



### Business challenge

In the past, with its on-premises IT infrastructure, Oriflame lacked the agility it needed to respond to sudden ordering peaks related to high impact sales campaigns.

### Transformation

When online sales surge, can your IT infrastructure keep up? And then scale back down when it's business as usual? Oriflame's IT environment can do just that. After migrating its IT systems to the **Microsoft Azure™** cloud to gain the needed scalability, the company turned to **IBM® Services™** to operate the platform at the desired high performance and availability level and at an optimum cost.



**Jiří Potočný**  
Senior Director  
Global IT  
Infrastructure and  
Operations  
Oriflame Cosmetics

## Results

### Increases global system availability

during peak and non-peak times through collaboration with Oriflame Global IT

### Speeds total resolution time for incidents by 5.4%

with support from IBM Services to operate the platform

### Capable of processing more than a thousand orders per minute

as a result of solution optimization, tuning and infrastructure scaling

# Oriflame Cosmetics AG

## The Beauty of Elasticity

Founded in 1967 in Stockholm, Sweden, Oriflame sells and markets nature-inspired beauty products directly to consumers through a network of more than three million independent consultants. Combined, its portfolio consists of roughly 1,000 skin care, color cosmetics, fragrance, personal and hair care, accessories, and wellness products. The company operates in more than 60 countries and employs approximately 6,000 people, including over 100 scientists in its global research and development center. In 2018, Oriflame reported about EUR 1.2 billion in annual sales.

*“Our Digital Platform designed and developed by our Solution Delivery team, running on Microsoft Azure Cloud and operated by IBM Services, is built in a way that the sky is the limit.”*

— Jiří Potočný, Senior Director, Global IT Infrastructure and Operations, Oriflame Cosmetics

Share this



## Constrained by rigidity

At the beginning and end of each month and each sales campaign, Oriflame is a busy place. During those periods, the company's three million-plus independent sales consultants actively place orders to earn bonuses and commissions. While it's a lucrative and exciting time for consultants and the business alike, until 2014, the rush of orders strained IT resources.

The problem stemmed from Oriflame's traditional, on-premises IT infrastructure. Rigid and complex, it lacked the scalability needed to respond to the company's fluctuating order volumes and high-velocity sales cycles. For example, in addition to month-end orders, catalog marketing campaigns cause the number of orders to swell by 5, 10 or even 30 times the norm. And with a new sales cycle starting over every 3–4 weeks, IT was under continuous pressure.

Jiří Potočný, Senior Director, Global IT Infrastructure and Operations at Oriflame, elaborates: "A few years back, with an on-premises infrastructure, it was very hard to get the agility and elasticity we required. We were either running at optimum cost and lacking computing resources during peaks or overpaying for resources and those resources were idle for most of the time. We had to be able to scale up when needed and then scale down in order to keep the cost reasonable."

But cost wasn't the only concern; the lack of computing resources and scalability had a ripple effect across the organization. When IT struggled to handle the influx of orders, it also jeopardized sales and revenue numbers. Even consultants and consumers felt the sting. Occasionally during peak times, placing an order online took longer than it should, or customers had to stop altogether and try again at a later time. The resulting frustration and disappointment eroded the customer experience.

## An IT makeover based on cloud

To resolve its scalability and agility issues, Oriflame looked to the cloud. The journey began in 2014 when the company migrated a large part of its infrastructure to the Microsoft Azure cloud platform. This was a natural choice because the Oriflame IT Solution Delivery team already used Microsoft development tools. In 2016, Oriflame turned to IBM Services for its expertise in implementing and managing IT solutions, including cloud-based platforms.

"As a beauty company we would rather focus on our core business and let IBM Services do what it's good at doing, which is support," adds Mr. Potočný. "IBM Services is providing IT operations and support services worldwide—from first-level support to second-level infrastructure, databases and application support to application business support. And it's all 24 hours a day, 7 days a week."



---

***"For IT operations and critical indicators, such as system availability and incident resolution, IBM Services has definitely helped."***

— Jiří Potočný, Senior Director, Global IT Infrastructure and Operations, Oriflame Cosmetics

---

Under an infrastructure as a service (IaaS) model, IBM manages and maintains the client's Microsoft Windows Azure virtual machines (VMs), which help Oriflame reduce its need for physical hardware systems. The new environment, which was built from scratch, provides autoscaling capabilities through Microsoft Azure Application Gateway technology, a web traffic load balancer that scales up or down depending on the company's traffic load patterns at month-end.

