



Gratifón achieves forty-fold faster setup of new virtual servers in the cloud



Customer profile

gratifon

Company Gratifón S.A.
Industry Telecommunications
Country Panama
Employees 12
Web site gratifon.com

Challenge

Gratifón needed a dependable, scalable and cost-efficient server infrastructure to support its telephone kiosks and a rugged, reliable embedded PC for the kiosks that would be able to stand up to high temperatures and humidity.

Solution

As an alternative to building and maintaining its own data center, Gratifón runs its solution on the Dell™ Cloud with VMware® vCloud Datacenter Service. Dell OptiPlex™ XE embedded desktops run the kiosks.

Benefits

- Saving 50,000 USD on server hardware and 60,000 USD a year on operating expenses
- 450,000 calls on 19 Gratifón Kiosk phones in less than 3 months
- Forty-fold faster setup of new virtual servers in the cloud
- Same day set up of applications in Dell Cloud

Application areas

- [Cloud Computing](#)
- [End User Computing](#)
- [Services](#)
- [Virtualization](#)

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Oz Yosef, CEO, Gratifón S.A.

The globalization of the world economy creates opportunities for entrepreneurs to address imbalances in local economies using cost-efficient technology solutions that can operate anywhere in the world. For example, consider the cost of making a telephone call in Latin America's emerging markets. Using pre-paid phone cards the consumer pays approximately 15 cents per minute, which adds up to a hefty 10 percent of the average consumer's income per month. On a corresponding scale, in the United States, a person making \$60,000 per year would pay \$500 per month in cellular charges—not a likely scenario.

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Enter Panama-based Gratifón. Its name literally means "free phone." The company has developed kiosks with telephone handsets and high-definition, 17-inch screens. Located throughout the country in supermarkets, hotels and airports, the kiosks enable a customer to pick up the phone and dial anywhere in the world for free using voice-over-IP telephony. While the customer is talking, an interactive video appears on the screen with an ad offering a product that is appropriate to the customer's needs and available nearby.

For instance, in a supermarket the ad would feature products the supermarket carries. At an airport, the ad could feature a car rental service enabling the customer to reserve a car and have it delivered right to the customer. In a hotel lobby the ad might feature a restaurant that caters to business travelers and their clients. The advertiser is billed for the amount of time the customer is exposed to the ad, and the customer gets a free phone call.

450,000 calls on 19 phones in less than three months

Although the concept is still in the very early stages with approximately 50 kiosks in Panama, it is taking off like

wildfire. "It's the best direct-marketing opportunity that advertising people have to reach their customers," says Oz Yosef, Gratifón CEO. "The customer wins, the advertiser wins and Gratifón wins. We placed 19 Gratifón Kiosks at supermarkets, department stores and universities, and we reached 450,000 calls in less than three months."

From Panama, Gratifón plans to expand with thousands of phones in Colombia, Ecuador, Argentina and Brazil. To handle the traffic generated by thousands of phones generating thousands of streaming video ads and responses, Gratifón needed a central data center with powerful computers in an easily

Technology at work

Services

Dell™ Cloud with VMware®
vCloud Datacenter Service

Dell SecureWorks™ managed
security services

Hardware

Dell OptiPlex™ XE
embedded desktops



scalable solution that would enable the company to add new locations by clicking a few buttons. “We didn’t want to get distracted by technology,” says Yosef. “Our goal is to produce great software applications and to sell ad space. And with different countries on our agenda with different regulations and infrastructures, we couldn’t build a data center in every country.”

Sourcing a data center or hosting solution locally in Panama was problematic due to high electricity costs—approximately 15 cents per kilowatt hour. In addition, the local IT skills market largely consists of hardware/software generalists rather than the hardware specialists Gratifón would need if it chose to build its own technology solution locally. Constructing a mission-critical computing facility, operating it in a region with high electricity prices and continually expanding it in response to rapid growth would be an extremely expensive scenario.

“With our particular needs for high availability and ease of scalability, I’ve always looked at adopting the cloud since we started up the company,” says Yosef.

Rejecting self-service cloud providers

Buying data center resources on a pay-as-you-go basis from a public cloud-computing provider was a far better option. “You don’t have the high upfront investment,” Yosef observes, “and you can grow without having people spend their time installing and upgrading hardware.”

