rackspace.

Wyndham makes online hotel booking seamless across its 20 iconic brands.

By exiting the data center business, Wyndham Hotels & Resorts realized cost savings of 40 to 45 percent and simplified IT operations, fueling its acquisition-based growth strategy.

Our customer

Wyndham Hotels & Resorts is the world's largest and most diverse hotel franchise company, managing over 9,000 hotels and more than 700,000 rooms in 66 countries under 20 hotel brands.

The obstacles they faced

After spinning off from its legacy company, the newly formed Wyndham Hotels & Resorts had only four months to exit its corporate data center and overcome 30 years of technical debt.

How we helped

IT Transformation; Infrastructure; Managed Hybrid Cloud – VMware®; Productivity and Collaboration – Microsoft Office 365; Data Services - Microsoft SQL; Virtualization - VMware Server Virtualization

What we achieved together

In just four months, Wyndham executed a migration that was projected to take a year, delivering an improved customer experience and cost savings of 40 to 45 percent.

WYNDHAM®

> *"Migrating any data center is a daunting task; but one that's riddled with tech debt that has accumulated over thirty years is even more challenging."*

Paul O'Brien,
Global Head of Technology and Services, Wyndham Hotels & Resorts

Twenty distinct hotel brands, one core IT strategy

Wyndham Hotels & Resorts is the world's largest hotel company, by number of properties, with over 9,000 properties worldwide ranging from urban luxury hotels and beachfront resorts to inns and roadside hotels. To support its core mission of democratizing travel, Wyndham has built a portfolio of 20 iconic brands. And each of its brands has its own rich heritage and history, both from a business and a technology perspective.

However, this acquisition-centric growth strategy has brought with it a number of complex technology challenges. "We're never done with classic legacy environments," explained Scott Strickland, EVP and CIO of Wyndham Hotels & Resorts. "We acquire mainly hospitality [companies], and with hospitality generally being a little bit behind [other industries], I imagine we're going continue to acquire physical data centers."

As such, the recent acquisition of La Quinta, with its 900 hotels, included a physical data center acquisition. Wyndham's ability to rationalize redundant applications and integrate disparate systems of the companies it acquires is key to its ability to deliver a

five-star experience for its guests across all of its distinct brands, online and offline.

In May of 2018, after Wyndham Hotels & Resorts spun off from its legacy company (formerly known as Wyndham Worldwide), it needed to move out of its shared corporate data center into a new location. This presented an opportunity to take a step back and reassess its strategy for handling technical debt on an ongoing basis. "We looked at our internal data center and realized it was over 26 years old," said Strickland. "A lot of the applications in there were basically anchoring us to the past and not allowing us to serve our end customer the way we wanted to."

Strickland added, "We had an enormous number of consultants and data center professionals on-site who were managing these systems. We said, okay, do we want to be in the data center business? And we realized we don't."

Choosing the right strategy — and the right partner

Wyndham was at a crossroads. "We realized that we could take this problem, and we could either lift and shift," said Strickland. "Or, we could say, this is our chance to really transform. And we chose to use the opportunity to transform."

To begin with, Wyndham identified several "anchor applications" that could be moved to a cloud-based SaaS model. These included its central reservation system, as well as its property management system and content management system. "Once we moved those applications into a SaaS model, we addressed probably 50 percent of the computing power in our traditional data center," said Strickland.

But Wyndham's work was far from done.

"We realized early on that we were not going to be able to completely migrate to the cloud," said Paul O'Brien, Global Head of Technology and Services for Wyndham. "Quite a bit of replatforming would be required for some legacy applications."

Because it was on a deadline to exit its former data center after spinning off from its legacy company, Wyndham Hotels & Resorts realized that a colocation strategy — moving its existing hardware to a third-party data center — would be its best way forward. "Given some of our legacy applications, [colocation] was the only path that was going to get us there in time," said Strickland.

After vetting top providers, Wyndham chose Rackspace as its trusted partner, with the goal of using colocation as a launch point toward a longer-term IT evolution.