The IBM team helped migrate and implement Oriflame's on-premises [Microsoft Exchange](#) email system and

[Microsoft Office 365™](#) software to the cloud. IBM Services also takes advantage of Microsoft Azure web services and APIs to develop and manage Oriflame's mobile app for its China market.

In 2012, Oriflame opened its Global Shared Services Center for IT operations and support in India, which [IBM Services - Application Management Services](#) took over in 2016 as part of a long-term agreement to operate the platform.

## Scalability, every which way

When Oriflame began its journey to the Microsoft Azure cloud platform, the company was an early adopter of the technology. Today, the company hosts 60 countries on the platform operated by IBM Services and is one of the largest Microsoft Azure cloud customers in Europe.

With the scalability and stability of Microsoft Azure cloud technology, Oriflame manages catalog campaign orders and month-end sales peaks



with ease, scaling in, out, up and down based on needs and web traffic. In fact, during a recent peak period, the company received roughly 1,450 orders per minute. “We handled it well,” says Mr. Potočný, “and the systems performed very well, too.”

IBM Services’ expertise in managing the Microsoft Azure platform for Oriflame is paying off in the form of improved incident resolution times and increased availability of its applications and websites. In 2019, Oriflame reached 99.93% global system availability. In addition, total resolution time for incidents is 5.4 percent faster than before, meeting corporate goals.

System availability is also a critical success factor. Today, Oriflame receives 96 percent of its orders from its online channel. In some regions, such as China and Indonesia, consultants place the majority of their orders through Oriflame’s mobile app. To receive and process those orders, the website and mobile apps have to work, no matter the volume.

“Our old solution was using technologies and built in a way that was hardly possible to scale out,” recalls Mr. Potočný. “Our computing resources had limits—we were always evaluating the throughput of the systems to avoid bottlenecks and queueing.”

He continues: “Our Digital Platform designed and developed by our Solution Delivery team, running on Microsoft Azure Cloud and operated by IBM Services, is built in a way that the sky is the limit. The new technology can be scaled out so we can add as many application services or web servers as we need and run load balancing in place.”

Moving forward, Oriflame is upholding its pioneering spirit by exploring new trends in ecommerce solutions and microservices, and looking at new ways of using automation, cognitive technologies and artificial intelligence in IT operations and security.

Today, IBM Services provides Oriflame with IT operations and support in each of its global markets which spans 60 countries worldwide. “For IT operations and critical indicators, such as system availability and incident resolution, IBM Services has definitely helped,” concludes Mr. Potočný. “We can focus on our core business while IBM runs the processes and manages people, which IBM does well.”

## Solution components

- IBM® Services™
- IBM Services - Application Management Services
- Microsoft Azure™
- Microsoft Office 365™
- Microsoft Exchange

### Take the next step

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

***“We can focus on our core business while IBM runs the processes and manages people, which IBM does well.”***

— Jiří Potočný, Senior Director,  
Global IT Infrastructure and  
Operations, Oriflame Cosmetics

© Copyright IBM Corporation 2019. IBM Corporation, Global Business Services, New Orchard Road, Armonk, NY 10504 Produced in the United States of America, October 2019. IBM, the IBM logo, ibm.com, and IBM Services are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the web at “Copyright and trademark information” at [www.ibm.com/legal/copytrade.shtml](http://www.ibm.com/legal/copytrade.shtml). Microsoft, Azure, Windows, and the Windows logo are trademarks of Microsoft Corporation in the United States, other countries, or both. This document is current as of the initial date of publication and may be changed by IBM at any time. Not all offerings are available in every country in which IBM operates. The performance data and client examples cited are presented for illustrative purposes only. Actual performance results may vary depending on specific configurations and operating conditions. THE INFORMATION IN THIS DOCUMENT IS PROVIDED “AS IS” WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OR CONDITION OF NON-INFRINGEMENT. IBM products are warranted according to the terms and conditions of the agreements under which they are provided. Microsoft Azure is not an IBM product or offering. Microsoft Azure is sold or licensed, as the case may be, to users under Microsoft’s terms and conditions, which are provided with the product or offering. Availability, and any and all warranties, services and support for Microsoft Azure, is the direct responsibility of, and is provided directly to users by, Microsoft.