



# Is cost-cutting justifying the move away from mainframe?

KPN, the leading Dutch telecommunication and ICT provider, has decided to modernize its entire ICT infrastructure. Part of this 'modernization' endeavor led to the decision to replace mainframes with cloud-based infrastructure solutions. This move away from mainframes was mainly for cost-cutting reasons. But, as Sjaak Visser, KPN TECHNiUM, Manager Collections at KPN, puts it: "One may be comparing apples to oranges." Meanwhile, the mainframes are still up and running, and in good shape, partly thanks to Atos' expert services.

As a leading telecom provider, KPN handles invoices with detailed consumption data for millions of customers. No surprise, then, that they have always relied heavily on a mainframe-based architecture for dealing with these huge amounts of data and transactions. Especially for the simultaneous processing of all usage data and the creation of the resulting invoices, the mainframe's capacity to manage huge workloads comes in handy.

But, not unlike many other organizations nowadays, the KPN management has increasingly become convinced that the mainframe platform can be considered old-fashioned and expensive. KPN has therefore decided to move all workload to a standard, cloud-based environment.

The cost argument, however, may not be as convincing as initially expected, remarks Sjaak Visser: "They compare the mainframe's TCO to that of a comparable server offering in the cloud, and conclude that a cloud solution is far less expensive. Understandably so, because the figures do differ significantly. But they fail to realize that the mainframe

offers additional functionalities which lead to other forms of cost-savings. When moving from the mainframe to a cloud-based environment, you risk spending a lot more on additional connection and integration costs. These costs do not occur when you remain within that one robust integrated environment." Moving from the mainframe to a fully cloud-based solution may even lead to a higher TCO, Visser adds: "I've spoken to many colleagues from other organizations who have admitted that the new environment costs them more than the mainframe-based environment they've moved away from."

The other frequently used argument in favor of leaving the mainframe platform is that you're forced to use 'old-fashioned' technology, which would make the platform uninteresting for the younger generation of ICT experts and there increasingly hard to support. A valid argument, but far from entirely true, replies Sjaak Visser: "It's true that one can still find a lot of Cobol code on the mainframes, but one can also use web services, XML and even Java with the current mainframes, so there's no reason to scare the younger generation."

## A reliable partner makes the difference.

KPN is currently still using the mainframe for three financial applications: the invoicing of all fixed-net customers, the payment and debt manager application for the follow-up of service-related invoices, and - to a lesser extent - the central debtor system. The mainframe platform for these applications is being hosted by Atos, which also provides 24/7 support in case of problems or downtime. "Not that we ever needed support for the last scenario: the mainframe hasn't ever been down since Atos has started hosting the platform", adds Sjaak Visser. Additionally, Atos is in charge of the mainframe batch processing and assists KPN in finding innovative solutions for the remaining mainframe applications, even though this is not specifically included in the current terms of the contract. A highly appreciated addition acknowledges Visser: "We are still far from shutting down all mainframe applications, so any time- and cost-saving innovation is very welcome. Only recently, they have helped us in realizing an improvement in some data handling processes, which has reduced the elapse time from several hours to merely 3 minutes."

A reliable partner does make a huge difference for any mainframe customer. "And when it comes to reliability, Atos is surely one of a kind", adds Sjaak Visser, "we have been partners for over ten years, and throughout this period it has always amazed me with their mainframe expertise. They have helped us connect the mainframe to the outside world, and the transition to the cloud may benefit from the Atos expertise as well."

## Mainframe: the future of ICT?

Even though KPN is currently moving away from the mainframe environment, Sjaak Visser is convinced that the mainframe itself is not going away anytime soon. On the contrary, he believes: "As the world gets increasingly digital, ICT architectures need to become more and more reliable, and able to cope with huge amounts of data. Exactly those two characteristics are defining traits for the mainframe. It is only a matter of time before companies realize this and will start considering mainframes, or rather the next evolution of mainframes, say 'Mainframe 2.0'."

But before that can actually fully happen, Sjaak Visser has some advice for the mainframe builders: "They really need to get rid of those black screens with green letters. They add to this image of old-fashioned technology dating from the previous century. If they replace these interfaces with a modern GUI, people would be much less intuitively adverse against mainframes."

And for those organizations who are still considering whether they should move to cloud environments or stay loyal to their mainframe platform, he adds this one well-known adage: "Carefully consider and question what the cloud providers are offering you: if it sounds too good to be true, it probably is."

