SGB-SMIT
Group

SGB-SMIT Group is the largest independent manufacturer of power transformers in Europe. The company employs 3,500 people and has production facilities in Germany, China, the Czech Republic, India, Malaysia, the Netherlands, Romania, and the USA.

Industry
Manufacturing

Strategic priorities
• Anywhere Workspace

• Multi-Cloud

Partner
Bechtle AG is the largest IT system house in Germany with 70 locations in the DACH region and trading companies in 14 European countries.

VMware footprint
• VMware Cloud on AWS™

• Google Cloud VMware Engine

• VMware Cloud Foundation™

• VMware Horizon®

SGB-SMIT Powers Global Growth with Multi-Cloud Strategy Built on VMware

SGB-SMIT Group is the largest independent manufacturer of power transformers in Europe and its success hinges on its close proximity to customers and fast time-to-market. After doubling its global footprint in five years, the business was fragmented, hampering its ability to continue to scale and grow. The company embraced a multi-cloud strategy, deploying VMware Cloud on AWS™ and Google Cloud VMware Engine to bring new levels of scalability, and enabling it to share business-critical tools with engineers anywhere in the world. SGB-SMIT can now easily onboard new acquisitions and set-up production sites, enabling it to get even closer to its customers, while improved access to resources means its engineers deliver customized solutions even faster.

Collaboration to unite a global workforce
SGB-SMIT Group is the largest independent manufacturer of power transformers in Europe. Wherever electricity is required, generated, or distributed, the group's products are used. SGB-SMIT's power solutions underpin our railways, car manufacturers, chemical plants, universities, and data centers. The company employs 3,500 people and has production facilities in Germany, China, the Czech Republic, India, Malaysia, the Netherlands, Romania, and the USA.

In a competitive, global market, the group aims to differentiate itself through its proximity to customers in core markets, a strong focus on cost, and its ability to provide customized solutions on short lead times.

"VMware is the glue that holds our multi-cloud strategy together. It allows us to share resources, tools, and data between Amazon, Google, and our own private cloud environments."

Salvatore Cassara, CIO, SGB-SMIT Group

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SGB-SMIT ACHIEVES ITS MULTI-CLOUD AMBITIONS

Establishing common toolsets

SGB-SMIT Group has doubled in size over the past five years, thanks both to acquisitions and organic growth. At heart it remains a family-run, German engineering business, but it is increasingly international in outlook. It operates on three continents through 13 international locations. Further acquisitions are likely.

The business needs to be able to scale quickly and easily to better handle this growth. It wanted the ability to cope better with spikes in demand, and to smoothly integrate new acquisitions when necessary. It also highly values consistency so, with operations located around the world, it wanted to establish common processes and toolsets. If SGB-SMIT stayed with its legacy on-premises data centers, it could take up to 12 weeks to deliver hardware to a new location, the on-boarding of new companies was slow, and SGB-SMIT would struggle to maintain its global position amidst competition from international rivals.

This inability to scale at speed was preventing the company from delivering on its value proposition, with slow time to market affecting lead times and preventing it from meeting customer needs. The new solution also needed to be cost effective to help the company continue its rapid global expansion.

"Historically, we were a very localized company, with IT systems in each location," says Salvatore Cassara, CIO, SGB-SMIT Group. "This was a nightmare for security, so we needed to find a way to distribute common toolsets without leaving us vulnerable to breaches – the last thing we wanted was for our tools to end up in our competitors' hands. But collaboration is also crucial. We needed a centralized, consistent infrastructure to be able to share our knowledge and expertise throughout the business."

The adoption of cloud solutions was central to achieving this strategy. Cassara wanted to create a virtual IT infrastructure, with the ability to scale rapidly, deploy remotely, and work from common data. This would enable SGB-SMIT to involve local experts in global projects, and to be faster in the support of customers. He wanted SGB-SMIT to lean heavily on Amazon and Google Cloud services, and to be open to other providers.

"A multi-cloud environment is key to our success as a fast-growing company with multiple, geographically spread locations around the world," Cassara explains. "We knew it would give us the scale we needed without restricting us to one vendor. It would give us a commercial advantage, and the flexibility to move workloads between cloud providers."

Enabling a multi-cloud strategy

SGB-SMIT has a 20-year history of using VMware solutions. In 2016, VMware Cloud Foundation™ helped the business create its own private cloud environment and pave the way for a wider cloud adoption. Cassara says it was natural to include VMware in conversations around the multi-cloud strategy: "VMware is also on a journey, and the team embraced our view."

