



## Valogix is on Cloud Nine With Savvis Symphony VPDC

### Overview

Founded in 2001 by a team of seasoned service and business professionals, Valogix is a leading provider of inventory management solutions. Valogix serves businesses of all sizes and across all industries to cut inefficiencies from their inventory processes and achieve fast, measurable results. The company has a global reach, with channel partners and customers in 34 countries throughout North America, the United Kingdom, Western Europe, and Southeast Asia. Rounding out the company's offerings is a network of independent consultants, which provides expert help on all aspects of inventory management. Valogix is based in Saratoga Springs, New York.

### Business Opportunity

Since its inception in 2001, Valogix has continued to build on its worldwide reputation for innovative inventory management software. Originally offered as traditional "on-premise" solutions, Valogix's products were licensed and implemented by customers and installed on their own in-house systems. But back in 2006, the software industry was undergoing a seismic shift as a new business model began to emerge: Software-as-a-Service (SaaS), under which software was delivered over the Internet as an on-line service.

"We felt the market was changing, that customers' appetite for hosted solutions was growing, and that there was a real market opportunity in front of us," said Rich Vaccaro, president and CEO of Valogix.

Vaccaro believed that creating a SaaS version of Valogix's flagship inventory management solutions as soon as possible would give the firm a competitive advantage. "None of our competitors had moved in that direction yet," said Vaccaro. "Our timing was pretty good."

SaaS offered a unique — and very attractive — value proposition to both current and potential Valogix customers, said Vaccaro. By delivering its solutions as SaaS, Valogix significantly reduced customers' financial, operational, and technical risk. First, financial risk: customers could take advantage of Valogix's solutions using SaaS' subscription-based model. This meant no upfront investment in hardware, no software maintenance fees, and

### Company:

Valogix LLC

### Industry:

Technology  
(Software-as-a-Service)

### Line of Business:

Advanced Inventory  
Management

### Target Market:

Small and medium-size  
businesses (SMBs) and  
enterprises

### Location:

Global (34 countries)

### Summary:

Valogix, a leading supplier of inventory management and optimization solutions, decided to make the leap to SaaS. After making the strategic decision to go with a cloud computing outsourcer, Valogix picked Savvis' Symphony VPDC to host its solutions and associated customer data. Today, Valogix is able to close more deals faster, provision new customers more rapidly, and scale to accommodate new business as needed without having to invest in the underlying infrastructure.



an operational expense rather than a capital expense. Next, operational risk: because Valogix itself hosted, maintained, and upgraded the software, customers were freed from these routine but time-consuming responsibilities that nevertheless consumed valuable internal IT resources. Finally, technical risk: Valogix's customers would no longer have to worry about their on-premise software becoming obsolete due to technical advances or encountering conflicts with other solutions.

**“We're on cloud nine, and all because of Savvis.”**

**– Mark Yablonski  
CTO  
Valogix**

But to offer its solutions under the SaaS model, Valogix had to have an extremely scalable, reliable, and secure infrastructure. After all, it would not only be hosting the solution itself, but its customers' all-important inventory data. Additionally, as its customer list grew, Valogix's infrastructure would need to grow with it. Since Valogix was expanding at the rate of more than 50 percent a year, this was a key consideration. Then there was reliability: the solution had to be up 24/7 — and this was not negotiable, as customers around the world needed to be able to access it whenever they wanted. And because customers' very important inventory data would be stored on Valogix' servers, security was also a top priority.

Valogix understood all this. For that reason, Vaccaro and Mark Yablonski, the CTO of Valogix, knew from the outset of their SaaS initiative that they would be outsourcing infrastructure management. “We wanted to devote our resources to our core business — developing the best SaaS inventory solution in the industry — not on infrastructure issues,” said Yablonski.

Valogix had always been on the cutting edge of innovation. As CTO, Yablonski was always willing to be the first to investigate — and use — the latest technologies. So it was no surprise that he was convinced a cloud computing solution could address Valogix's needs.

