



Business challenge

Mitsubishi Motors Australia Ltd.'s customer-focused approach has brought about impressive growth, but as its business volume increased, the reliability of its IT infrastructure declined, particularly during peak times.

Transformation

Mitsubishi worked with IBM® Services to migrate its SAP® infrastructure to IBM Cloud™. Now, the organization's infrastructure scales automatically, seamlessly handling natural fluctuations in automotive sales volume. The solution also improves disaster preparedness and allows salespeople to spend more time on the sales floor.

Results

80% reduction

in potential downtime for disaster recovery operations

Supports 3,000 users

with added capacity for peaks in activity and future expansion

Reduces administration time

and helps keep salespeople on the sales floor

Mitsubishi Motors Australia Ltd.

Migrating to cloud to simplify administration and cut time to stand up systems

Founded in 1980 and headquartered in Melbourne, [Mitsubishi Australia](#) is a division of the global Mitsubishi Motors Corp. With more than 2,000 employees and 205 dealer sites, the organization sells and services a wide variety of Mitsubishi vehicles, including small cars, sports cars, sedans, SUVs, trucks and hybrids. Its 2017 annual revenue was USD 6.8 billion.

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— Mark Tiddy, Chief Information Officer, Mitsubishi Motors Australia Ltd.

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A growing business with fluctuating IT needs

Whether it happens once a year or once in a lifetime, purchasing a new vehicle is a big, emotional and somewhat complicated experience. Dealership staff play a key role from the very beginning, whether it's answering potential buyers' phone calls or greeting them as they peruse the lot. Dealers like Mitsubishi know: Building trust and rapport helps make buyers more comfortable as they weigh the pros and cons of each model and, ultimately, begin discussing the terms of a purchase.

At that critical point in the sales cycle, everything at the dealership must run smoothly, particularly the IT network. If the network is slow or unpredictable, the customer may grow impatient, lose trust or walk away from the sale altogether.

Fortunately, the sales staff at Mitsubishi's dealerships is knowledgeable, personable and experienced, and the vehicles they sell are attractive and reliable. But the organization's IT infrastructure, which ran all of its core business processes, was beginning to falter during high-demand periods like month-end sales promotions. The system slowed down when it became busy, making it difficult for staff members to be as responsive and attentive to their customers as they needed to be.

The challenges go beyond increased volume at busy times. Says Mark Tiddy, Chief Information Officer, "at Mitsubishi, growth has been quite significant, and we're now seeing sales volumes around about 50 percent greater than what they were five years ago."

Keeping the organization's IT infrastructure running reliably while also managing continued growth and a variable sales cycle was becoming increasingly difficult. Rather than continue to perform incremental upgrades to the individual infrastructures at dealerships across Australia, the organization decided to become one of the first in its industry to make a full transition to the cloud.

A quick, seamless migration to the cloud

Mitsubishi Motors Australia migrated 200 of its Australian dealers to the IBM Cloud to deliver sales, inventory, spare parts, and service, warranty, reporting, compliance and dealership customer relationship management systems.

Mitsubishi relied on IBM Services to help build its SAP system, which is based on SAP ERP and includes SAP Customer Relationship Management (SAP CRM), SAP NetWeaver® Portal, SAP Business Warehouse (SAP BW), and SAP Governance, Risk and Compliance (SAP GRC) and runs on IBM DB2®. IBM has also helped with several significant upgrades

to Mitsubishi's SAP environment. Seeking to continue its positive 30 year working relationship with IBM, Mitsubishi selected IBM Cloud SAP-certified infrastructure to support its growing IT requirements, and IBM Services to help complete the transition. IBM Services managed the entire migration to the IBM Cloud SAP-certified infrastructure, including enterprise resource planning, enterprise warehouse and CRM applications.

The migration of their mission-critical SAP applications allows dealers to meet peak sales demands and minimize disruption by scaling the environment to meet the needs of the business.

Tiddy notes migrating business-critical applications to the cloud held some potential for trouble. "One of the issues that was identified was that SAP has very stringent certification processes for the various infrastructure platforms," he explains. "IBM worked directly with SAP to make sure that the IBM infrastructure was certified appropriately," thereby keeping the project on track and allowing Tiddy and his staff to focus on preparing for the migration.

Darryl Crittenden, the IBM Delivery Project Executive for the Mitsubishi Australia account, agrees: "As with any large migration, there were some issues that were encountered, and IBM stayed the course, achieving first time certification for SAP."

The result was a successful migration. "The actual migration of data from the old system to the new system was seamless," says Tiddy. "It was done without disruption to the business. The final cutover occurred over a weekend, and the downtime for that was quite minimal, given the fact that there was a huge amount of data that needed to be migrated from one system to the other."

Resilience, reliability and scalability

With the migration behind it, Mitsubishi is pleased with the improvements brought about by its new IBM Cloud infrastructure. Tiddy is particularly happy with the resilience of the new solution. He explains: "Prior to moving to the IBM Cloud solution, with our dedicated infrastructure, if we had a need to actually switch over to a DR (disaster recovery) system, we would have seen downtime for the business of weeks." Today, potential downtime from a disaster is just hours.

This reduction in potential downtime is particularly important to Mitsubishi, says Tiddy. "The business really would not be able to tolerate anything more than one to two days, particularly given the peaks and troughs that we see in our business throughout the month."

Another key advantage of the IBM Cloud SAP-certified infrastructure is reliability and ease of administration.

Salespeople can now access the system quickly, from the sales floor, without interrupting the momentum of a vehicle purchase.

Lastly, moving its SAP solution to the IBM Cloud brings Mitsubishi unprecedented scalability. With several years of growth behind it and more growth on the horizon, Mitsubishi is positioned to handle increased volume gracefully. In fact, the organization is already looking at expanding the solution beyond Australia. “What’s next in the partnership is to leverage what we’ve learned here in Mitsubishi Motors Australia and take that to the global level,” says Tiddy. “Our parent company, Mitsubishi Motors Corp., is looking to reuse our application platform with other distributors throughout the world.”

Solution components

- IBM® Cloud SAP-Certified Infrastructure
- IBM Services
- IBM Services for SAP

Take the next step

To learn more about the IBM solution featured in this story, please contact your IBM representative or IBM Business Partner.

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