



Business challenge

In order to operate more effective online auctions, mjunction sought a solution to bring new applications to market faster.

Transformation

mjunction optimizes and quickly scales its infrastructure to bring new applications and auctions to market faster using IBM® PureApplication® System.

Business benefits

56%

reduction

in application development and deployment effort

Reduces

costs by 28%

due to automation of application deployment

Increases

operational agility

and responsiveness to rapid changes in the marketplace

mjunction Services, Ltd.

Accelerating market disruption with automated application environment deployment

Founded in February 2001 and headquartered in Kolkata, [mjunction Services, Ltd.](#) is India's largest eCommerce company and runs the world's largest electronic marketplace for steel. The company has more than 550 employees and 20 locations throughout the country offering a wide range of eSelling, eSourcing, eTendering, eFinance and Knowledge services across a diverse range of industries.

"We've decreased the effort it takes to develop and launch a new application by 56 percent, and we're realizing savings of approximately 28 percent due to automation."

—Viresh Oberoi, former CEO and managing director, mjunction

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Establishing digital marketplaces

Starting with the steel industry and moving onto other verticals, like coal and tea, mjunction seeks to make commodity markets more efficient, and it uses technology to do it. “Through our online auctions, we facilitate buyer and price discovery and enable actual customers to buy from main commodity producers,” says Viresh Oberoi, former CEO and managing director of mjunction. “We look at the entire marketplace and if, for example, finance is required, we ask how we provide finance for the small buyers of steel or coal and how do we integrate with the banks that actually provide the finance? We look at the entire commodity ecosystem

and solve problems with the use of technology so that the supply chain becomes far more robust.”

Operating online auctions requires visibility into marketplaces and an ability to consummate deals digitally. “Early on, the internet really drove what we did, and you have to remember that in 2001 in India we had dial-up connections,” Mr. Oberoi says. Now, he’s exploring how mjunction can best exploit newer technologies, like data analytics and the cloud. “We want to provide insights in terms of who’s buying the steel, tea or coal, why they’re buying it and at what price. We’ll look to provide those

analytics back to the industries so that they can make better decisions about what to produce, where to sell.”

Simpler, more agile IT

Mr. Oberoi estimates that his company runs about 500 online steel, tea and coal auctions per day on average, though the number may vary from 300 to 800. This wide variance requires that mjunction optimize and quickly scale its infrastructure. The company uses IBM PureApplication System (renamed to IBM Bluemix® Local System in July 2016) for that purpose. “We had to simplify

our IT systems and by putting everything into one box—the hardware, the software, the database, the applications—IBM has helped us do that.”

That simplification breeds agility and allows mjunction to adopt a philosophy of continuous innovation and improvement, both regarding its internal systems and its ability to integrate with clients’ systems. “Now, we’re able to ask the question, ‘How do we maximize the value we deliver to each transaction and each client, while reducing our costs through automation?’”

Disrupting commodities markets

Mr. Oberoi views mjunction as a market disruptor, changing age-old practices in the tea marketplace, for example. “Before mjunction, tea was bought and sold using the same basic processes for 200 years. We’ve ushered in considerable improvements to that industry, where now both sellers and buyers are able to get better prices. So, by removing the middleman we’ve created a win-win.”

The same can be said of mjunction’s impact on India’s steel industry. “Certain categories of steel were sold either through a physical auction process or by what is called a notice board sale,” Mr. Oberoi explains. “The seller would arrive at a price and post prices on the notice board. Well, middlemen were making arrangements to get to the notice board earlier than the final customers and buying the steel, artificially influencing market demand and, thus, pricing. Our e-auction methodology gives every buyer across the country the ability to participate in that auction. They’re able to get great prices

because they don’t have to go through middlemen. The steel plant, on the other hand, is able to get the best prices for their materials and liquidate their stocks very quickly.”

For its part, mjunction provides the infrastructure and software that buyers and sellers use to transact business. This solution needs to be reliable and scalable to handle the wide range of auctions that may occur in a given day. Creating and deploying new applications is at the heart of mjunction’s mission, and deploying these applications quickly enables mjunction to rapidly respond to market changes.

“Over the past 6 months we’ve decreased the effort it takes to develop and launch a new application by 56 percent, and we’re realizing savings of approximately 28 percent due to automation,” he says. “We’ve also reduced the number of cores in our datacenter from 126 to about 90 or 95. In today’s very complex market and environment, the simplification of our processes and our IT systems has really made us much more agile, much more responsive to changes in the marketplace and a far stronger partner for our customers.”

Solution components

- IBM® Bluemix® Local System

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Take the next step

To learn more about IBM PureApplication System (Bluemix Local System) please contact your IBM marketing representative or IBM Business Partner, or visit the following website:

ibm.com/software/products/pureapplication

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