



Business Challenge

In India sales of consumer goods skyrocket during Diwali, and retailers compete vigorously for market share. How could Vishal Mega Mart satisfy festival peaks in demand while expanding its presence?

Transformation

To grow with increased sales and keep customers coming back for more, Vishal Mega Mart transformed the core systems powering its business with super-scalable technology.

Business benefits:

50%

faster generation of business-critical reports, streamlining supply chain processing

30%

increase in revenue over the festival period

68%

reduction in data center power consumption

Vishal Mega Mart

Transforms business processes with leading technologies to deliver excellent user experiences

Vishal Mega Mart is India's largest fashion-led hypermarket chain, with over 192 stores and a cumulative trading area of more than 3 million square feet across 110 cities and towns in India. The company's range includes fashion, general merchandise, groceries and personal care products, destined for millions of homes in India.

"The dynamic functionality of SAP HANA supported by our powerful IBM hardware makes stepping into the future of retail a comfortable transition."

Gagan Sharma, Senior Manager,

Vishal Mega Mart

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Ready for the festival?

Diwali, the Hindu festival of lights, is celebrated throughout India, and families and friends exchange gifts with wishes of good fortune for the coming year. During this time stores throughout India are thronged with shoppers in search of great discounts and quality products, and some families save their major household purchases until Diwali. The result is that Diwali is by far the busiest period of the year for retailers, and promises to yield strong revenues as well as the chance to broaden their customer base. Vishal Mega Mart, India's largest fashion-led hypermarket, was faced with precisely this mix of opportunity and challenge.

Gagan Sharma, Senior Manager at Vishal Mega Mart, explains: "We are a rapidly expanding business. Not only do we run a fashion website with a variety of in-house brands, we also operate over 190 brick-and-mortar stores located throughout India, and launch approximately 25 new stores each year. In this climate of rising prosperity, we have been able to significantly widen our customer reach. However, we have also encountered the challenge of satisfying increased demand, especially during Diwali.

"Retail, both online and in-store, generates a huge amount of data; sales reports, supply chain inventories, and financial information to name just a few—over a four-year period, the size of our data ballooned from 3.3TB to 9.5TB. We found that as we expanded our operations, our IT systems were not performing at optimum levels. In particular, all of our supply chain data was taking a long time to process, resulting in delayed deliveries in the run-up to the festival

season. This meant that our stores were running out of stock earlier than expected, which reduced our sales potential and threatened to negatively impact the customer experience."

Supercharging supply chain management

To meet rising data volumes and better prepare for seasonal spikes in demand, Vishal Mega Mart was looking to implement highly available, scalable, reliable and flexible servers that could support its business-critical operations.

Gagan Sharma continues: "Our previous systems simply couldn't handle the volume of data that we were generating as our business expanded. This led us to consider higher availability and better performing hardware. After exploring a wide variety of hardware on the market we chose IBM Power Systems."

The IT team at Vishal Mega Mart worked alongside [IBM® Systems Lab Services](#) to migrate the company's existing [SAP® ERP](#) solution to the [IBM Power Systems™](#) servers and [IBM Storwize® V7000](#) storage system. The company deployed three [IBM Power® System E870](#) servers to support its [SAP HANA](#) database, and an [IBM Power System S824](#), three [IBM Power System S822](#) servers and one [IBM Power System S822L](#) to support other databases and the application layer. Using [IBM PowerVM®](#) virtualization technology, Vishal Mega Mart set up a dedicated logical partition (LPAR) for the SAP HANA database, and a pool of shared resources for the other databases and applications.

"Working with IBM to implement SAP HANA on IBM Power Systems, we are now able to direct more time and resources to increasing our presence throughout India and achieve our core goal of developing excellent quality goods at affordable prices."

Gagan Sharma

Senior Manager

Vishal Mega Mart

IBM Power Systems servers deliver the flexibility, reliability and ease of management that Vishal Mega Mart requires to support the operations of its core ERP system, even during periods of high customer demand. Vishal Mega Mart now uses IBM Power Systems servers to support its core SAP Business Suite powered by SAP HANA, [SAP Business Warehouse](#) powered by SAP HANA, [SAP Enterprise Portal](#), SAP Process Integration and SAP Solution Manager.

"We decided to work with IBM for two reasons. First of all, as a reputable global company, we knew that we could rely on IBM to leave no stone unturned during the implementation process and, secondly, we required a system

that would easily integrate with our SAP ERP applications," says Gagan Sharma. "Additionally, the Storwize V7000 system provides on-the-fly near real-time data compression, giving us the opportunity to manage our large and growing data store with ease."

