IBM | SAP

Engine Informática offers SAP software as a service with IBM

Founded in 1988 in Brazil, Engine Informática offers outsourcing, call center management, multi-platform business solutions and other professional services. The company employs around 1,200 people, responsible for operating and developing integrated solutions for businesses across South America and Canada.

The company has cultivated deep expertise in the deployment of SAP® environments, particularly for large and middle-market enterprise. Engine Informática is listed among the 25 largest consulting firms in Brazil according to Info200 magazine.

Cutting the cost of SAP

Marcelo Italiano, Partner and Director of SAP operations at Engine Informática, says, "While one segment of our business specializes in the

implementation of SAP ERP solutions for large companies, we noticed that there was a gap in this market for small and medium companies. The issue is that the fixed infrastructure investment needed to run SAP 24/7, such as datacenters, hardware, and support, means that the per-user cost can be perceived as too high."

"We wanted to find a way to offer SAP services to smaller companies, and remove the reluctance to commit to the infrastructure. In order to achieve this, we chose to develop the capacity to offer SAP applications as a service, taking on the hardware and support overheads ourselves."

Established partner

It was clear to Engine Informática that the only way for this innovative model to become established in Brazil was to partner with a company

Business Challenge

Brazil-based Engine Informática specializes in the implementation of SAP ERP solutions.

The company realized that small and medium companies represented an untapped market, and the company wanted to find a way to offer SAP services for this sector at attractive price points.

One key challenge was to reduce or eliminate the capital expenditures and implementation costs as far as possible, to help reduce the barriers to entry.

with a reputation for IT excellence. It was important to show prospective customers that the solution was as secure, scalable and reliable as an on-premise system. "For a project of this scale, IBM really was the natural choice," says Marcelo Italiano. "IBM's long-term collaboration with SAP, coupled with a well-established Brazilian infrastructure gave us confidence that IBM was the best partner to deliver the high availability and reliability we needed."

Engine Informática purchased the hosting capacity for 600 concurrent SAP users from IBM Global Technology Services® – Datacenter Hosting Services.

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Marcelo Italiano
Director of SAP operations
Engine Informática

> "The datacenter infrastructure at IBM offers sufficient compute, network and storage resources for around 600 SAP users, which provides plenty of headroom for growth."

Marcelo Italiano

Director of SAP operations

Engine Informática

Engine Informática is the first Brazilian IT company to use outsourced processing power to host affordably tailored SAP solutions for business customers. The company's solution is hosted on two IBM Power Systems™ servers connected to an IBM System Storage® DS5000. Eight dual-core 4.2Ghz POWER6® processors provide high performance and availability for Engine Informática's small and medium business customers.

"We've taken on all the infrastructure overheads of SAP, including the licenses and software configuration," explains Marcelo Italiano. "Our business customers deal only with us. By paying a relatively small monthly fee, we provide them with the professional SAP ERP services without the need to commit to or invest in the infrastructure itself. What's more, thanks to resiliency services from IBM Global Technology Services, we can offer our customers the consistent performance and availability they need."

Engine Informática offers a full suite of SAP ERP applications. For connectivity with external and third-party applications, Engine Informática runs SAP NetWeaver® Process Integration, and runs SAP Solution Manager for system governance. To provide the very high availability required when offering mission-critical business solutions, Engine Informática uses IBM PowerHA® to cluster the two servers. The system has sufficient capacity to continue operations even if one server is taken off-line for maintenance or for other reasons, and PowerHA manages workload failover and recovery with no service interruption. Engine Informática uses IBM Tivoli® Storage Manager to automate data backup, archive and recovery from the IBM System Storage DS5000 unit to IBM Tape Storage.

The shared services architecture allows

Solution

Working with IBM Global Technology Services, Engine Informática created a fully hosted solution with capacity for 600 concurrent SAP users, hosted on two IBM Power 550 Express servers connected to an IBM System Storage DS5000.

The systems are hosted in an IBM Global Delivery Center managed by IBM Global Technology Services, which also provides resiliency services for the new solution. The solution offers high performance and availability for Engine Informática's small and medium business customers for around half the cost per user compared with in-house solutions.

The company's SAP software-as-a-service (SaaS) offering enables customers to efficiently manage financials, customer relationships, human resources, projects, procurement and the supply chain.

Engine Informática to run a single backup process for all its customers, ensuring that the data is protected at all times.

Inviting new business

In offering the SaaS model to customers in Brazil, Engine Informática believes it has done more than successfully break the ground of a significant new market. Engine Informática estimates that staff in its service division will grow from 21 to 90 people as the popularity of the model grows.

"Offering the immensely powerful and productive integrated SAP applications as-a-service has very high potential for growth beyond small to medium business customers," says Marcelo Italiano. "By 2020, we estimate that the vast majority of all SAP deployments will be hosted remotely rather than in-house. By collaborating with IBM, Engine Informática has been able to take the initiative to establish the company as the leading provider of these services in Brazil.

"With Engine Informática's IBM SaaS solution, the cost and complexity of running a fully-fledged SAP system has been dramatically reduced. The datacenter infrastructure at IBM offers sufficient compute, network and

storage resources for around 600 SAP users, which provides plenty of headroom for growth. This solution is targeted at companies with around 20 to 40 SAP users," continues Marcelo Italiano. "Even if a company requires hundreds of SAP users, the business benefit of having no initial investment is an extremely attractive proposition."

The services contracts run for three years, and typically the cost per user is around 50 percent of the equivalent per-user price for an in-house SAP software deployment.

Looking to the future

"Our long-term goal is to standardize the enterprise management model of

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Marcelo Italiano
Director of SAP operations
Engine Informática

"By choosing IBM Global Technology Services, Engine Informática is able to offer small and medium business customers secure, reliable and highly available SAP applications at very attractive per-user rates, opening up new business areas for Engine Informática and creating new opportunities for the customers themselves."

Marcelo Italiano
Director of SAP operations
Engine Informática

large companies with their suppliers and distributors," says Marcelo Italiano. "For example, if Engine Informática hosts several enterprise that trade with each other, building the connections between, for example, sales order systems and suppliers' catalogues and stock management solutions becomes much easier – and at a lower cost for

all parties. By integrating information in that way, we can offer businesses of every size a mature enterprise management solution based on SAP applications, boosting their agility and improving their business control."

The applications as a service offering is attracting customers who might not have considered SAP applications, says Marcelo Italiano: "We have one project in production and two more in the implementation stage. By choosing IBM Global Technology Services, Engine Informática is able to offer small and medium business customers secure, reliable and highly available SAP applications at very attractive per-user rates, opening up new business areas for Engine Informática and creating new opportunities for the customers themselves."

Business Benefits

- **Cut overhead costs for a 600-user SAP solution by 50 percent**

- **Opened up new markets with SAP software available at commercially attractive price points per user, with no capital expenditure required**

- **Mission-critical service reliability is available through shared service, at a fraction of the price of an in-house or on-premise system**

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