

Go Utility For Investment Protection!

One multifaceted enterprise ensures its family of companies and partners grow together, leveraging key technologies along the way.

Without a doubt the operations

of any international organisation in this day and age require more than a basic IT infrastructure to do well. Indeed, success requires proper alignment of information resources with operational and strategic business objectives. And the clearest evidence that an enterprise's technology assets are in line and support its overall initiatives and strategies is in how well it contributes to enhancing its corporate bottom line.

This is something Masaaki Mizushima, Senior IT Manager, at YKK Holding Asia Pte Ltd, the ASAO (ASEAN, South Asia & Oceania) Regional Headquarters of YKK Corporation, Japan, the world-renowned maker of zip fasteners, snap fasteners and buttons, as well as their manufacturing equipments, fully appreciates and embraces on the job. Like any senior information executive in the 21st Century, Mizushima is constantly in search of ways to heighten efficiencies, minimise costs and maximise benefits.

Going Utility

For instance when, soon after he had just paid more than half a million Singapore dollars for a new IBM System i Server (previously known as the AS/400), he discovered he had an option to go with a utility computing model that enabled his organisation to use the resources of a higher-end server in the same series through a relationship with Cavu Corp Pte Ltd.

"I knew about the availability of the utility computing model from Cavu in February," says Mizushima. "I was both pleased and disappointed at the time, because we had just purchased our new server in December last year, and we were looking at a three-

Customer ROI

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- ▶ No longer need to pay for unused resources. (No wastage) This, alone, will reduce your operating expenses significantly
- ▶ Now your future IT spending is predictable

year depreciation period for that."

Mizushima tells us that at the time of purchase, YKK Holding Asia was trying to help out its subsidiaries and partners across its ASAO geographies deal with their costs and stepping up their businesses by leveraging IT. "Our businesses in Australia, New Zealand and Fiji were facing new challenges, in a market that saw many apparel-making businesses closing down," he says. "So their budgets were getting increasingly tighter, yet in order to continue operating they needed to run our proprietary enterprise resource planning system."

Versatile Consolidated Server

In order to help them in this regard, Mizushima tells us: "We decided to have a consolidated

server for our OCEANIA companies, one that covered the needs of the Australia, New Zealand and Fiji companies, as well as YKK Singapore and all the rest operating in the region. They would all be on this common ERP platform at minimal costs. And for us in IT at YKK Holding Asia, we could allocate the resources and costs flexibly."

It was when he was in search of a consolidated server solution that the utility computing model came within his sights. "Cavu gave me a good proposal for server consolidation on their utility model, sometime in May," says Mizushima, who also received proposals from various other providers. "The other proposals were basic, requiring me to buy a new server for each of our companies, or at best one server for a few companies. But



Masaaki Mizushima, Senior IT Manager, Regional HQ: ASAO, YKK Holding Asia, constantly seeks ways to grow capabilities with a limited budget.

Cavu's offer showed an understanding of my intentions right from the start."

So without much ado, Mizushima dived into negotiations and then signed up for a CAVU Utility Model plan that essentially enabled him to consolidate YKK's OCEANIA companies' ERP onto a single platform, powered by an IBM System i520 with POWER5+technology, housed and hosted by a premium data centre. The contract also included the loan of YKK Holding Asia's original server to Cavu as a means to reduce the total cost of the solution to only a fraction of a million Singapore dollars per year, which was a far cry from the initial capital outlay of the same machine if purchased (more than S\$1.5 million). Plus, with the utility computing model, Mizushima could request, whenever there are surges in computing demands, more IT resources at any point in time, and only pay for the additional use. This is a stark contrast with a purchased machine that is limited by its own specs, and requires substantial capital outlay to upgrade—not an ideal option for most enterprises, which sees fluctuating computing demands.

Continued Business Assured

Cost savings aside, the highly flexible and versatile new computing resources made available to the companies by Mizushima's division delivered a host of other benefits almost immediately. "Given the nature of their business, our companies suffered from the lack of storage space from time to time, on average maybe once every quarter. If they didn't watch it, it could stall their systems. So they had to manually back up their files regularly. This was an unnecessary job that wasted a lot of manpower," he says, adding that the problem was gone after consolidation.

The consolidated server also serves one very important aspect, Mizushima elaborates:

"Now we can save time on our recovery system, giving them constant system functions and allowing them to keep their business running in time. That is the biggest benefit to us. It cannot compare with money. Business continuity is very important to us."

Ease of Expansion

In April, YKK Holding Asia and its parent YKK Corporation announced the US\$15 million establishment of a zip manufacturing plant in the Karachi Export Processing Zone, Pakistan. Referring to this development, Mizushima says: "It will be operational in the middle of 2007, and we will be providing them system functions without requiring them to purchase a server." There are many risks inherent in operating in certain developing countries. This is something that execs at all global companies are aware of. And as far as information system resources delivery is concerned, this is something that Mizushima has to live with on a daily basis—particularly since the occurrence of a riot in the region recently that damaged one of YKK's factories.

The server, incredibly, remained undamaged after the riot, but the company was taking no chances. "We were lucky with that. But it served to reinforce our commitment to locating our server in a more secure place," says Mizushima, who then goes on to say that he shall be seeing to the new Pakistan plant running its business on the consolidated server in Singapore.

All in all, the relationship with Cavu so far has gleaned YKK Holding Asia operational and strategic benefits, and given Mizushima and team no headaches, especially those that concern the financials of IT. "Whenever I have trouble with my budget, Cavu supports me with a very flexible solution. That to me is Cavu's strongest point," he says.

POWER UTILITY—Pay As You Use

For more insights on how CAVU can help you meet your organisation's cost saving demands and strategic business objectives, send e-mail to info@cavucorp.com.sg or just call us at +65 6303 6868



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