

Sony Italy



Key highlights

Industry/Market:

Electronics

Products/Services

- Sun™ Mainframe Transaction Processing software
- Sun™ Mainframe Batch Manager software
- Sun Fire™ V480 server
- Solaris™ Operating System

Key Business Challenges

- Establish consolidated IT structure to integrate with new corporate SAP system
- Create open systems environment to handle future IT needs
- Preserve mainframe functionality and keep vital mainframe applications unchanged
- Reduce costs from previous mainframe environment

Key Business Results

- Reduced annual IT software expenses by 50 percent
- Project ROI less than one year
- No disruption in business operations during rehosting effort
- Rehosting transformation transparent to local and remote end users

“I believe that open systems represent the future of information systems. With Sun Mainframe Transaction Processing software, we were able to rehost our important business applications from our mainframe environment to Sun’s open systems, preserving our investment in legacy applications and providing us a clear path to the future.” – Dario Politi, Manager, Sony Italy Information Systems

When strong market growth created a need for a European headquarters for Sony Corporation, it touched off a company restructuring that required centralization of disparate IT systems used by various European centers of the Japanese electronics company. As Sony moved to coordinate and improve IT operations, Sony Italy sought a means to preserve vital applications that would remain after the corporate mainframe was dismantled. Sony Italy knew that a mainframe alternative could result in significantly reduced annual IT expenses and new performance capabilities.

Sony Italy turned to Sun Microsystems to provide an efficient and affordable, high-performance open systems environment, and relied on Sun Mainframe Transaction Processing software to quickly and efficiently migrate its essential business applications from the outdated mainframe. By doing so, Sony Italy slashed annual IT expenses by more than half and recouped the initial project investment in less than a year.

European Headquarters Unifies Data Processing

The restructuring created Sony Europe in Germany, and all country centers in Europe began working directly with the new corporate center. During the restructuring, it became apparent that sales and operations data collection varied greatly from country to country. Sony Europe decided to unify the way data processing was performed throughout the continent by creating a single information system to allow all European centers to handle their own specific data retrieval.

The new IT system, *Phoenix*, was designed to use SAP R/3 in a UNIX® client/server architecture. It was based on open systems, high-speed channels, and graphical interfaces. The primary objective was to support user specific operations and guarantee the uniformity and integrity of data processing between all company centers throughout Europe.

Sony Italy’s Galassia IT System Manages High Volume Transactions

A large Sony division created in 1981, Sony Italy has more than 500 employees at its headquarters in Milan, a regional office in Rome, and sales agents nationwide. With annual revenues of nearly \$700 million, about 75 percent of its sales consist of electronic products, with security systems, television studios, and medical products accounting for the remaining 25 percent of sales. The company enjoys a 22 percent market share in Italy.

“The business transaction activity of Sony Italy is on a large scale, with close to 300,000 invoices processed each year. The mainframe-based IT system provided support for this business activity through the early years of Sony Italy,” explained Dario Politi, Manager, Sony Italy Information Systems. “The IT system was fully integrated and designed with a single database, with 800 online programs and 200 database tables.”

For the Sony Italy project, Sun worked with partner I-Ter Srl., a service provider offering specialized IT solutions in Italy, to deliver the mainframe rehosting solution.

Sony Globalization: From Galassia to Phoenix

When Sony Europe designed the new IT system to serve the continent, Sony Italy considered how that would alter its own IT operations. Sony Italy’s *Galassia* system was handling all local company activities: payroll, sales order processing, purchasing system, inventory, and more. The new European system, *Phoenix*, would provide Sony Italy with data retrieval options, but did not provide activities such as technical assistance and non-product procurement purchases. These activities were still hosted on various mainframes, which would be dismantled when *Phoenix* was fully operative.

Sony Italy needed a means to preserve these functions. One obvious solution was to bring a mainframe in-house, load the 800 to 1000 application programs, then create batch connectors to interface with SAP, for example, for technical assistance processing. But, with the annual cost of Sony Italy’s existing out-sourced mainframe at one million Euro, Sony Italy was not anxious to keep IT costs so high. Politi knew an open systems environment would reduce costs.

“We felt that installing a new mainframe would take us backwards,” Politi said. “I believe that open systems represent the future of information systems. We decided to identify all programs that were not included in the SAP integration project and rehost them from the mainframe to a UNIX distributed environment using a proven tool already available on the market,” explained Politi.