Cloud is a new computing paradigm where processing capabilities, data, applications, and other IT assets, such as storage, are on demand over the Internet. The advantages of cloud include virtually limitless scalability, rapid provisioning of computer resources to support business needs, and reduced hardware and personnel costs.

All this made cloud immensely attractive to Valogix. The only question was, which cloud provider could deliver everything Valogix required?

“Cloud is hot, everyone wants to do cloud,” said Yablonski. “But most vendors' offerings have significant limitations.”

It didn't take long for Yablonski to find this out. Armed with a list of SaaS provider requirements, he made the rounds of the top cloud providers. Most he could eliminate after the response to one key requirement — are you able to accept a virtual image provided by Valogix? The Savvis Symphony Virtual Private Data Center (VPDC) was the only one that met all the requirements.

## **Solution**

The Savvis Symphony VPDC offers a virtual data center inside a multi-tenant cloud. As such, it delivers a powerful capability for defining, configuring, and deploying a full virtual data center without having to procure, install, configure, or manage any hardware. Containing a complete set of enterprise data center services — including compute instances of varying sizes, multiple tiers of storage, a wide variety of security features, high-performance, redundant bandwidth, and load balancing — Savvis Symphony VPDC is a major leap forward from virtual hosting environments that emphasize just the compute instances alone.

Valogix liked the fact that the Savvis Satellite VPDC gave it the capability to quickly and securely design and deploy a complete set of enterprise-class data center services for a variety of applications. And there would be no need to physically procure, install, configure, or manage any hardware — Savvis handles all of that while providing enterprise-class levels of availability, security, and connectivity.

Savvis offers its VPDC in three different service profiles: Essential, Balanced, and Premier. Valogix chose Essential to start off its engagement with Savvis, but expects to upgrade in the not-too-distant future.

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## Benefits

Valogix has been extremely happy with the results — from both technological and business perspectives.

The tough economy has actually accelerated Valogix's business, as so many companies are looking to cut costs and improve service. Valogix's high availability solution, made possible by the Savvis symphony VPDC, allows them to reduce their investments in inventory. "By reducing the amount of investment in inventory and minimizing 'stock outs,' inventory can go down as much as 60 percent, productivity goes up 85 percent, and cash flow is significantly enhanced," said Vaccaro.

Traditional inventory management systems for enterprises tend to be very expensive — upwards of half a million dollars or more — and it can take three to six months before they see any benefits. But "because of the VPDC and Savvis' many other innovations, we can offer an extremely competitive pricing structure, great ease of use, and a SaaS business model that allows our customers to start seeing benefits within a day or two," said Vaccaro.

The Savvis brand has also turned out to be enormously useful in helping Valogix close deals. Potential customers typically need to be reassured on a number of key points. First, they need to get comfortable with the capabilities of Valogix's SaaS solution itself — what the return on investment (ROI) is, and how effectively the solution will manage the very high-value data that represents their inventory assets.

But then they begin probing about Valogix's IT infrastructure capabilities. "Our customers want to know about security, about uptime, and, increasingly, about high availability," said Vaccaro. "They ask, 'What happens when the server goes down?' 'What about failover systems?' and, 'Will I always be able to get to my data?'"

Because of Savvis, "we can easily take any customer questions or objections off the table," said Yablonski. "We can get back to customers in a matter of minutes after quickly consulting with Savvis."

Additionally, "Savvis' customer service has been exceptional," said Yablonski. "Anything that happens, we know they will take care of it. We can do it by phone, by email, by Web, depending on the type of issue we have and what is most convenient for us."

## Future

Going forward, both Vaccaro and Yablonski are confident that the Savvis VPDC will be able to support Valogix's growth.

"Our sales pipeline is double what it was a year ago," said Vaccaro. "But we know Savvis can scale to meet our needs with its VPDC, which allows us to deploy new virtual machines immediately without buying new hardware, and without making our customers wait."

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**– Rich Vaccaro  
President and CEO  
Valogix**

**For more information  
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