Schibsted

Schibsted is Scandinavia's largest media group, recently expanding into online classified marketplaces and personal finance holdings.

Industry
Media-Publishing

Strategic priorities
• Multi-Cloud

Partner
Kyndryl is the world's largest IT infrastructure services provider. The company designs, builds, manages and modernizes the complex, mission-critical information systems that the world depends on every day. Nearly 90,000 Kyndryl employees serve over 4,000 customers in more than 60 countries around the world, including 75 percent of the Fortune 100.

VMware footprint
• VMware® Cloud™ on AWS

• VMware NSX®

• VMware vRealize® Network Insight

• VMware vRealize® Operations

Cloud Native is Front-Page News for Schibsted

Founded in Oslo in 1839, Norway-based Schibsted Media Group (Schibsted) is an innovative leader in an industry facing significant digital disruption. Scandinavia's largest media group, Schibsted has expanded on its respected newspaper publishing business to marketplaces, financial services and ventures. But as the company has grown more complex, so has its IT needs. To make its operations simpler and more efficient, Schibsted decided to shift its operations to VMware Cloud on AWS.

A growing media innovator

Schibsted operates 19 newspapers, with more than 5,000 employees across Norway, Sweden, Denmark, Finland and Poland. It is an online classified juggernaut. The company has a portfolio of more than 55 brands and collectively serves millions of customers a month in Scandinavia and elsewhere. With a single login, users can read the news, buy or sell on its digital marketplaces Finn or Blocket, or search for jobs on MittAnbud. Its classified ad holdings have expanded well beyond its Nordic markets. In 2021, Schibsted acquired eBay Classifieds in Denmark and took over popular marketplaces DBA and Bilbasen.

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VMWARE ENABLES SCHIBSTED TO INNOVATE THROUGH CROSS-CLOUD

Expansion causes growing pains

As the Schibsted group has grown, its goal has been to integrate its brands and create a unified digital platform allowing each company to easily scale operations. But as Schibsted grew and absorbed new businesses, this became more difficult. Ebay Classifieds in Denmark, for example, ran its own IT, but now can borrow compute capabilities through VMware Cloud on AWS from Schibsted, which is now looking to onboard future companies and shut its own on-premises data centers. Many of the newspapers ran legacy software to support their operations. Norway's strict data laws added another layer of complexity, because personal and financial data had to be stored locally.

To comply with data sovereignty regulations, the group's IT division, Schibsted Enterprise Technology, operated 1,500 servers running on-premises in local data centers before the outbreak of the COVID-19 pandemic. They were proving costly and time-consuming to manage and maintain. During the pandemic in 2020, Schibsted recognized its existing system was too cumbersome and costly, and decided to move everything to the cloud.

"To grow and achieve synergy across all our brands, we made a strategic shift to become a cloud native company. It is also a burden to constantly negotiate with a large number of subcontractors. By embracing public cloud and infrastructure as a service, we can better comply with our demands," says Ken Sivertsen, cloud infrastructure architect at Schibsted Enterprise Technology.

Finding a solution in the cloud

After deciding to go cloud native, Schibsted reached out to VMware, a natural first step since it already had started using Amazon Web Services (AWS) as its primary cloud provider. In the fall of 2020, it started implementing VMware Cloud on AWS with a three-year license.

"We have a public cloud strategy, and traditional workloads are now running on VMware Cloud on AWS. It is a scalable platform that we are taking full advantage of to become cloud native. We were one of the first customers in the Nordics who started using it, and VMware has now listened to our feedback to expand the functionality and adapt the roadmap, so it works even better for us," says Sivertsen.

Kyndryl is a partner of Schibsted and executed the migration. Sivertsen and his department also received support from VMware Professional Services, who designed the architecture.

"Very few companies in the Nordics had migrated to VMware Cloud on AWS before, and at first we were a little concerned about being early adopters. VMware Professional Services provided the design and implemented the solution and reassured us that we would not experience any disruption to our services during the migration. In fact, the migration was not as difficult as we first believed, and we are approaching our target ahead of schedule, which will reduce costs. We now know it is indeed realistic to become fully cloud native within the reasonable future," says Sivertsen.

> "To grow and achieve synergy across all our brands, we made a strategic shift to become a cloud native company. To achieve that, we are taking full advantage of the highly scalable VMware Cloud on AWS platform."
>
> Ken Sivertsen, Cloud Infrastructure Architect, Schibsted Enterprise Technology

Faster, easier and more cost-effective

Within six months, Schibsted was able to shut down over 350 servers. On-premises, Schibsted has approximately 10 hosts supporting 400 workloads, while in VMware Cloud on AWS it is running six hosts supporting 140 workloads, including running Windows and Linux operating systems. Enterprise systems running apps such as Newspilot, SAP, HR systems and a variety of advertising platforms now all run on VMware Cloud on AWS.

"We were able to get rid of physical appliances and replace them with the built-in firewall from VMware. That allowed us to have a Zero Trust architecture, where we are using elastic nodes to be able to use cloud-based back-up services," says Sivertsen.

The migration also ensured a refresh of the company's infrastructure, enabling Schibsted to spend less time on problem solving and improving stability, updating software and legal compliance related work. It increased security through VMware NSX, with micro-segmentation. As a result, Sivertsen and his team have seen a general decrease in workloads as well as a reduction in the number of vendors. It has also made it easier for the various brands operating under the Schibsted umbrella to work together, and to achieve technological synergies with newly acquired companies such as eBay Classifieds in Denmark.

"We were able to easily onboard parts of their backend systems. Now they are almost fully cloud native. Because we are able to cut the operating costs for a company offloading parts of their data center into ours, we will have a competitive advantage," says Sivertsen.

Schibsted has achieved considerable cost savings, compared to the previous on-premises data center. By taking advantage of object storage capabilities available in the cloud and high-performance all-flash VMware vSAN™ storage, which is part of VMware Cloud, the company has now reduced the amount of data it needs to migrate and saved money at the same time.

VMware helped minimize disruption and made the process as easy as possible by using VMware vRealize Network Insight.

"vRealize Network Insight is an extremely powerful tool when migrating to the cloud, because we do not have to interview each application owner to find out which app is talking to each server. vRealize Network Insight gives us all of the information we need to act," says Sivertsen.

More innovation ahead

Schibsted is still in the middle of the delicate process of migrating its large portfolio of companies to the cloud. It considers the migration a step towards becoming a more innovative business, by running DevOpS in the public cloud via VMware Tanzu™ Kubernetes Grid. Schibsted expects that being cloud native will make it easier to onboard new companies and cut operating costs, allow multi-cloud flexibility, with one subsidary using Google Cloud and another using Amazon. All of this will happen without posing any restrictions for development and operations.

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