The trick was finding the right public cloud partner. Yosef sought a cloud provider with high scalability, easy-to-use management tools and a granular, secure user permissions system. He evaluated Rackspace and Amazon and

found neither of them easy to use or adequately supported. “I wanted this to be a point and click experience,” says Yosef. “And I also wanted someone to walk me through it. For the most part, the cloud providers I tried were self-service.”

In the end, a chance phone call with a Dell director of business development brought Yosef’s attention to the ideal solution: the Dell Cloud with VMware vCloud Datacenter Service.

Managed by skilled Dell technicians, the solution combines VMware’s state-of-the-art virtualization software with redundant hardware, power and cooling to deliver consistently high scalability and reliability. The solution is secure as well, thanks to sophisticated technology from Dell SecureWorks managed security services. Dell also provides the expert services businesses needed to create, operate and grow successful cloud-based solutions.

Dell offered Gratifón the opportunity to become a beta customer in the service, and Gratifón accepted enthusiastically. “I don’t want to be in the data center business,” says Yosef. “I want to leverage a service provider like Dell to help me easily scale my business.”

Up and running in one day

Yosef found it simple to transition to the Dell Cloud with VMware vCloud Datacenter Service since he had already worked with VMware virtualization software on his local servers in Panama. “It was easy to set up my applications in the Dell cloud,” says Yosef. “I just converted them to Open Virtual Format, uploaded that, and I was up and running in less than a day.”

To set up a new kiosk, all Yosef had to do was copy the image he already had, make a backup and send it to the Dell Cloud, rather than provisioning a server

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from scratch, which is what other cloud providers required. "We did a webcast training to go over the Web-based vCloud interface," says Yosef. "I was quickly able to manage our servers. If any questions came up, the Dell people just walked me through them. It was very easy and user friendly. If there were any questions the Dell people couldn't answer, they referred me to the right person. I didn't feel like I was taking this on by myself. And the way the service is set up, it's just point and click. It's very, very easy."

Furthermore, the Dell Cloud gives Gratifón rapid scalability. "To add servers for additional markets, it's an easy copy, paste and change the labels as opposed to having to order servers, wait for them to arrive, unpack them, and set up the hardware and the software," says Yosef. "That's 10 days at least to set up the server software. It now takes us less than two hours, which is forty-fold faster, a real plus for a business such as ours which has to respond to opportunities with speed."

Saving \$50,000 on servers and \$60,000 per year on operations

With Dell Cloud with VMware vCloud Datacenter Service, Gratifón can grow

on the software side rather than having to invest in hardware that has to be replaced in a few years. "We saved \$50,000 by not having to buy server hardware, and we're saving \$60,000 per year in operating efficiencies, electricity, Internet bandwidth, and IT man hours. That is what the Dell Cloud makes possible," says Yosef. "As we roll out thousands more kiosks in the months to come, these savings will grow to seven figures. With the Dell Cloud, it's like getting a car for free and only having to pay for the mileage."

The best benefit is being able to sleep at night, according to Yosef. "We know Dell service from the servers we've bought from Dell here locally. The Dell Cloud enables us to offer top-notch services, and if issues should arise, Dell will handle them quickly knowing that we cannot afford downtime or slow phone or video streaming services."

For its kiosks, Gratifón needed an embedded computer to stand up to heavy usage and switch between videos without any delay while running 24 hours a day, 365 days a year. The computers also had to withstand a hot, high-humidity environment. "Humidity is very high here, and even at night

temperatures can get above 40 degrees Celsius [104 degrees Fahrenheit]," Yosef observes. "We tried several makes and models, but the Dell OptiPlex XE was the only computer able to handle the extreme testing we ran on it. It can withstand high temperatures without noisy fans to make hearing difficult." The three-year warranty will help keep down Gratifón's hardware replacement costs.

Services differentiate Dell Cloud

Gratifón plans within the next six months to add 250 kiosks to the 50 already set up in Panama. The company plans to roll out roughly 3,000 kiosks in other Latin American markets within 12 to 18 months.

"I trust Dell to support our growth plans with cloud services that get everything right," says Yosef. "I would recommend the cloud to anyone. It just makes sense. At the end of the day, if you're looking for excellent service, that's what sets Dell apart from other cloud providers."

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