SGB-SMIT's multi-cloud ambitions have been made possible through the use of VMware Cloud on AWS and Google Cloud VMware Engine. Together, these enable SGB-SMIT to lift, shift, and scale its VMware applications to the cloud of its choice, anywhere in the world.

"VMware is the glue that holds our multi-cloud strategy together," says Cassara. "It allows us to share resources, tools, and data between Amazon, Google, and our own private cloud environments."

The deployments of both VMware Cloud on AWS and Google Cloud VMware Engine were managed alongside Bechtle, a long-term IT service provider to SGB-SMIT and a VMware Principal Partner with all five VMware Master Services competencies.

"We have a strong working relationship with Bechtle," says Josef Schmid, Head of IT, SGB-SMIT. "Cloud transformation requires certain specialist skills, and Google and Amazon both require certification. Bechtle brings both. We have access to the virtualization competence of Bechtle, skills we don't necessarily have in-house."

Today, SGB-SMIT uses VMware Cloud on AWS to host its ERP system. It also delivers a consistent, virtualized desktop environment using VMware Horizon® hosted in Google and SAP hosted in Amazon.

"We have the choice of the best two hyperscalers," says Schmid. "When needed, we can quickly find the necessary scale."

Workplace agility across continents

At a macro level, multi-cloud delivers the scale and flexibility to support continued business growth. It moves SGB-SMIT towards a preferred OPEX commercial model, strengthens business continuity, and delivers global oversight.

"VMware helps bring our different cloud elements together. It allows us to confine the data that is more sensitive within our private cloud and then distribute the rest through the other cloud providers. That reach makes the data available for the parts of the business that need it, when they need it," says Cassara.

Faster access to data has increased efficiency throughout the business, from quality control to operations and logistics with employees using the latest apps, meaning they can be sure they're accessing the latest software and toolsets. For management, this central oversight allows workloads to be shared equally between sites during busy periods.

It also aligns the business with two of the world's biggest hyperscalers. "In terms of a cloud roadmap, we can learn a lot from Google and Amazon," says Cassara. "And without VMware we couldn't get where we wanted to be."

The new approach is more sustainable. The central, virtualized infrastructure reduces physical footprint, travel, and energy consumption which reduces the company's emissions and helps it meet its sustainability objectives.

On a personnel level, VMware Cloud on AWS and Google Cloud VMware Engine help reduce the IT management burden. With the IT team already familiar with VMware technologies thanks to its previous Horizon and Cloud Foundation deployments, there was already a common understanding of how the new solutions could be managed. Cloud enables the IT team to move from being a buyer and maintainer of IT hardware to a more visionary, architectural role. "Our aim is to introduce more cloud-based applications, to disconnect from the old way of working, and reinvent how we collaborate, and ultimately enable innovation throughout the company," says Cassara.

Perhaps the greatest impact is speed. The company can now easily scale, meaning that it can deliver on shorter customer lead times, spin up new sites to be closer to customers, and the business is now able to move at pace, globally. This was evident during the emergence of the COVID-19 pandemic.

"We're a traditional business and we had never embraced the concept of working from home before the pandemic. The fact that we moved to the cloud allowed us to very quickly and very smoothly pivot from purely office-based working into home working with a 200 percent increase in VDI users in just days," says Cassara. "There was no panic. We knew exactly what needed to happen. The infrastructure was in place. We just had to flip the switch."

In terms of latency, connections between head office and cloud data center are less than four milliseconds. Fewer delays allow SGB-SMIT to speed time to market of new solutions and support new locations remotely, allowing them to keep pace with international rivals. For example, the company was able to open a new site in China mid-way through the pandemic thanks, in part, to the virtual server it deployed through VMware Cloud on AWS.

"Those speeds mean any user, anywhere, is closer to the data center," Cassara adds.

"VMware helps bring our different clouds together. This makes our data available for the parts of the business that need it, when they need it."

Salvatore Cassara, CIO, SGB-SMIT Group

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Looking ahead

The journey continues. As the global market for energy, particularly renewable energy, grows, so does demand for SGB-SMIT's transformers. The business anticipates further acquisitions and new international operations.

Google Cloud VMware Engine is being evaluated for use with other workloads. The goal, says Cassara, is to integrate customers and suppliers into cloud-based systems, further strengthening collaboration.

Cybersecurity is a concern. SGB-SMIT is now looking at VMware Carbon Black Cloud™ to consolidate multiple endpoint security capabilities using one endpoint solution, reducing management stress.

"We need to be more cloud-based in our way of working, but there is no one way of getting there. We must find our own path," Cassara says. "The challenge is to then roll-out globally in a way that is safe and secure."