Following the implementation of the IBM hardware, the team then chose to migrate to SAP ERP powered by SAP HANA. The new application runs on [SAP HANA for IBM Power Systems architecture](#) and the [SUSE Linux Enterprise Server for SAP Applications](#) operating system.

"For Vishal Mega Mart, selecting SAP HANA was a no-brainer," adds Manuhaar Agrawalla, at the time General Manager of IT and project leader at Vishal Mega Mart. "Having used SAP ERP to run our supply chain and financial reporting for a number of years, we knew that SAP provided high-quality software. We wanted to utilize the fast performance of SAP HANA's columnar in-memory database to accelerate our reporting, supply chain management, and billing systems.

"We knew that with such an improvement in our technical capabilities, we would be able to rapidly transform our business and become more future-ready. We anticipated that with SAP ERP powered by SAP HANA on IBM Power Systems accelerating our performance, we would be able to spend more time attracting new customers by refining the look and feel of our stores, and channel more energy into developing a mobile e-commerce application—our next step towards a truly all-encompassing digital revolution.

"During the implementation process it became clear that we had made the right choice: the representatives at IBM

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Manuhaar Agrawalla

General Manager of IT at the time
Vishal Mega Mart

Systems Lab Services were beyond compare. They demonstrated such a high level of expertise and diligence that we simply hadn't come to expect. What's more, IBM's intricate knowledge of how to interconnect its systems with SAP software helped the migration run very smoothly. In fact, we managed to migrate most of our SAP ERP modules from our previous database to this version of SAP HANA in under 48 hours.”



Illuminating the path towards digital transformation

By harnessing the power of the SAP HANA version for IBM Power Systems, Vishal Mega Mart is now fully able to meet spikes in demand. The company is always ready for Diwali and better equipped to expand its operations and transform the customer experience, by ensuring that stores are always stocked.

Gagan Sharma remarks: “The most immediate improvement is a significant increase in processing capacity. For instance, we witnessed a 50 percent boost in performance just by migrating to IBM Power Systems, and then a further 60 percent increase in performance by implementing SAP HANA. As a result, transactions and batch processes are now much faster, enabling us to handle much higher peak and standard volumes than before. In business terms, when we run our sales analysis to tell us what we need

from suppliers for stock replenishment, we can complete orders earlier, which in turn helps us ensure that each shelf in our store is stocked plentifully. Keeping the shelves full, especially during busy periods, entices more customers to visit our stores as they know they can always strike a good Diwali deal—even at the height of the festival rush.

“Our financial reporting is much faster too, which enhances our agility by giving us the information we need to make key purchasing decisions more rapidly. With our financial reporting running on this version of SAP HANA, we can turn transactional data into actionable insights: we can see exactly when to purchase the right quantities of the clothes, cookware and groceries that are in high demand during Diwali. What's more, we have been able to make a range of efficiency savings. For instance, we have significantly reduced the size of our data center and cut our power consumption by 68%. In addition to energy savings, we have also made significant reductions in our OPEX

Benefits in detail

- 50% faster generation of business-critical reports offers actionable insights that optimize supply chain purchasing
- Accelerates festival load handling, by reducing the time taken for allocation, picking and shipment
- Helps to boost Diwali festival sales revenue by 30%, enabling Vishal Mega Mart to reposition itself as a leading retailer, and increase its margins
- Reduces maintenance costs and HR overheads
- Slashes data center power consumption by 68% by reducing footprint
- Cuts OPEX, enabling more resources to be used for value-add activities

Key components

Applications: SAP® ERP powered by SAP HANA®

Software: IBM® AIX®, SUSE Linux Enterprise Server for SAP Applications

Hardware: IBM Power® System E870, IBM Power System S822, IBM Power System S822L, IBM Power System S824, IBM Storwize® V7000

Services: IBM Systems Lab Services

and been able to reduce the cost of hiring additional staff during festival periods by eliminating the need for one seasonal team. We re-invest these operational savings into refining the quality of our products and developing our online presence.”

Gagan Sharma concludes: “Working with IBM to implement SAP HANA on IBM Power Systems, we are now able to direct more time and resources to increasing our presence throughout India and achieve our core goal of developing excellent quality goods at affordable prices. In this respect, implementing SAP HANA on IBM Power Systems has paved the way for future growth at Vishal Mega Mart.

“Looking ahead, we aim to open more brick-and-mortar stores and develop a mobile application for our customers to boost online trading. While our main focus is currently on improving the look and feel of our physical stores, in the near future we aim to polish our customers’ experience by fully embracing mobile e-commerce technology. The dynamic functionality of SAP HANA supported by our powerful IBM hardware makes stepping into the future of retail a comfortable transition.”



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