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Michael Gstach,
Enterprise Architect SPAR ICS



CASE STUDY

SPAR Retail Group Finds Fresh Business Agility With Private Cloud

Challenge: A rapidly changing retail world threatened SPAR's ability to adapt, evolve and innovate.

Solution: SPAR ditched its legacy physical infrastructure for private cloud and managed services.

Outcome: Increased business flexibility and speed of response to changing market demands.

The Challenge

SPAR was first established in Austria in 1954, before expanding in the 1970s when the original founding families joined with other regional wholesalers to form SPAR Austria AG, a 100% privately owned Austrian company. SPAR has since grown into a food retail giant, generating €5.68 billion in food sales. The group also owns the Hervis sports fashion brand that sells a further €490 million and a shopping center business with revenues of €2.85 billion.

From the introduction of the cash register to customer loyalty cards and business intelligence, SPAR has thrived during constant retail revolutions. But today's tech-savvy consumers expect to be able jump from mobile app to website and then visit a store to request home delivery. How could SPAR keep up with the enormous pace of change?

To support existing business operations and develop new services, such as online click-and-collect shopping, SPAR in Austria created its own IT services division, SPAR Information & Communication Services (ICS). ICS Enterprise Architect

Michael Gstach explains, “Many of the SPAR companies are at different stages in their technology journeys, and running business systems for the group presents a huge technical challenge. We found our staff were often locked into a repetitive cycle of deployment, maintenance and replacement, with very little time for development and innovation.”

He continues, “Combined with the pressures of business growth and even despite significant IT investments, we were in danger of falling behind. We needed to transform IT operations from a traditional reactive service into an agile, innovative business unit that proactively aligns with the commercial objectives.”

The Solution

To break the technical administration cycle, the SPAR ICS team looked to move away from traditional infrastructure and application maintenance, instead focusing on a service-oriented architecture. SPAR ICS sought a partner able to provide a complete managed infrastructure environment that it could access on a pay-as-you-grow, pay-for-what-you-use basis.



SPAR ICS

INDUSTRY

Retail

SOLUTIONS

Private Cloud, Data Management, Hitachi Unified Compute Platform for VMware vSphere

HARDWARE

Hitachi Virtual Storage Platform G1000
Hitachi Compute Blade (CB) 500 and CB 2500

SOFTWARE

Hitachi Storage Virtualization Operating System with global-active device, Hitachi Data Mobility, Hitachi Command Suite Analytics

SERVICES

Managed services provided by Hitachi TrueNorth Partner Axians

Outcomes

- Eliminates capex, with operations now funded through opex.
- Reduces time spent on administrative tasks and frees time to build out innovative IT services.
- Cuts error and delay by automating new service provision.

This change in strategy aimed to remove the technical burden from its own staff, who would then be free to work closely with the business units on developing innovative retail solutions. Additionally, SPAR ICS saw that partnering with a service provider offered the opportunity to eliminate capital expenditure (capex) on physical systems, paying for compute and storage capacity as an operational expense (opex).

Gstach comments, “We completed a comprehensive review of vendors and options. At that point we were running approximately 95% of our applications in VMware environments. We could see the advantages of virtualization, and looked, in particular, for ways to extend our VMware capabilities as a means of accelerating service provision, reducing costs and simplifying management.”

SPAR ICS selected the Hitachi Unified Compute Platform for VMware vSphere solution. This effort included two Hitachi Virtual Storage Platform (VSP) G1000 and two VSP G200 systems running Hitachi Storage Virtualization Operating System with global-active device. It also included eight Hitachi Compute Blade (CB) 2500 and six CB 500 servers, Hitachi Data Mobility and Hitachi Command Suite Analytics, plus managed services provided by Hitachi TrueNorth Partner Axians. Plus, Brocade ensures a scalable enterprise-class Fibre Channel SAN with four 6520 switches for highly virtualized cloud environments. “Our ‘service delivery platform’ based on the Hitachi UCP solution provides the perfect fit for our VMware virtualization plans,” says Gstach.

UCP for VMware vSphere not only supports the private cloud solution but also includes public cloud capability. Using these features, SPAR has the capability to, in the future, shift virtual servers to public cloud

providers, such as Amazon Web Services or Microsoft Azure. “If and when SPAR wants to move defined systems to a public cloud, the UCP solution gives us this flexibility, allowing for easier planning and implementation, and enabling much more agile response to future changes and demands.”

The Outcome

The Hitachi UCP solution provides SPAR ICS with all the compute, storage and network capacity it needs, available through a service catalog.

“Gone are the delays and complexity of specifying, buying and deploying separate systems,” says Gstach. “UCP allows us to create new VMware virtual servers for our retail and line-of-business applications quickly and easily, and we can return the resources to the pool as soon as we delete those virtual servers. This allows us to respond to business requirements rapidly and in the most flexible way. Our business users are able to consume new services in a cloud-like model. Applications and data are fully secured within what is effectively our private cloud.”

With the UCP solution in place, SPAR ICS has reduced the time to introduce a new service from days to hours. Similarly, new business applications that previously took up to 10 weeks to deploy – allowing for new hardware delivery, configuration and commissioning – now take just two days. The solution offers a simple catalog that enables applications and services to be selected and deployed using automated provisioning and orchestration. The automation cuts out error and greatly reduces time to market, which can be critical in retail.

“I no longer need to worry about sizing, ordering and deploying hardware; instead, service automation allows me to specify

from the catalog and deliver the system. For example, agile business units often pilot new services at short notice to handle promotions through social media that will drive business online or to the stores. The Hitachi solution supports this kind of true omni-channel retailing in a way that was not possible before,” Gstach says.

“Using the Hitachi management portal, we can balance processing workloads across all our applications to provide the most cost-efficient mix, scaling resources up and back, exactly as needed,” notes Gstach. “Without the delay, or capital investment, formerly required, we can create additional test and development instances at any time, retire them or join them to production, offering total flexibility.”

Gstach concludes, “By changing strategy to the managed service provision, SPAR has transformed its IT operations into a service-led business unit that actively looks for improvements and enhancements to help drive the business forward. We have invested in the digital transformation of processes, systems, operations and data to enable our group companies to do more and better business with these new technologies. All our future implementations will be on the “service delivery platform,” enabling the flexibility and agility SPAR needs to compete and win in the fiercely competitive retail industry.”

About Hitachi Vantara

Your data is the key to new revenue, better customer experiences and lower costs. With technology and expertise, Hitachi Vantara drives data to meaningful outcomes.

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