Into the Cloud

Dell uses outsourcing and cloud computing to simplify its 5 million daily interactions with thousands of trading partners, decommission more than 200 servers and reduce partner onboarding times from months to days.

Key Benefits	Inovis Case Study

Key Benefits

- Inovis cloud service helps Dell decommission three legacy platforms, 200 servers, 20 data center racks and 20 private circuits.

- Dell reduces IT costs by using a single global platform to manage 5 million daily transactions across more than 2,000 trading partners.

- Cloud computing model reduces the time to onboard new partners from months to days, enabling Dell to keep up with trading partner growth.

- IT service requests are routed through a SaaS application and billed-back to cost centers, improving governance.

Global trading partner expansion

As a pioneer in the direct-to-customer PC market, Dell has one of the top supply chains in the world and is known for its build-to-order customization and on-time product delivery.

Dell fine-tunes its supply chain in real-time to ensure service excellence. But keeping its supply chain running smoothly took more than fine-tuning when the company decided to leverage and integrate original design manufacturers (ODMs) and greatly expand the number of global retail partners.

The move to ODMs meant increased demand on the supply chain communications infrastructure. Instead of sending orders, updates, inventory data, and tracking information back and forth to a few internal manufacturing units, Dell now needed to securely share this information with dozens of external manufacturers around the world—many of them with different hardware, software, and business processes than Dell.

Expanding the number of retailers meant even greater demands on the infrastructure. Hardware and software systems at Dell's data center facilities would have to aggregate, process, and cross-reference millions more transactions with retailers each day.

> " Both the volume and complexity of transactions were about to skyrocket. Our systems would be translating back and forth between more than 300 transaction types and thousands of integration maps."
>
> Michael Amend
> Director of Enterprise Architecture, Dell

Dell was already supporting more than twenty different supply chain software platforms running on 200 servers. Those systems were processing a total of 5 million daily transactions and 300 transaction types, ranging from build-to-order transactions for single systems to large orders valued in the millions of dollars each. The IT team estimated that over time, the new manufacturer and retailer additions would more than double the transaction volume.

Adding to the complexity was the fact that Dell's trading partner integration systems directly impacted some of Dell's global business processes, including: financial settlements, warranty parts, purchase orders, invoices, shipments (ASN), factory communications, logistics and proof-of-delivery (POD), and services dispatch.

Supply chain project outstrips Dell's internal resources

Adding to the project scope, the process of onboarding new trading partners—certifying them, establishing connections to their hardware and software, and bringing them into the supply chain system—would require large staffing additions for Dell IT.

> " The sheer volume of new retail partners, multiplied by time zones, languages, customs, and standards, was daunting. Staffing up internally was not the best option because we would have to downsize quickly when the onboarding work was done."
>
> Michael Amend
> Director of Enterprise Architecture, Dell

Staffing and infrastructure requirements were expected to fluctuate for other reasons as well. "Seasonal variations in the sales cycle cause the demand for supply chain processing to go up and down, sometimes dramatically," says Amend. "Big fluctuations can also come from new product introductions or shifting a product to a new manufacturing site. In turn, that changes the level of staffing required to help trading partners use the system and resolve any differences between their records and ours."

Dell IT team decides to outsource and move to cloud computing

After evaluating all the requirements, the Dell IT team determined that the expansion of the trading partner communication systems would outstrip the internal infrastructure and employee resources available.

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About Inovis

Inovis provides software and services that enable companies to do business electronically across their entire trading community. Each day, over 20,000 companies across the globe rely on the Inovis platform to reliably send and receive purchase orders, synchronize data, exchange critical files and manage exceptions. Founded in 1983, the company is based in Atlanta, Georgia and has offices across the United States, the United Kingdom and Hong Kong.

For more information, please visit www.inovis.com or email info@inovis.com.