"Choosing colocation with Rackspace allows us to have flexibility for the future," said O'Brien. "Some [workloads] may stay on colo, some of them can end up moving to AWS. For example, some may need to scale very quickly; that's a perfect use case for AWS. Some of them may not; and in those cases, Rackspace can actually run them cheaper and more cost effectively for us than moving it out to AWS. In both cases, Rackspace is the right partner there because they can represent AWS or they can represent [their own data center solutions]."

A five-star data center migration

According to O'Brien, "Migrating any data center is a daunting task; but one that's riddled with tech debt that has accumulated over thirty years is even more challenging."

Wyndham had 258 applications and roughly 20,000 CPU of power that were supporting those applications. "Our initial timeline said we could migrate that in about a year," said Strickland. "But we realized we didn't have year. We needed to do it in four months. The entire company said there's no way you can [meet the deadline]."
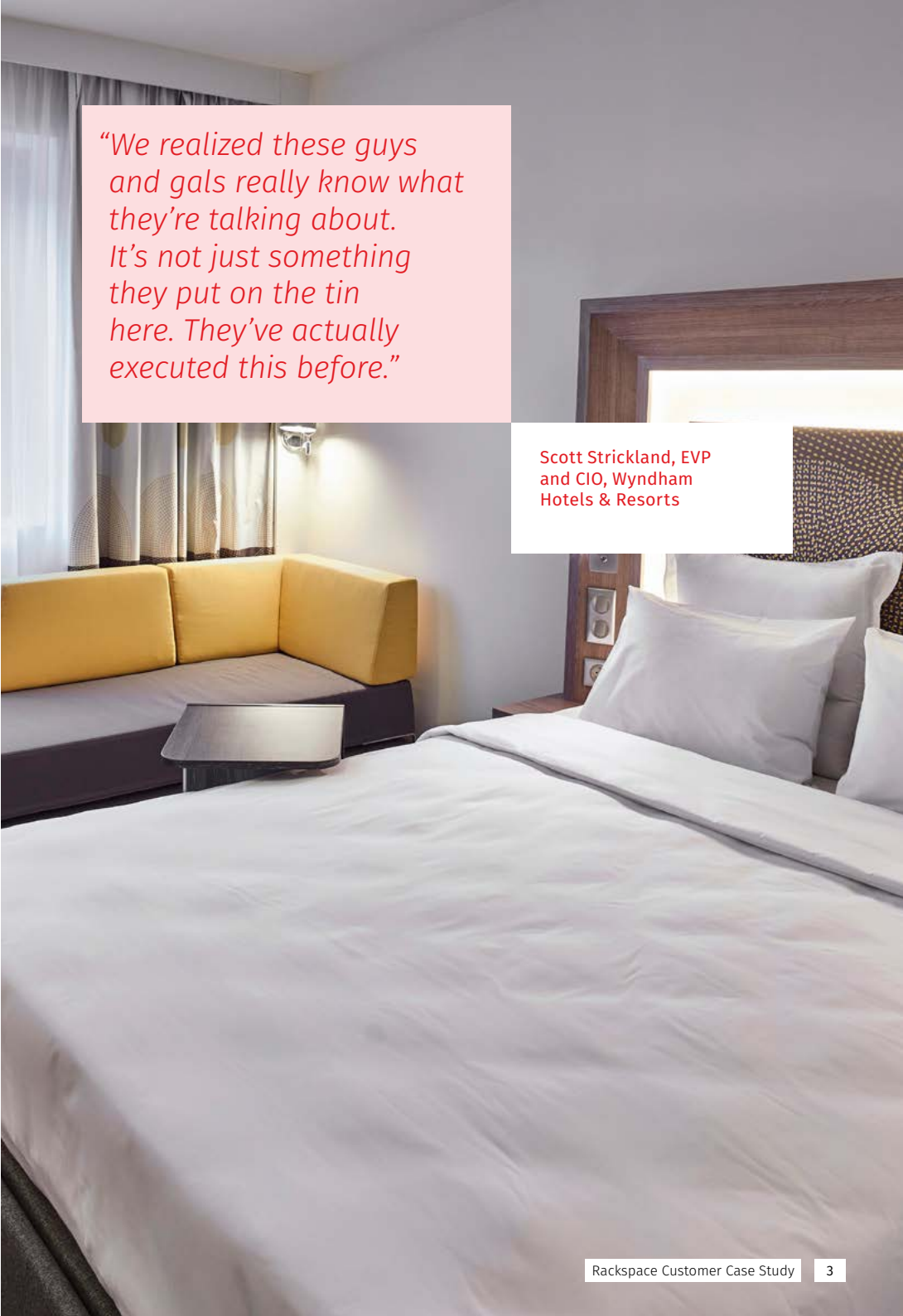
But Rackspace was determined and passionate about doing what it took to execute a successful migration in the timeframe that Wyndham required.