Moving Legacy Applications with Sun Rehosting Software

Sony Italy selected Sun because Sun Mainframe Transaction Processing software enables the easy migration of mainframe applications to open systems platforms. The Sun software has been used to migrate mission-critical enterprise applications from mainframe systems at more than 600 customer sites worldwide. For the Sony Italy project, Sun worked with partner I-Ter Srl., a service provider offering specialized IT solutions in Italy, to deliver the mainframe rehosting solution.

“We used a methodological approach to the migration process, with a preliminary auditing phase to verify the scope of the project, and define the base characteristics of the different environments, the operational plan, and the operative phases,” recalled Politi. “Once we completed these phases, we installed the required software. We then started the migration of the more than 500 transaction processing and 370 batch COBOL programs, nearly 200 DB2 tables, converted Oracle tables to conform to the Sony standards, and migrated the batch procedures.”

Last, to verify the interoperability of the different modules and to perform the functional test of the application, Sony Italy implemented the integration test phase. After this, the IT staff executed a parallel test to validate successful integration of the different components of the new production system. To complete the project, I-Ter handled training for the Sony Information System Group.

Significant Cost Reductions Through Sun

“The migration project took only five months, thanks to the compatibility of the Sun technology,” recounted Politi. “The application was implemented transparently for our local and remote end users. I-Ter and Sun offered us a complete solution, handling the entire process with resources provided on site at our Milan headquarters.”

The results have been impressive. Return on investment for the project was less than one year. In addition, annual savings for software costs are 50 percent. So, while Sony Italy was able to move its critical operations seamlessly and quickly from the mainframe to the Sun open systems platform, it has reduced annual expenses significantly and gained new IT flexibility and performance.

“We would look to use Sun products in the future,” noted Politi. “This project was a good indicator of what Sun Microsystems can deliver in cost savings and improved computing solutions.”

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Sun Microsystems, Inc., 4150 Network Circle, Santa Clara, CA 95054 USA Phone 1-650-960-1300 or 1-800-555-9sun Web sun.com



Sun Worldwide Sales Offices: Argentina +5411-4317-5600, Australia +61-2-9844-5000, Austria +43-1-60563-0, Belgium +32-2-704-8000, Brazil +55-11-5187-2100, Canada +905-477-6745, Chile +56-2-3724500, Colombia +571-629-2323, Commonwealth of Independent States +7-502-935-8411, Czech Republic +420-2-3300-9311, Denmark +45 4556 5000, Egypt +202-570-0442, Estonia +372-6-308-900, Finland +358-9-525-561, France +33-134-03-00-00, Germany +49-89-46008-0, Greece +30-1-618-8111, Hungary +36-1-489-8900, Iceland +354-563-3010, India-Bangalore +91-80-2298989/2295454; New Delhi +91-11-6106000; Mumbai +91-22-697-8111, Ireland +353-1-8055-666, Israel +972-9-9710500, Italy +39-02-641511, Japan +81-3-5717-5000, Kazakhstan +7-3272-466774, Korea +822-2193-5114, Latvia +371-750-3700, Lithuania +370-729-8468, Luxembourg +352-49 11 33 1, Malaysia +603-21161888, Mexico +52-5-258-6100, The Netherlands +00-31-33-4515-000, New Zealand-Auckland +64-9-976-6800; Wellington +64-4-462-0780, Norway +47 23 36 96 00, People's Republic of China-Beijing +86-10-6803-5588; Chengdu +86-28-619-9333; Guangzhou +86-20-8755-5900; Shanghai +86-21-6466-1228; Hong Kong +852-2202-6688, Poland +48-22-8747800, Portugal +351-21-4134000, Russia +7-502-935-8411, Saudi Arabia +9661 273 4567, Singapore +65-6438-1888, Slovak Republic +421-2-4342-94-85, South Africa +27 11 256-6300, Spain +34-91-596-9900, Sweden +46-8-631-10-00, Switzerland-German 41-1-908-90-00; French 41-22-999-0444, Taiwan +886-2-8732-9933, Thailand +662-344-6888, Turkey +90-212-335-22-00, United Arab Emirates +9714-3366333, United Kingdom +44-1-276-20444, United States +1-800-555-9SUN OR +1-650-960-1300, Venezuela +58-2-905-3800, or Online at sun.com/store

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