

HRsmart employs services available on demand from IBM to deliver business processes dynamically.

Overview

■ Challenge

Build competitive advantage by improving responsiveness and enhancing marketability to larger companies

■ Why On Demand?

Dynamic infrastructure scalability combined with a variable pricing approach helps reduce costs and address larger customers' needs to manage short- and long-term changes in demand for human resources business processes

■ Solution

A flexible business model, leveraging rapid, on demand access to new virtual Linux servers to quickly launch new client solutions and expand overall capacity

■ Key Benefits

Increased sales volumes, resulting from the ability to deliver high-quality ASP solutions faster and at a fraction of the cost of competitive offerings



Outsourcing non-core business processes is a cost-containment measure that is gaining momentum with companies seeking a competitive edge. And application service providers (ASPs) filling this niche are looking for ways to deliver their services more reliably, flexibly and affordably than ever before. Consider the success of HRsmart, a thriving Web-based human resources services provider.

HRsmart (www.hrsmart.com) delivers affordable, customizable talent management solutions—encompassing services such as recruiting and

“We required state-of-the-art technology and business services—from an industry leader with strong credibility—that could help us reduce our costs and offer our clients an even more robust, reliable and affordable talent management solution.”

—Mark Hamdan, President and Chief Executive Officer, HRsmart

Leveraging a flexible, virtualized infrastructure to improve customer responsiveness

On Demand Benefits

- Reduced costs to customers, resulting from the ability to leverage a pay-as-you-go pricing structure to access additional hardware capacity
- Shortened time-to-market for new client installations, from weeks to days, by taking advantage of virtualized infrastructure and hosting services
- Increased responsiveness to client demand fluctuations, resulting from the ability to leverage logical partitioning capabilities to rapidly create virtual servers as needed
- Enhanced marketplace credibility due to access to IBM marketing and branding activities
- Increased sales volumes as a result of enhanced responsiveness to client needs, increased credibility and the ability to reach into new market sectors

staffing, performance management and career development services—via the Internet. “Ease-of-use, high-quality customer service and a market-leading value-to-price ratio distinguish our solution from competitive offerings,” says Mark Hamdan, president and chief executive officer for HRsmart, describing the successful business approach that has enabled the ASP to attract more than 140 clients, including mid-sized firms and Fortune 500 giants.

According to Hamdan, the mid-sized company achieved “major player” status in the talent services management market by reinvesting its earnings into enhancing its software and customer service. However, faced with rapidly increasing competition, the company felt it needed to transform its colocation hosting model, which required significant front-end investment to bring new clients on board and could not react dynamically to changes in demand. Hamdan explains, “To expand our capacity, we had to physically purchase and implement a new server—order, ship, install and deploy it—all of which could take weeks.”

To enhance the marketability of its offering to larger customers, HRsmart required a solution that would scale dynamically. “Because we wanted to expand our access to Fortune 500 firms, we had to address their key concern: managing fluctuations in demand for non-core business processes,” says Hamdan. “Large companies generally experience cyclical spikes in demand for these services.”

The ASP also wanted to bolster its market visibility, without shifting its successful business focus on product and service refinement. “We needed to improve our brand exposure,” recalls Hamdan. “However, because marketing processes are not central to our business approach, we wanted to associate our solution with an industry giant to give it the visibility, credibility and stability required to reach new sectors.”

Recruiting the right business model

According to Hamdan, the company transformed its business structure by taking advantage of on demand services from IBM—featuring a variable pricing structure and access to virtual servers to increase the dynamic scalability of its core offerings. “With an on demand approach, we can provide a more robust and stable solution, combined with a flexible pricing model that enables us to reduce costs while improving customer responsiveness,” he says.

HRsmart leverages IBM Managed Hosting - Linux virtual services, an innovative offering that enables the company to tap into virtualized server and storage resources as needed and pay for them through a usage-based pricing structure. “With Linux virtual services, we can add new clients and capacity by simply adding new virtual servers,” says Hamdan, “and we have the flexibility to provide dedicated physical Linux servers to our larger clients that we expect to grow rapidly.”

The company can also quickly adjust its capacity up or down to respond to fluctuating client demand volumes. “We can manage nearly any change in volume for our hosted clients. For growing customers, we can gradually expand the overall capacity of their solution,” Hamdan says. “And if clients experience peaks in demand during a day or a season, our virtualized infrastructure is designed to dynamically scale to provide the power they require.”

Thriving in a competitive market

According to Hamdan, HRsmart is one of the few providers in its industry to remain profitable during the recent economic downturn—success which he attributes in part to the company’s flexible Linux virtual services solution and its strong relationship with IBM. He explains: “As an ASP looking to grow rapidly and enhance the functionality and stability of our software solution, using Linux virtual services has helped us generate a unique competitive advantage.”

By avoiding the costs of building and managing its own systems, the ASP has been able to lower prices. “We believe that our solutions, delivered using the virtual infrastructure approach, cost around 50 percent less than most competitive offerings,” he says. Moreover, the company can deliver its end-to-end talent management solutions in a matter of days—from initial purchase decision to final solution delivery. “Our faster time-to-market with new client solutions results in part from our ability to access new servers and capacity faster and more reliably than our competitors, who can take up to three months to get their solutions up and running,” he remarks.

Hamdan states that HRsmart’s alignment with the IBM brand and reputation has also helped increase sales through expanded opportunities to land new business and a shorter sales cycle. He explains: “Our IBM relationship has brought significant market visibility as well as access to marketing and branding competencies that are not our primary focus.”

Key Components

Servers

- IBM @server™ zSeries® systems running Linux

Services

- IBM Global Services - IBM e-business Hosting™ services
 - IBM Application Hosting
 - IBM Facilities Hosting
 - IBM Managed Hosting - Linux virtual services

“We chose on demand services from IBM because we believe that our costs will decline by 20 to 30 percent, in contrast to a traditional managed hosting solution, as a result of scaling our technology using a faster, easier and more cost-effective virtual approach.”

—Mark Hamdan, President and Chief Executive Officer, HRsmart

Operating in a virtual environment

With Linux virtual services, HRsmart can access the power and performance of IBM **@server™** zSeries® technology without having to make a large, up-front hardware investment. And by taking advantage of IBM zSeries logical partitioning capabilities, Linux flexibility and a security-rich IBM e-business Hosting™ environment, the company can optimize its infrastructure through more cost-effective capacity management.

HRsmart's workload is consolidated on IBM **@server** zSeries servers running Linux and hosted from an IBM e-business Hosting Center—equipped with leading-edge safeguarding features such as layered redundancies and advanced backup and recovery capabilities. "Housing our critical systems within an IBM facility gives us access to all the power and bandwidth management, security and reliability features we require to keep our Web-based solution available around-the-clock to our clients," says Hamdan.

Services available on demand: opening new doors

"We do not see our Linux virtual services solution as a one-time solution, but as the critical step toward establishing a business model that can enable us to stay on the leading edge of technology innovation," Hamdan says, adding that the IBM solution opens the door to further enhancements to its business as the on demand approach to delivering Web-based business processes to customers continues to take root in the market. "Equipped with services available on demand, we can continue to take on the challenge of reducing costs and enhancing the quality of our solution."

For more information

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