



## Customer Case Study – Government

# State government agency reduces cloud project costs by up to 82%

By moving to a secure multicloud-as-a-service (MCaaS) model, this state's IT department can deliver proven, secure solutions on any of the hyperscale public clouds.

### Our customer

In one of the largest U.S. states, this IT department provides a full spectrum of technology services to nearly 30 state agencies.

### The obstacles they faced

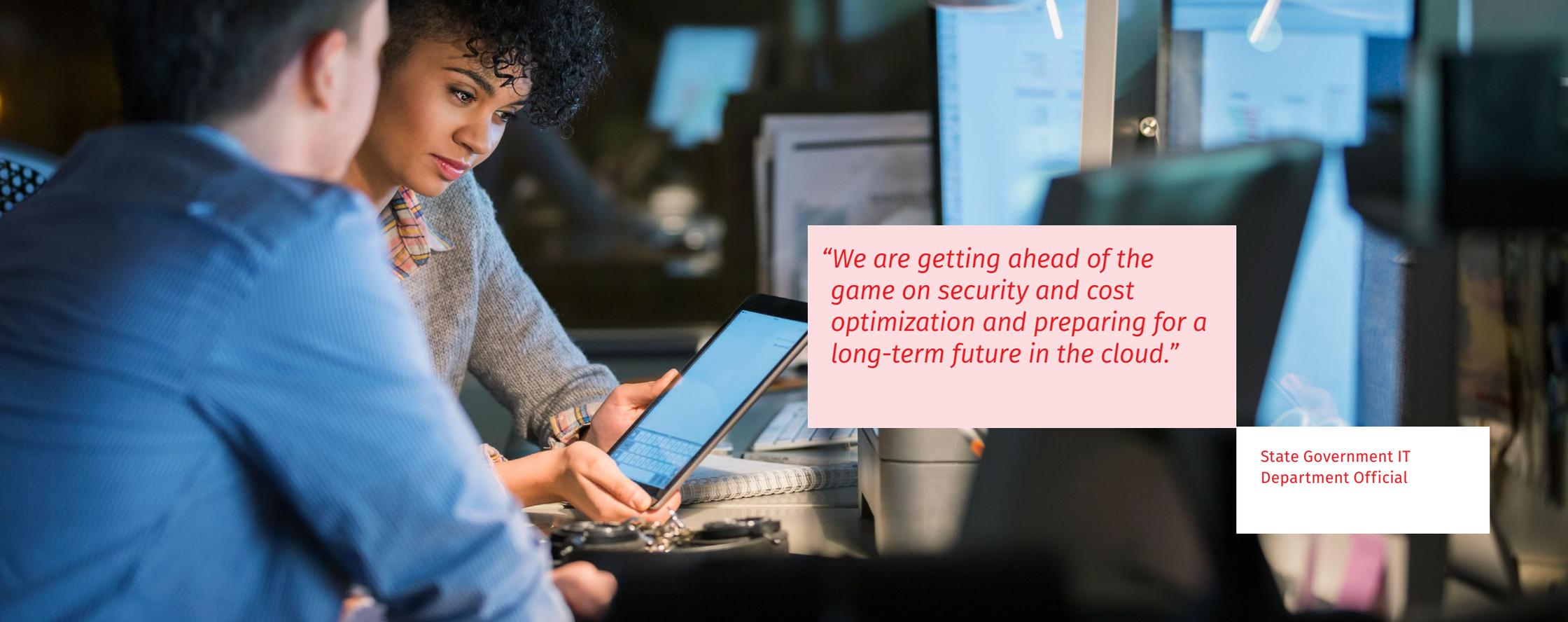
As time and technology advanced, this state's department leaders realized that its single-vendor approach to cloud services limited its agencies' ability to access best-of-breed technology and expertise.

### How we helped

Rackspace Government Solutions, Microsoft® Azure® Migration Program, AWS Migration Acceleration Program

### What we achieved together

In the midst of a pandemic and with compressed timelines, Rackspace Government Solutions delivered multicloud expertise to help one of the largest U.S. states modernize and expand its public cloud program, improve security and utilize cost optimization tools to help ensure a long-term future in the cloud.



*“We are getting ahead of the game on security and cost optimization and preparing for a long-term future in the cloud.”*

State Government IT  
Department Official

## Breaking free of single-vendor limitations

Scalability, flexibility, efficiency and innovation — more than mere buzzwords, they are requirements for state agencies grappling with unprecedented technology demand. In one of the largest U.S. states, its IT department provides a full spectrum of technology services to nearly 30 state agencies. But as time and technology advanced, department leaders realized that its single-vendor contract limited agencies’ ability to access best-of-breed technology and expertise.

“When you have one vendor doing it all,

you’re going to get the services that vendor has in its quiver,” noted a top IT department official. “And that made our customers question, ‘Is this really the best thing for me? How do I know that this is the latest and greatest technology?’”

To drive innovation and attract top-notch competition, this state broke IT acquisition into seven separate contracts: public cloud, private cloud, data center, networking, security, printing and digitization and solution services.

Now, the solution services vendor evaluates agency needs related to cloud and applications, providing impartial guidance on the best fit for specific agency requirements.

## Embracing a new public cloud model

In this new arrangement, the IT department awarded the public cloud contract to Rackspace Technology™, a Five-Time Microsoft Hosting Partner of the Year, the First Premier Services Partner for Google Cloud Platform, an AWS Premier Consulting Partner, and the only managed service provider to establish a VMware Cloud in AWS.

