

How Siam Global House Went from DIY Superstore to SaaS Provider

Siam Global House Public Company Limited is a retailer in the home improvement segment. It carries a wide range of products ranging from home décor items to heavy construction materials. Besides 75 warehouse stores in Thailand, it also has a presence in neighboring Cambodia, Laos and Myanmar.

Industry

eCommerce & Retail

Strategic priorities

- Multi-Cloud

Partner

As a leader among telecommunication and ICT service providers in Thailand for more than 31 years, AIS Business offers solutions from Business Cloud to IoT. <https://business.ais.co.th/>

VMware footprint

AIS Business services built on VMware® technologies

- AIS Enterprise Cloud service

Siam Global House makes home improvement affordable in Thailand with superstores across the country. To stay ahead of increasing competition from online retailers, the company needed to accelerate business decision-making, which had been inefficient due to the fragmented, in-store infrastructure silos. Working with longtime partner AIS Business, Siam Global House migrated its enterprise resource planning (ERP) system to AIS Enterprise Cloud, powered by VMware Cloud technologies. Eliminating the need for dedicated lines and servers reduced business costs by up to 50 percent. The company has also made the ERP available as software-as-a-service, hence opening a new revenue stream.

Bringing home improvement to the masses

Siam Global House opened its first home improvement store in Roi Et, Thailand, in 2007 to cater to the growing do-it-yourself interest among homeowners. Today the company has 75 superstores across the country, carrying a wide variety of products such as home décor items, gardening tools and construction materials.

Each superstore stocks over a million items spanning more than 130,000 stock-keeping units (SKUs). As the company expands into the neighboring countries of Cambodia, Laos and Myanmar, it aims to become the best distribution channel for inexpensive building materials and home furnishings in the region.

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Kriangkai Suriyawanakul, Vice CEO, Siam Global House



High operational costs amid fierce competition

When Siam Global House started operations, all the back-office systems, such as ERP and customer relationship management (CRM), were housed on-premises. As the company opened new stores across the country, the branches had to connect to the servers in the headquarters at Roi Et in northeast Thailand either through a domestic data circuit (DDC) or multiprotocol label switching (MPLS).

This setup resulted in challenges. First, each superstore needed a rack of servers, which required space, monitoring, maintenance and cooling. Second, such dedicated connections pushed up operational costs, especially when a backup line had to be in place in case one failed. Third, business expansion was slow as it could take two to three months to roll out a dedicated line to a new superstore. Fourth, business decision-making was inefficient, as everything could only be accessed and processed on-premises.

At the same time, the competition was heating up all around with the proliferation of online marketplaces.

“With e-commerce, we’re competing with local, regional and international retailers. The competition is moving fast, so we need to be more agile, to move fast and make quick decisions,” says Kriangkai Suriyawanakul, vice CEO, Siam Global House. “To do that, we need a flexible and scalable infrastructure, but our on-premises servers cannot deliver.”

Moving to the cloud with a longtime partner

Siam Global House was keen to shift to the cloud and started using services from a hyperscaler but the fees for data transfer and international payments proved prohibitive. In looking for alternatives, the IT team consulted with longtime partner AIS Business.

“We have been using many services from AIS Business for more than 10 years, from MPLS to mobile phones, and we’ve always been very impressed with their customer service,” says Suriyawanakul. “AIS has a stable and strong local network, and when we knew they had AIS Enterprise Cloud, we were happy to expand our business with them.”

The AIS Enterprise Cloud service is powered by the best-in-class network, storage and compute solutions from VMware. “And with AIS Business being VMware Cloud Verified, Siam Global House can be confident that they will be getting the best AIS and VMware Cloud services,” says Somchart Charoensuwan, enterprise product and partner management manager, AIS Business.

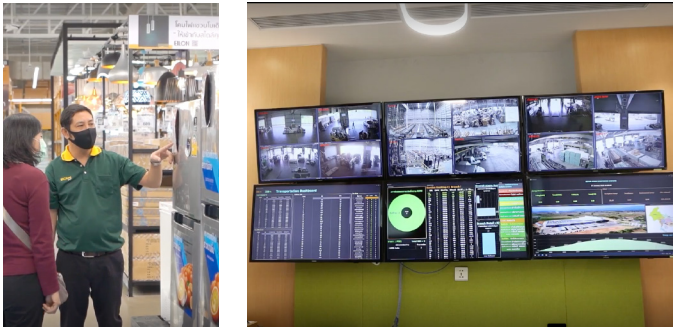
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Kriangkai Suriyawanakul, Vice CEO, Siam Global House

Through a series of discovery sessions, the AIS Business team produced a masterplan to move the retailer’s ERP system, which includes sales, point of sale, human resources, accounting and warehouse management functions, to the cloud.

Initially the DIY giant had some concerns over whether the ERP system would remain stable on the cloud due to the sheer number of SKUs. With meticulous planning, the migration was completed over a few months without a hitch.

“While we can buy cloud services from anyone, we won’t be able to find the same kind of top-notch support that we get from AIS Business,” says Suriyawanakul.



Providing a tried and tested solution to other retailers

For Siam Global House, migrating to the cloud has transformed its operations and business, starting from the bottom line. Now that the ERP system is in the cloud, all the branches can connect to it via an Internet connection. This eliminates the need for dedicated lines and racks of servers and their associated maintenance at each location. As a result, the company reduced its business costs by 50 percent.

Given how well the ERP works on the cloud, Siam Global House has partnered with AIS Business to put the proprietary system on the AIS Enterprise Cloud as software-as-a-service (SaaS) to cater to other retailers with a similar operational model—managing an extensive catalog of fast-moving stock across different branches.

Notably, the cloud has enabled the employees to work from anywhere, which was crucial for business continuity during the COVID-19 pandemic lockdown. Previously, all operational or business decisions were only made onsite. Now, managers can approve annual leave requests or reimbursements while on the road, reducing bottlenecks and improving employee satisfaction.

Management can remotely monitor sales performance in the stores in real-time instead of relying on the IT team to run sales reports, which can take days. And business units can easily access the data from the cloud in minutes.

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This new line of business and revenue stream has quickly taken off. In less than a year since launching it, the company already has three to four customers, with another 20 in the pipeline. The DIY giant sets up a separate technology company to service these new customers.

“Siam Global House has evolved from being a customer consuming cloud services to an active partner with AIS Business and VMware to grow the cloud ecosystem in Thailand,” says Kriangkrai.

“Both AIS Business and VMware have enabled us to tap into the cloud’s opportunities effectively to transform the way we work and what we can offer.”

Kriangkai Suriyawanakul, Vice CEO, Siam Global House

Ready for the digital future

Convinced that the cloud is the way, Siam Global House is now looking at moving more workloads to the cloud, including backup and disaster recovery. The cloud solution has given the company a stable and flexible platform for its future needs.

“Both AIS Business and VMware have enabled us to tap into the cloud’s opportunities effectively,” says Suriyawanakul, “to transform the way we work and what we can offer and be fully ready for the digital future.”