Aimig at the Global Leader of Production Control System by IT Outsourcing of System Operation

Realizing quality improvement and cost reduction of IT with “NSFITOS”

Background

As part of the company’s medium-term management plan, the IT department framework was to be reshaped. The targets for this move included an enhanced human resource capacity for strategy and planning operations, and optimization of IT infrastructure, etc.

Solutions

Selecting the comprehensive IT outsourcing service “NSFITOS” offered by NS Solutions Corporation allowed full utilization of the latest data center and cloud services “abssone Enterprise Cloud Service” of NS Solutions. IT infrastructure operation tasks were fully outsourced.

Result

A new IT department structure was established whereby the department is mainly engaged in developing IT strategies and performing IT planning, with NSSOL handling daily operations. The engineering of operations results in higher quality and reduced costs.

Considering IT outsourcing as part of business structure reform

Yokogawa Electric Corporation is currently pushing ahead with a business expansion program aimed at becoming the global leader in production control systems, transmitters and other control systems. Based on its medium-term management plan adopted in fiscal 2011, the functions of the headquarters have been optimized and other measures aimed at a wide-ranging business structure reform are being implemented.

As part of these efforts, the “Global IT Strategy” formulated by the IT department of the company poses a number of goals, including a rethinking of IT strategy, a shift of human resources towards IT strategy and planning operations, optimization of IT infrastructure, strengthening of disaster readiness, and improved quality of IT services.

Selecting NSSOL’s NSFITOS and also utilizing the DC and cloud

Among the multiple proposals, the one from NS Solutions Corporation (NSSOL) stood out by meeting the requirements on the highest level, which resulted in the company being chosen as an IT partner. To revamp the IT department framework, NSSOL’s outsourcing service called “NSFITOS” was to serve as the backbone, along with full utilization of NSSOL’s data center and “abssone Enterprise Cloud Service.” The project started up in July 2013. Approximately 1,000 servers in an on-premises environment, located either on company premises or in the disaster recovery center were gradually moved to the NSSOL data center or to an integrated virtualized environment. Operational re-engineering was applied to standardize or automate operations, thereby enhancing quality and reducing costs.

New framework enables IT dept. to focus on IT strategy and planning

The new framework went into operation from April 2015. Staff who were involved in IT operation were taken on by NSSOL as professional operators, engaged in developing IT strategies and pursuing IT planning.

Also within the context of its new medium-term management plan called “Transformation 2017,” Yokogawa Electric will be strengthening various measures in this regard. The optimization of the IT infrastructure using abssone is to continue until 2018, including the elimination of physical servers through virtualization and moving IT assets off the balance sheet, thereby further improving the quality of IT services and reducing IT costs.

Key to Success

The background for Yokogawa Electric’s move to IT outsourcing is the company’s structural reform drive based on its medium-term management plan. Mr. Taku Kitahara, General Manager of the Management Information Systems Department, puts it as follows: “It was a pressing issue for us to reorganize so that the IT department would be able to focus on IT strategy and IT planning.”

NSSOL was selected as the partner for IT outsourcing.

Mr. Kitahara describes the reason for this decision: “About seventy percent of our net sales are generated by overseas operations. We operate a large number of systems on a global basis, and 24-hour/365-day operation is an absolute necessity. And in Japan, we must also be prepared for events such as earthquakes. Given these circumstances, NSSOL has a long-term future vision including the strengthening of disaster preparedness.”

Mr. Tomoya Hayashida, Group Manager of the ICT Planning & Promotion Group in the Management Information Systems Department explains: “Because we wanted to strengthen operation stability of our systems, the question of whether a strong data center was available to ensure solid and resilient IT infrastructure operation was one of the major criteria. Also, in order to advance the structural reform of our IT organization, we needed to have the new structure operational by the end of March 2015, a milestone date of our medium-term management plan. Only NSSOL declared outright that they would be able to achieve this.”

The way NSSOL handled the project found high praise. Mr. Hayashida recalls: “Even when encountering items that were difficult to grasp, the engineers from NSSOL were willing to discuss things with us until they knew what we wanted, and then they looked into ways to give us the intended result. For the current project, we requested that the core procedures are systematized and well thought out.”

Mr. Kitahara adds: “While the project was in progress, some major issues came up on which we had to make a decision as a company, but the NSSOL people provided us with proposals that were adequate to the situation.”

Operations under the new IT framework began in April 2015. Mr. Hayashida comments: “The project is still at a mid-stage, but the foundation for a quality improvement of the IT infrastructure and for reducing costs has been developed. Based on management indices established in fiscal 2014, validation of the results will be performed from fiscal 2015 onwards. At the same time, we will aim for reduced IT costs centered around an expansion of the private cloud, and for further measures to strengthen operation stability of IT services.”

Mr. Kitahara concludes: “NSSOL has delivered work that exceeded our expectations, but IT is a field where the technology keeps on changing drastically, and so we will continue to be a strategic IT partner for us who provides a wide range of flexible responses.”