"[Rackspace] said it would be aggressive, but we could do it," said Strickland. "Having their teams available to support us over nights and weekends, and to help us through migration and through remediation — not just their local teams, but their support organization around the world [with Rackspace's "Follow the Sun" support model] — was outstanding."

Strickland added, "We realized these guys and gals really know what they're talking about. It's not just something they put on the tin here. They've actually executed this before."

The result? Disbelief, elation and immediate ROI.

"We met our four-month timeline and were able to turn over our keys to our old landlord as planned," said Strickland. "We couldn't believe it internally, to a degree, because we'd attempted this [migration] actually three times before and hadn't been successful. And then secondly, it drove a lot of savings to

"We realized these guys and gals really know what they're talking about. It's not just something they put on the tin here. They've actually executed this before."

Scott Strickland, EVP and CIO, Wyndham Hotels & Resorts

our bottom line. So there was quite literally, cheering throughout the building."

"Everybody was surprised — and elated — that we were able to do it," agreed O'Brien. "And to do it in a way where we had very minimal downtime and ensured that we were able to deliver services to the organization and the properties."

The ROI of exiting the data center business

For Wyndham, the impact of successfully exiting the data center has been felt across the business:

Drastically lower costs

"Our first year of savings are in the 40 to 45 percent range from our traditional run cost," said Strickland. "As we look at continuing to partner with Rackspace to optimize that, we believe our second and third year savings will be in the 60+ percent range."

O'Brien elaborated: "Owning and operating your own data center is very costly today, with mechanical infrastructure and all the leases associated with the hardware and software. We were able to get out from underneath all that. So our move to the [Rackspace] facility has been a great cost savings for the company."

A superior guest experience

"Ever since we moved to the colocation facility with Rackspace, the stability and availability has been great," said O'Brien. "We've realized performance has improved. And performance is important, because it's related to web traffic, reservations systems and data reporting. So across the board we've seen about a 30 to 40 percent performance improvement."

"Our old data center, being 26 years old, had a number of challenges," said Strickland. "From day one, our stability increased dramatically."

Improved focus on Wyndham's core mission

"One of the biggest benefits we had in moving out of our data center was that it allowed our team to focus now on the guest and the customer," said Strickland. "We don't have to think about the bits and bytes and running the data center and what needs to be upgraded or what OS we're on. Really, at the end of the day, our customer doesn't care. Our customer cares about, 'Can I check in? Am I going to have a good experience? Are our websites up?'"

O'Brien agreed: "With Rackspace as our managed services provider, managing all of our infrastructure, that frees up my team to work on many more strategic initiatives for the organization."

Getting the right feet on the ground

With a colocation model in place, along with the other core applications it now runs via SaaS providers, Wyndham is well positioned to grow the company and support its mission of making hotel travel possible for everyone.

"We are in the acquisition business," said Strickland. "We're going to continue to acquire smaller hotel companies. We've established a model now that allows us to quickly take their old data center and their old systems and migrate them into our Rackspace colo, knowing that we'll have the stability and cost savings very, very quickly."

When asked what lessons other IT leaders might take away from Wyndham's experience, Strickland said it's important not to shy away from the challenge: "Don't be afraid of an

aggressive timeline. What's the worst that can happen? If you find the right partner, it's achievable."

O'Brien agreed that the right partner is key: "It's important that you have the right feet on the ground: not just to deal with the infrastructure pieces, but to really understand the applications, to really understand application rationalization and to understand what applications belong where — public and private cloud infrastructure — and how to make that happen."

"You've got to get the right team engaged," said O'Brien. "Rackspace has been that team for us."

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Scott Strickland, EVP and CIO, Wyndham Hotels & Resorts