The San Antonio, Texas-based company is also a Leader in the 2020 Gartner Magic Quadrant for Public Cloud Infrastructure Professional and Managed Services, Worldwide, and brings its experience with

thousands of other public cloud customers to bear for state agencies.

“We’re bringing best practices in multicloud management and security, infrastructure savings and the ability to cost optimize workloads so the IT department and its agency customers get the best value,” said Phil Fuster, senior director of public sector sales for Rackspace Technology.

Rackspace Technology provided the expertise that the state needed to expand its public cloud program, managing all public cloud workloads by leveraging AWS, Azure and Google Cloud.

To further the state's public cloud expertise, the public cloud contract leverages a Cloud Center of Excellence (CCOE) that helps state agencies exploit the benefits of public cloud. The CCOE includes complex cloud engineers, administrators and a senior cloud architect. In addition to public cloud expertise, the CCOE can offer advance knowledge of new services from AWS, Azure, GCP and emerging public cloud technologies.

"It's not just about Rackspace Technology reselling us public cloud, it's about scoping, designing and deploying it as well," the IT department official noted. "We also needed a manager to provide and audit security controls. To really shore up the security of the state, we needed the right capability and expertise in the public cloud program."

Previously, cloud-savvy managers in state agencies were not able to leverage the public cloud extensively. They see the new contract as an opportunity to leap forward technologically. In addition, smaller agencies with less cloud experience are now able to take advantage of the public cloud.

## State IT departments can now accelerate timelines

The IT department's six-month negotiation-to-transition timeline was already ambitious, and the coronavirus pandemic threatened to complicate the transition. The typical in-person negotiation process suddenly became virtual.

"We use negotiations to validate all assumptions and establish agreements before setting a price," the IT department official said. "We assess corporate cultures and the capability of the key personnel. We make sure our vendors understand our complex, best-in-breed model and what it means to be one of our shared technology service vendors. We also believe

*"The IT department's six-month negotiation-to-transition timeline was ambitious and made even more so by the coronavirus pandemic. We put all these requirements on Rackspace Technology, virtually. And we did it all, virtually. It was amazing."*

State Government IT  
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that planning should be complete before transition begins. We put all of these requirements on Rackspace, virtually. And we did it all, virtually. It was amazing.”

The transition came at a time of unprecedented technology change and demand, driven by the pandemic. Functions that were never considered for online services suddenly had to be put there, sometimes in a matter of days, from an unemployment insurance application to call center and motor vehicle services. State needs for technology services in the cloud skyrocketed.

“Agencies recognize that public cloud is critical to their mission and their future,” Fuster said. “Some are becoming fully cloud centric, and some are trying to figure out how best to leverage the cloud. We work with them through every step of the journey.”

## Deployment and pricing challenges solved with a new cloud model

Agencies that faced multiple challenges under the old contract found that these were quickly solved in the state’s new public cloud model. For example, the IT department wanted to give its agency customers the ability to self-provision and control their

public cloud compute resources, but giving agencies access to all public-cloud consoles would lead to a loss of control and an inability to ensure that service-level agreements were met.

A menu of provisioning templates now makes it easy for customers to request specific configurations and builds from the public-cloud catalog of offerings. In addition, reserved pricing is offered for the first time.

Security and cost-optimization tools are game changers for business leaders struggling to keep up with the ever-changing cybersecurity landscape. Now, Rackspace Technology is configuring agency workloads securely and making sure those configurations don’t change. In addition, agency customers are getting a whole new financial view, and Rackspace Technology is making recommendations that save them money.

Cost optimization programs have already resulted in dramatic savings. On one project, the agency saved 82% of the retail cost, or \$21,800 a month, by tapping into Microsoft Azure hybrid benefits and a Rackspace-negotiated cloud service provider discount. In addition, Microsoft Azure Migration Program, AWS Migration Acceleration Program, and Google State and Local Enterprise fixed-price programs have saved agencies up to 25% of their public cloud costs.

## Embracing a future in the cloud

The state’s new public cloud contracting model enables the IT department to deliver proven, secure solutions across the cloud lifecycle to its agency customers, from design and build to management and optimization. Currently, 23 state agencies are leveraging public cloud through the contract, and momentum is growing.

*“We are getting ahead of the game on security and cost optimization, and preparing for a long-term future in the cloud. I’ve seen some states move applications to public cloud and do it well. But I haven’t seen states embrace a consolidated, intentional roadmap with security and cost optimization so strongly entrenched”*

**- State IT Department Official**

## About Rackspace Technology

Rackspace Technology is the multicloud solutions expert. We combine our expertise with the world’s leading technologies — across applications, data and security — to deliver end-to-end solutions. We have a proven record of advising customers based on their business challenges, designing solutions that scale, building and managing those solutions, and optimizing returns into the future.

As a global, multicloud technology services pioneer, we deliver innovative capabilities of the cloud to help customers build new revenue streams, increase efficiency and create incredible experiences. Named a best place to work, year after year according to Fortune, Forbes and Glassdoor, we attract and develop world-class talent to deliver the best expertise to our customers. Everything we do is wrapped in our obsession with our customers’ success — our Fanatical Experience™ — so they can work faster, smarter and stay ahead of what’s next.

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

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