



rackspace

Customer Case Study – Healthcare

McKesson cures private cloud pains with public cloud

Rackspace guided McKesson's transformation from private to public cloud, positioning the company to better serve customers across multiple business units.

Our customer

McKesson is the nation's oldest and largest healthcare organization, serving more than 50 percent of U.S. hospitals and 20 percent of physicians, as well as international operations.

The obstacles they faced

McKesson needed to reduce its dependency on dedicated data centers to overcome business limitations, while keeping sensitive, complex workloads secure and compliant.

How we helped

Business/IT Transformation; Managed Cloud, Public Cloud, Microsoft® Azure®; Application Services/DevOps; Professional Services; Managed Pivotal Cloud Foundry; Managed Private Cloud on VMware®; ERP Management.

What we achieved together

McKesson reduced its dedicated data center footprint and centralized IT operations, while better serving customers, and maintaining stringent security and healthcare compliance.

McKESSON



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Vijay Thumma
Director of Cloud Services,
McKesson Corporation

Solving growth challenges with public cloud

McKesson is the oldest and largest healthcare company in the nation, serving more than 50% of U.S. hospitals and 20% of physicians. The company delivers one-third of all medications used daily in North America with operations in more than 16 countries. As Director of Cloud Services for McKesson Corporation, Vijay Thumma works with his internal customers to help them understand cloud, get applications ready for transition and provide operational support. After a successful foray into private cloud and some experimentation in the public cloud, McKesson embarked on a cloud-first strategy. “Over the last couple of years, we’ve

moved our traditional, virtualized environment into our private cloud,” said Thumma. “We can now say that we’re fully private cloud. Having said that, our private cloud needs grew by quite a big margin.”

That’s when McKesson started seriously looking at public cloud capabilities and the opportunity to start moving from capex to opex. With differing levels of sophistication and complexity in the business units, making the leap to public cloud wouldn’t be a one-size-fits-all move. In order to reduce its dedicated data center footprint, centralize IT and better serve the needs of its customers across the business, Thumma enlisted Rackspace to help guide its journey.

Addressing the multiple challenges of a public cloud transformation

There were two ambitious goals for the project. First, the organization wanted to modernize its applications. “The next one is that we wanted to make sure that we were tackling it from the right architectural standpoint with the right security and regulatory approach,” said Thumma.

McKesson needed more than just base service options. It needed an operations plan to build and accelerate its deployment and account for ongoing operational management, optimization and education. “The good thing about Rackspace was that they were able to focus on

the cloud lifecycle.” He said. They were very smart about how to roll out these capabilities to each business unit.”

One of the biggest challenges in its transformation journey, according to Thumma, was managing the cultural change that comes from changing the IT service model. “You’re basically disrupting an existing working model by bringing in these new factors of technology to customers,” Thumma explained. IT needed help to get out of the silo mentality and show the business how to experiment, fail fast and be more agile.

Another big concern for the large healthcare organization, which is subject to strict compliance regulations, was security and control. “One thing people always asked is are

we giving up all control?” said Thumma. “It’s a myth.” In addition to providing infrastructure, Rackspace also offers a stack of services focused on the unique security and compliance requirements of healthcare organizations.

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Vijay Thumma – Director of Cloud Services, McKesson Corporation

Rackspace was already a large Microsoft partner, and the fact that it brought so much Microsoft expertise further supported its decision and influenced McKesson’s plans to leverage the Azure PaaS (Platform-as-a-Service) public cloud platform. However, the organization is looking toward a multi-cloud future and is exploring Google Cloud Platform, also supported by Rackspace.

The value of a consultative approach

Rackspace worked with Thumma to help McKesson’s business units build the business case for public cloud, balance risk and compliance, and provide the best landing zone for individual workloads, while working with core foundational services to ensure adequate network security and account management. “Rackspace was always there to help us discover what’s out there for the business unit, help us do an assessment and put a framework around whether applications should be rehosted, re-factored or re-platformed,” he said. This was in addition to executing the nuts and bolts of migration and suppling ongoing

maintenance for some units or turning over newly transformed environments back to other business units.

“From the standpoint of being in front of the customer from day one to guiding them from an architectural standpoint, envisioning what their applications will do, engaging them in the customer onboarding process, building and deployment and operationally supporting every level, Rackspace was always there with different people and with different skillsets,” Thumma said. According to Thumma, Rackspace always thought about how it could help McKesson be successful with public cloud and the value proposition for its customers. Rackspace helped the team build customized environments for business units with varying degrees of cloud sophistication and implement sustainable solutions with minimal impact. “Whether they were going to support it or not, they were always there to call it out or come to us and say this is not the right way to do it,” Thumma said.

He credits Rackspace with helping McKesson understand that things needed to be approached in a very strategic fashion. He added, “They were already a step ahead of how we can balance against risk and compliance and making sure that we’re following all the security controls and protocols and providing the business units with revised architectures that work in the public cloud.” Currently, Rackspace provides the organization with Azure application architecture, design, deployment, monitoring, management, cloud maintenance, application monitoring and incident management.

Rackspace accelerates public cloud transformation and exceeds goals

“Rackspace cares as much about our IT as we care about it ourselves,” said Thumma. So far, McKesson has moved about a dozen applications to the public cloud on the Azure platform in a short period of time, with plans to move more and to explore multi-cloud functionality with Google Cloud Platform.

McKesson is getting more than just an infrastructure provider with Rackspace. “Not only is Rackspace doing a great job at managing our journey to the cloud with Microsoft Azure, but we’ve also learned how good they can be at managing other technologies that are important to us, such as Managed Pivotal Cloud Foundry, Managed Private Cloud on VMware, ERP management.” Thumma said.

“Then, they tie it all together with migration services and support,” Thumma said. “Having all of this under one roof really gives us the confidence that Rackspace is the right partner for our cloud transformation. We’re now accelerating our plan,” he added. The proactive management and business unit support for demand around new products and new features is another benefit McKesson has experienced from its Rackspace relationship.

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Vijay Thumma – Director of Cloud Services, McKesson Corporation

Thumma estimates that McKesson has reaped savings of 40% to 50% already. “The way we look at it, Rackspace is our partner, they’re not just a vendor.” he concluded. “They’re an extension of our team. That’s the way we look at it at McKesson. We’re a team and it’s been working great.”

About Rackspace

At Rackspace, we accelerate the value of the cloud during every phase of digital transformation. By managing apps, data, security and multiple clouds, we are the best choice to help customers get to the cloud, innovate with new technologies and maximize their IT investments. As a recognized Gartner Magic Quadrant leader, we are uniquely positioned to close the gap between the complex reality of today and the promise of tomorrow. Passionate about customer success, we provide unbiased expertise, based on proven results, across all the leading technologies. And across every interaction worldwide, we deliver Fanatical Experience™. Rackspace has been honored by Fortune, Forbes, Glassdoor and others as one of the best places to work.

Learn more at www.rackspace.com or call **1-800-961-2888**.

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April 30, 2019 / Rackspace-Case-Study-McKesson-IT-14775