

Success Story

PLAYING IT SMART IN THE IT SOURCING GAME



Case Study

Client: Blizzard Entertainment®

Industry: Video Games

Geography: Global

RampRate Solutions: Data Center HyperSourcing, CDN HyperSourcing



Situation

- With 8.5 million subscribers around the globe, Blizzard Entertainment was a huge success in the online gaming industry.
- The record-setting launch of World of Warcraft®: The Burning Crusade™, underscored Blizzard's transition from a top developer to the unquestioned leader in the "always-on" immersive virtual world.
- But with unprecedented growth in subscribers came exponential growth of player expectations for service uptime and performance.
- Blizzard needed to continue to meet player expectations despite mounting infrastructure pressures.
- Every dollar spent externally to support the Blizzard audience needed to be allocated for optimal efficiency and effectiveness. RampRate was enlisted to make this happen.

Action

- Delivered 8-figure reductions in colocation and bandwidth costs as well as future leverage through vendor diversification.
- Achieved 20% or more savings from aligning existing contracts while rewriting SLAs to cutting-edge best practices.
- Realized further savings from the identification and removal of unnecessary service components in existing contracts.
- Significantly reduced Content delivery network (CDN) expense by identifying multi-vendor strategy.
- Completed 32 ITO projects within the first year.
- Engaged new vendors rapidly and successfully even when unpredictable growth required very fast expansion.

RampRate Results Fueling Further Growth

With 8-figure reductions in colocation and bandwidth costs as well as important optimizations achieved through RampRate's solutions, Blizzard Entertainment has positioned itself for existing audience retention along with acquisition of new subscribers.

Increased Success = Increased Subscriber Expectations

Meeting Expectations Requires IT Services Optimization

Since its initial launch in November 2004 World of Warcraft quickly became a global sensation. Player expectations for service uptime and performance grew exponentially. The challenge became managing growth while meeting rising expectations. To stay ahead of the curve, Blizzard had to simultaneously continue developing world-leading gaming innovations, deliver an ever-improving player experience, and manage the infrastructure growth necessary to rapidly scale real-time game interactivity.

The imperative that had driven the company's initial growth—"Do everything it takes to deliver a gold medal user experience"—meant operational costs were also growing exponentially. To continue to meet player expectations despite the mounting infrastructure pressures, Blizzard needed to reexamine its IT commitments to ensure every dollar spent externally to support its audience was allocated efficiently and effectively. For this evaluation, Blizzard enlisted RampRate's array of IT services optimization offerings.

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Tapping a Hyper-efficient Ecosystem for IT Services Optimization

SPY Index™ Delivers Clarity on Cost and Service Levels

Blizzard contacted RampRate for an audit of and clarity on contract cost and service levels. As a result of the data-driven analysis available via RampRate's proprietary SPY Index™, it became clear that Blizzard had done an exceptional job in its initial negotiations, but over time, costs had risen faster than general market rates at the required service levels. RampRate pinpointed specific opportunities to tip the balance back to fair value for Blizzard.

Efficient Ecosystem Facilitates IT Services Purchasing and Reduces Overall Risk

During the rapid audit process, RampRate demonstrated that not only could it offer a clear market snapshot, it could provide a whole ecosystem of high-powered services and data-driven resources to create and maintain IT services relationships for new and existing contracts—with minimal cost and risk to those relationships. By realigning and optimizing its current contracts through RampRate's ecosystem, Blizzard was able to access efficiencies and risk mitigation traditionally available only to the largest enterprise business process outsourcing projects.

HyperSourcing Optimizes Value

Due to World of Warcraft's ongoing rapid growth, Blizzard required additional expansion space in the U.S. and Europe as quickly as possible. Despite the urgency of these requirements, Blizzard was able to secure deals made at highly favorable costs. How? At the heart of the RampRate ITO ecosystem, the SPY Index™ operates as a HyperSourcing engine that streamlines the process by rapidly identifying new and incumbent vendors prequalified to meet stringent requirements and industry best practices.

Continuing Advantages

As a participant in the RampRate ITO ecosystem, Blizzard enjoys many ongoing advantages.

- When a Blizzard site experienced undocumented hardware incompatibilities, RampRate sent its top electrical engineering expert to help coordinate diagnostics and workarounds that resolved the issue while minimizing player impact.
- When a vendor experienced two successive outages, RampRate helped Blizzard obtain a tougher SLA.
- Newly negotiated deals also are subject to annual audits, helping to eliminate gaps between cost and market value of IT services.

Tangible Results, Strategic Prominence

Results realized by Blizzard include:

- 8-figure reductions in colocation and bandwidth costs as well as future leverage through vendor diversification
- 20% or more savings from aligning existing contracts while also rewriting SLAs to cutting-edge best practices
- Further savings from the identification and removal of unnecessary service components in existing contracts
- Content delivery network (CDN) expense significantly reduced by identifying multi-vendor strategy
- 32 ITO projects completed within the first year
- New vendors rapidly and successfully engaged even when unpredictable growth required very fast expansion

Perhaps most importantly, the IT optimization realized with RampRate allowed Blizzard to focus on maintaining its unparalleled position within the computer games space. Blizzard marked its 20th anniversary in 2011, and in 2013 received awards for Best Digital Card Game, Best Strategy Game, and New Game of the Year.

About Blizzard Entertainment

Best known for blockbuster hits including World of Warcraft® and the Warcraft®, StarCraft®, and Diablo® franchises, Blizzard Entertainment, Inc. (www.blizzard.com), a division of Activision Blizzard (NASDAQ: ATVI), is a premier developer and publisher of entertainment software renowned for creating some of the industry's most critically acclaimed games. Blizzard Entertainment's track record includes 17 #1-selling games and multiple Game of the Year awards. The company's online-gaming service, Battle.net, is one of the largest in the world with millions of active players.

About RampRate

RampRate is a leading global sourcing advisory firm serving some of the world's most important brands. We advise on and help Global 1000 companies transact for data center, telecom, CDN, RIM, IT support, and software maintenance services. We leverage our proprietary sourcing decision execution platform and acquire sourcing data to optimize each client's bill of outsourced IT.

In our 14-year history we have optimized IT service contracts exceeding \$24 billion for clients such as EBay, Sony, AT&T, Intel, and CBS who save an average 23.8% on their IT services purchases with no risk and typically recover 1000s of hours of valuable staff time by leveraging RampRate. These companies also enjoy a 99% success rate on their sourcing transactions. The aggregated service provider information derived from the 1000s of sourcing transactions we have engineered yields valuable insight to our clients and partners.

In 2013 alone, we structured \$4.5 billion in outsourced IT services contracts. With \$15 billion in our pipeline for 2014 and an average client portfolio of \$125 million, we are positioned to experience triple-digit growth.