

# MCKESSON CORPORATION

McKesson needed infrastructure and expertise layered with a consultative approach to help its business units move complex, compliance-sensitive workloads to public cloud.

## BUSINESS

Healthcare company

## CHALLENGES

Modernize applications, architect the right environment with a strictly defined security and regulatory approach, build the business case and get buy-in for public cloud, and acquire an end-to-end cloud lifecycle strategy partner to accelerate deployment and to provide ongoing maintenance.

## SOLUTION

Managed Cloud, Public Cloud, Application Services/DevOps, Professional Services

## PRODUCTS

Microsoft® Azure®

## OUTCOME

Reduced dependency on dedicated data centers by moving dozens of apps across multiple business units to public cloud with a consultative approach to planning, assessment, execution and ongoing management while maintaining stringent security and healthcare compliance.

CUSTOMER CASE STUDY



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."

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VIJAY THUMMA :: DIRECTOR OF CLOUD SERVICES, MCKESSON CORPORATION

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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.

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 re-hosted, re-factored or re-platformed," he said. This was in addition to executing the nuts and bolts of migration and supplying ongoing maintenance for some units or turning over newly transformed environments back to other business units.

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"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. 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," The proactive management and business unit support for demand around new products or new features is another benefit McKesson has experienced from its Rackspace relationship.

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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

Rackspace is the #1 provider of IT as a service, in today's multi-cloud world. We deliver certified expertise and integrated managed services across public and private clouds, managed hosting and enterprise applications. Because Rackspace partners with the leading technology providers, including Alibaba®, AWS, Google, Microsoft®, OpenStack®, Oracle®, SAP® and VMware®, we are uniquely positioned to provide unbiased advice on the technologies that will best serve each customer's specific needs. Rackspace was named a leader in the 2017 Gartner Magic Quadrant for Public Cloud Infrastructure Managed Service Providers, Worldwide and has been honored by Fortune, Glassdoor and others as one of the best places to work. Based in San Antonio, Texas, Rackspace serves more than 150,000 business customers, including a majority of the Fortune 100, from data centers on five continents.

Learn more at [www.rackspace.com](http://www.rackspace.com) or call us at **1-800-961-2888**.

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