologies and innovations.

