Mitsubishi Motors Australia Limited cashes in with IBM DB2 and with SAP

Overview

- ***The Challenge***
  Mitsubishi Motors Australia Limited found its database volumes were growing, with corresponding increases in costs. Database growth was likely to increase data storage needs, and the company was seeking a way to reduce its costs.

- ***The Solution***
  Working closely with IBM Global Business Services, Mitsubishi Motors Australia Limited migrated to the latest version of IBM DB2, which includes advanced deep compression technology.

- ***The Benefits***
  Using IBM DB2 9 with deep compression, storage requirements for SAP applications shrank by almost 40 per cent. Some tables were compressed by as much as 80 per cent. This enabled Mitsubishi Motors Australia Limited to reduce Additional Resource Charge fees above the baseline changes by up to 50 per cent annually.

- ***Key Solution Components***
  Industry: Automotive, Distribution
  Applications: SAP® R/3® Enterprise, SAP Advanced Planning and Optimization, SAP NetWeaver® Business Intelligence 3.0, SAP Supply Chain Management 4.0 plus liveCache, SAP for Automotive
  Hardware: IBM® Power Systems servers
  Software: IBM DB2®, AIX® 5.3
  Services: IBM Global Business Services

Mitsubishi Motors Australia Limited (MMAL) is part of Mitsubishi Motors Corporation. MMAL's headquarters are located at Clovelly Park in South Australia, distributing its product range throughout more than 200 dealerships across the country.

MMAL had been operating a range of applications to manage its manufacturing, logistics, finance and related business units. In 2003, the company elected to migrate to SAP software to further consolidate existing disparate systems and to improve business efficiency.

The SAP software environment at MMAL includes SAP R/3 Enterprise, SAP Advanced Planning and Optimization, SAP NetWeaver Business Intelligence, and SAP Supply Chain Management applications.

Mark Tiddy, Manager, ICT Services at MMAL, comments: "With business growth, it soon emerged that paying for additional disk capacity above an

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Mark Tiddy
Manager, ICT Services
Mitsubishi Motors Australia Limited

agreed baseline level was adding significantly to the cost of our operations. During conversations with the IBM team about migrating to the most current version of DB2, it became clear that the deep compression technologies could offer significant savings."

Leveraging deep compression

The MMAL contract with IBM Global Business Services includes a baseline 2TB of storage, and any additional requirements are supplied under an Additional Resource Charge (ARC) contract. By upgrading to DB2 9, MMAL planned to take advantage of deep compression to reduce the total database size.

"The reduced storage requirements achieved by migrating to DB2 9 using Row Compression have helped to reduce the ARC fees above the baseline charges by up to 50 per cent annually," says Mark Tiddy.

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MMAL achieved an average compression rate of the SAP databases of 50 per cent – with some tables compressed by as much as 80 per cent. Following the compression, backup times were reduced by up to 33 per cent.

Handling the upgrade

Because the aim was to free up physical disk space and cut ARC fees, it was important to shrink the total database size, which represented a fixed minimum.

IBM Global Business Services handled without impact to the customer the entire DB2 upgrade

process, with the net result that the ARC charges have been halved and MMAL has reduced its total costs of operation.

"The technical skills from IBM were exceptionally good," comments Mark Tiddy. "Throughout this upgrade, IBM Global Business Services personnel have taken responsibility for delivering the infrastructure support that MMAL needs, and the efforts of specific individuals have been excellent. The IBM team gave us confidence that the right people were in place, and the upgrade turned out to be completely transparent."

Benefits of robust infrastructure

MMAL relies on a very wide range of SAP software, including financials, costing and logistics functions in the central ERP application, SAP for Automotive solution portfolio and key elements of the SAP Supply Chain Management application. MMAL also uses product planning and detailed scheduling (PPDS) for component planning, subcontract processes, vehicle planning and vendor schedules. The applications and IBM DB2 software are all hosted on IBM Power Systems servers, running IBM AIX 5L.

IBM has been providing SAP application support for materials management, production planning, product lifecycle management, project system, SAP Advanced Planning and Optimization, financials, controlling, and SAP NetWeaver Business Intelligence applications. SAP infrastructure support is provided by the Basis support team, and infrastructure support is delivered by the team at the Baulkham Hills Data Centre and IBM India.

"IBM runs a first-class data centre, offering very high resilience that gives us confidence in their ability to handle our mission-critical business systems," says Mark Tiddy.

"IBM is contracted to meet certain service levels for availability and performance, and if more memory or computer power is required, it all happens automatically."

Looking to the future

Mark Tiddy concludes, "We have moved from a mixture of legacy systems to an integrated solution with SAP software. The introduction of DB2 9 has immediately proved that there are savings available from implementing the latest technologies, and our aim now is to continue to drive out cost while taking the greatest possible advantage of our investments."

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