IT IS THE BEATING HEART OF SPAR

CUSTOMER
SPAR ÖSTERREICHISCHE WARENHANDELS AG

WEB SITE
WWW.SPAR.AT/DE_AT

INDUSTRY
RETAIL

LOCATION
SALZBURG, AUSTRIA

KEY CHALLENGES
- Different transformation speeds within departments
- 3000 different locations in 8 countries
- Paradigm shift in IT: from increasing efficiency to agile business orientation

SOLUTION
- Service delivery platform promotes innovation
- Scalable and fast provision of applications and resources
- High degree in automatization and standardization

BUSINESS BENEFITS
- User productivity
- Faster IT Service
- Micro-segmentation assures security

Every industry today is affected by digitalization. This also applies to the food trade. The privately owned company SPAR Österreichische Warenhandels AG has positioned itself as a Central European Group with a strong pillar in Austria as well as with its early expansion to Southeastern Europe. However, competitive advantages are more and more the result of technological leadership, therefore the management of IT subsidiary SPAR ICS decided to redefine its technology strategy. With a customized service platform as managed hybrid cloud, the 3000 locations in Austria and in 8 neighboring countries can be serviced individually, at short notice and flexibly – all of it with less effort and more security.

"From an Austrian retail company to a Central European Group" – that´s the name of the game at SPAR. And since its foundation in 1954 by Hans F. Reisch until today, this strategy has been impressively implemented. With 42,800 employees in Austria, the company is the largest private domestic employer. In total, the SPAR Austria Group employs 77,400 people in all countries. With the expansion to northeastern Italy, Slovenia, Hungary and Croatia, the food company realized the opportunities of cross-border orientation. The company is 100% privately owned, the daily business is guided by the values humanitarian, modern and uncomplicated.

Challenge: Digitalization requires a new strategic direction

Nearly no industry can be successful today without IT and digital skills. This is also true for the food retail sector. SPAR seeks leadership in growth, concept, assortment, price, cost, innovation and social issues. The value of "modern" is especially important regarding new technologies. Therefore SPAR operates its own IT company, SPAR ICS (Information & Communication Services), which executes the strategic orientation. "IT is the beating heart of SPAR. A failure would result in a complete shutdown with a loss of millions in our revenue", says Michael Gstach, Enterprise Architect at SPAR ICS. The headquarter in Salzburg is operating IT-systems at more than 3,000 locations in Austria and 8 other countries. The strategic applications and the infrastructure are technologically up-to-date, most of them are maintained and developed by the approx. 400 IT- specialists in-house.

"Gaining a competitive advantage can arise through leading technology - and that is a key competence of IT. We are becoming a business enabler, these are for me very exciting times", continues Gstach. But in order to implement new technologies successfully, the IT must meet the internal customers, i.e. the business units, where they stand right now with their know-how. IT is therefore confronted with different speeds on the path of digital transformation and must also change itself. So far, SPAR ICS concentrated on reflecting how to increase

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> "The core message of our new strategy means, that we are on the way from traditional infrastructure deployment to service-oriented architecture. With the technology of the service delivery platform we are convinced to be able to turn our slogan "Bringing Clouds Down to Earth" into reality."

MICHAEL KASTNER
HEAD OF TECHNOLOGY
SPAR ICS

VMWARE FOOTPRINT
• VMware vSphere
• VMware NSX
• VMware vRealize Operations
• VMware vRealize

PARTNER

axians

operational efficiency. Now the challenge for the team means to act in an agile and business-oriented way. Only such a paradigm-shift in doing, combined with the new technology strategy, will enable the rapid development, testing and implementation of innovations and new business models.

Solution: Bringing Clouds Down to Earth – service oriented architecture based on the software-defined data center

The digital challenges were the basis, from which the Management of SPAR ICS distilled their new technology strategy. Up to now, competencies in the areas of storage, virtualization and compute as well as administration had been separated in different entities. Now they should become an overall interdisciplinary competence or architecture. Michael Kastner, Head of Technology at SPAR ICS, explains: "In 2015, the strategic project Service Delivery Platform was launched. Our slogan in the project reads as follows: "Bringing Clouds down to Earth". The core message means, that we are on the way from traditional infrastructure deployment to service-oriented architecture." Instead of making hardware and software available, it is now time to provide solutions on demand in short time. As a result of this flexible approach, ICS needed a new infrastructure management.

It was decided to pursue a hybrid cloud approach based on VMware technology. VMware has been chosen, because it has become a technology leader in hybrid cloud solutions, enabling the customers to implement an innovative, agile and flexible solution. A pilot was implemented together with VMware, Hitachi and the leading Austrian IT service provider Axians. After the successful testing, Axians got the order to implement the new strategic platform.

Axians experts work with leading international providers, as a consequence they bring added-value IT solutions to customers and support their digital transformation. Clemens Haudum, IT Infrastructure Architect at Axians, comments: "As a strategic partner, we support SPAR ICS to implement the concept of customized service delivery. We are providing a managed enterprise cloud with a consumption-oriented licensing model, which allows to bear the costs from the ongoing business." In order to automate and standardize the IT infrastructure services, Axians relies on the concept of "software defined everything". Haudum continues: "With the abstraction from the physical layer, we gained the flexibility to implement the hybrid cloud strategy based on the VMware Software-Defined Datacenter." This means that all elements of the IT infrastructure, such as compute, storage, network and security, can be provided automatically throughout the whole lifecycle.

Benefits: Leadership in technology provides security

The seamless cooperation between the partners involved was an important factor in the successful implementation of the project. Clemens Haudum emphasizes this fact: "VMware is the technology leader for hybrid cloud solutions, which are constantly enhanced. As a cloud provider we have the assurance of being able to support customers like SPAR ICS in their cloud strategy at the best." The experts from Axians worked closely together with VMware Architects in the Professional Services and "Center of Excellence" areas. A Technical Account Manager from VMware accompanied the implementation, he ensured the continuous operations and further development.

With its software-defined data center and the internal orientation as a business-oriented solution provider, SPAR ICS has successfully completed a major strategic change of direction. The new service delivery platform from VMware

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CLEMENS HAUDUM
IT INFRASTRUCTURE ARCHITECT
AXIANS

provides the required technology edge. The growing number of cloud services and the short product lifecycles in the enterprise software segment can be managed easily now.

The team of SPAR ICS has gained time to focus on the topics of digital transformation and to support the business units. It is planned, that services will be designed based on vRealize Automation and will be made available to the business units cross-cloud via the self-service portal. With VMware's cross-cloud approach, customers can choose which hypervisor and which cloud environment they want to deploy. The business units of SPAR thus receive resources fitting their needs exactly as well as their required applications.

Looking Ahead

Michael Kastner observes the move in the right direction: "In retrospect we can say, that in the past we spent a lot of time just "keeping the lights on", in order to keep the business running. We are convinced that with this technology we are able to turn our slogan "Bringing Clouds Down to Earth" into reality."

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