The team decided to outsource the trading partner processing and communications, including infrastructure, management, and the onboarding process, to a managed service provider. "By working with a service provider, we would be able to simplify our IT infrastructure and focus on our core business," says Amend.

Amend's team also decided that a cloud computing model would be the best fit for Dell's partner requirements. "With cloud computing, we could scale services like partner onboarding, order processing, shipment tracking, invoice delivery, and problem resolution to meet demand without having to add or remove resources," says Amend. "We wouldn't have to purchase hardware or software that might become idle when the demand changed. We'd be able to access resources over the Internet and pay only for what we actually used."

Dell selects Inovis as its outsourcing service provider

Amend's team conducted a rigorous procurement process to narrow the field and eventually invited two service providers to participate in a trial onboarding program. Based on the results, Dell chose Inovis as its B2B outsourcing partner. "The trial included moving seven trading partners from our internal systems to the service provider's cloud platform," says Amend.

" Inovis completed the project ahead of schedule, had the most flexible systems and partnership approach and also did the most thorough job."

Michael Amend
Director of Enterprise Architecture, Dell

The scope of work included consolidating Dell's platforms into a global service center, onboarding and supporting over 1,900 trading partners over five years, and managing the day-to-day aspects of Dell's supply chain communications with ODMs and retailers. The work also included providing analytics to help Dell manage trading partner performance and a service portfolio management software-as-a-services (SaaS) application for Dell to manage the governance of service-oriented requests to the IT group.

Private cloud service provides security and cost savings

Inovis helped Dell implement the largest B2B private cloud computing model in the world for its trading partner processing and communications. "The private cloud model we're using gives us the perfect mix of security, flexibility and cost savings," explains Amend. "Costs are lower because Inovis uses the same infrastructure for multiple clients, who share the expense. Our partner communication connections are secure over the Internet because the traffic is protected by Inovis through strong encryption in both directions."

Outsourcing simplifies Dell IT

By outsourcing its trading partner communications and processing to Inovis, Dell has greatly simplified its IT operations.

" So far we have eliminated three legacy supply chain platforms and decommissioned more than 200 servers, 20 datacenter racks, 20 private network circuits, 10 databases and 6 TB of storage that we no longer need for internal supply chain processing,"

Michael Amend
Director of Enterprise Architecture, Dell

Time to onboard partners reduced from months to days

Outsourcing has accelerated partner onboarding times and created a more elastic environment to better react to business changes, and has enabled the IT team to keep up with the rapid growth of Dell's global supply chain. "We now have expanded global capabilities to rapidly onboard ODMs and retailers in more than 30 countries around the world," says Amend. "On average, we can now bring a new trading partner into the system in just a few days. Previously, the process could take months."

End-to-end visibility provides "preventative healthcare"

Since the new cloud service is constantly monitoring the health of the underlying transactions and providing visibility to all parties, Dell can proactively reach out to partners to improve their service delivery. Problem transactions are quarantined before being sent, minimizing or eliminating the impact of downstream problems. The combination of help-desk-to-help-desk integration between Inovis and Dell and partner workflows speeds the remediation process.

Governing IT service requests

Dell's trading partner IT group is tasked with providing services to thousands of constituents, including ODMs, retailers, and third-party logistics (3PL) providers. To help Dell govern service delivery, Inovis provided Dell with an IT Portfolio Management SaaS application as part of its cloud service to manage the flow of trading partner requests to IT group. This SaaS application not only tracks the flow of requests and projects, but also manages process governance and provides a way to charge-back the cost of services to the originating business unit.

With the Inovis B2B integration services running on a cloud computing model, Dell is well equipped for the future. "The Dell trading community is constantly growing, and many of our new customers come from emerging markets in Asia and elsewhere," says Amend. "Those emerging markets have thousands of smaller retailers that we need to connect with, and not all of them have sophisticated IT systems. Inovis and cloud computing give us flexible access to the enabling technologies, language capabilities, and other tools we need to do business in the decades ahead."

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