

McKesson



A Case Study

About McKesson

The McKesson Corporation, founded in 1833, is the oldest and largest distribution and technology solutions company for the healthcare industry in the United States. It is ranked 14th on the Fortune 500 with revenues of over 122 Billion USD in the 2013 fiscal year. As the United States' largest healthcare company it is ranked number one in numerous product categories, including pharmaceutical distribution in the U.S. and Canada, hospital automation and medical-management software. In the U.S. alone, 52% of hospitals use McKesson technology and services. McKesson Technology Solutions provides software, automation, business services, and consulting to hospitals, physician offices, imaging centers, home healthcare agencies and payers.

McKesson Data Center Infrastructure

McKesson has multiple data centers across the United States operating at a capacity of over 1,500 racks. The sites use state-of-the-art Cat 6A cable and 10G fiber. The majority of the racks run at a high density of equipment.

Challenges

McKesson's data center operates as a cost center, charging internal customers for their use of facility and equipment. Infrastructure utilization and customer tracking were managed using a spreadsheet that, while considered very accurate, was enormously time consuming to keep up-to-date. It was so difficult to maintain that data entered into the spreadsheet had to be limited in scope to ensure maintainability. Like most IT organizations the McKesson data center Infrastructure and Operations (I&O) team was being challenged to work more efficiently and take on management of new sites as acquisitions took place.

Day-to-day issues included tracking equipment and infrastructure additions, moves and decommissioning, while ensuring visibility of the process. Management using spreadsheets meant cumbersome future planning and difficulty responding when failures did occur.

McKesson's DCIM Requirements

McKesson reviewed a number of DCIM solutions before being introduced to Cormant. Its DCIM requirements included:

- Strong inventory management, which McKesson considered fundamental to DCIM.
- The ability to view data at any level, from an entire data center to individual ports, allowing them to charge back customers in an efficient and timely manner.
- An intuitive user interface so multiple data center groups could use the DCIM system.
- The ability to easily maintain data accuracy and demonstrate a significant improvement over existing spreadsheets.
- Support for mobility and barcode scanning that could utilize existing asset tags on all equipment.
- Storage of all data points used in current spreadsheets.
- Ability to track equipment throughout its life cycle.
- Audit capabilities for both internal and external purposes.

Cormant-CS: The Chosen Solution

After a proof-of-concept (POC), the Cormant-CS DCIM solution was chosen. The software provided a configurable, comprehensive solution that did not require a full-time team to manage. McKesson liked the solution because it was rich in features, extremely cost-effective and able to handle a robust amount of data for greater ROI. These features combined with Cormant's business history of providing quality infrastructure management solutions since 2003 made it the right choice for McKesson.

Cormant-CS met all of McKesson's stated DCIM criteria. **Mike Alexander**, Implementation Manager in Data Center Facility Engineering at McKesson, said, "We found Cormant-CS to be feature rich, with enough configuration to allow us to store exactly the data we needed and to use the processes that were most important to us. The system's ease of use and mobility meant we knew we could roll this out to our teams and they would use it. This has proved to be the case and multiple teams now 'self-serve' using the Cormant-CS web."



Deployment of Cormant-CS DCIM

Deployment of Cormant-CS was tailored to McKesson's unique situation because data stored in its spreadsheet was exceptionally accurate. The following deployment approach was undertaken with McKesson:

- Training. Implementation, Configuration and Administration courses delivered.
- Process Definition. Continued work with McKesson to define and document its post implementation use of Cormant-CS.
- System Configuration. Set up data attributes and spaces that matched the McKesson structure and work processes (undertaken by both McKesson and external consultants).
- Data Importation. The data center teams had specific data labels they and their customers had come to expect. Through simple configuration, these field names could be kept during import. This made staff and customer adoption of the new system faster and required less training.
- Physical Audit. McKesson, cognizant that its data was accurate, opted not to perform a physical audit immediately. An audit was planned several months later to confirm the system's accuracy. It took only two workweeks to fully audit 600 racks of equipment using the Cormant-CS mobile computer.

Benefits After Deployment of Cormant-CS DCIM

The most visible benefit of the solution has been improved data center team efficiency and communication with other internal departments. A self-service web interface removed huge query burdens from the data center I&O group. Other groups that use the self-service feature reported efficiency improvements as well. Cormant-CS is trusted as the source of truth by many departments. Operation staff also uses the data for risk and outage assessment planning.

Significant time savings were realized with the deployment of Cormant-CS. In fact, a full time position tasked with spreadsheet upkeep was reassigned. Data is now kept up-to-date by staff as they make changes. Data entry, reporting, planning and cost center financial analysis have all dramatically improved.

Looking back, Alexander said, "With the other DCIM solutions we looked at we felt we would have had to have more staff running the software - staff we need to run the business." He went on to say, "With the handheld mobility of Cormant-CS and barcode scanning it has been a huge time saver and we know the data is always accurate."

One significant financial benefit for McKesson as a California-based company was improved tax compliance on reporting. With the use of Cormant-CS the IT group at McKesson has been able to use the asset information as definitive proof of "in use" and "disposed of" assets, saving potential incorrect payment of use tax.

Return on Investment

The return on investment (ROI) for McKesson has been across the full life cycle of data center business processes. This includes savings in time and money in data entry, reporting and planning and increased financial return due to accurate, automated, cost allocations and chargeback.

Perhaps the most significant and directly measurable area of savings has been employee time. While using its single mammoth spreadsheet system, coordination between specialists could take several meetings. This clearly hindered not only reporting but data center project planning and deployment as well. After deployment of Cormant-CS that coordination time was reduced to a number of hours by using configured reports for each function.

Future Expansion

In keeping with the notion that DCIM success is a journey, not a destination, McKesson plans to roll out Cormant-CS for other, smaller data centers and is planning an integration with a third party environmental wireless sensor solution. This integration will provide a true "single pane of glass" of operational data from the asset to the operating environment and power in and around the data center.