Meiji Fresh Network's Core Business Systems are Transitioned to NEC Cloud IaaS NEC's Total Support Capability is Highly Evaluated.

Meiji Fresh Network Co., Ltd. (hereinafter Meiji Fresh Network) undertakes the wholesale of foodstuffs including milk and dairy products on a nationwide scale. With the objective of streamlining their operations, the company adopted cloud computing to increase the efficiency and speed of their IT systems. What they chose was NEC's Cloud Infrastructure Service, "NEC Cloud IaaS," and the decisive factor for their decision was that NEC offered comprehensive capabilities that went beyond the mere provision of an infrastructure service (IaaS) but also encompassed the revamping, transition and daily operation of the system. This phased transition project is currently underway, and in addition to requiring only a 5 person team to run, it is expected to yield a total cost reduction of approximately 20% over a period of five years after the transition is complete.

Customer profile

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Increasing efficiency and speed of IT systems to fortify sales capability

Meiji Fresh Network was created as a result of the consolidation of the Meiji Group sales companies. It supports the sales capability of the Meiji Group as a sales company handling fresh, high quality milk and dairy products.

The food wholesale industry has become fiercely competitive with the emergence of mega-wholesalers resulting from market reorganization over the past years. The mission critical issues are the realization of high quality services and the further streamlining of management.

According to Mr. Atsushi Kuramochi of Meiji Fresh Network, "In order to succeed against the competition, we will be further emphasizing the community-based approach to business that has always been our strength. We intend to fortify our sales capability through activities such as providing detailed information regarding products and market trends to our retailers. Streamlining our business operations will provide the necessary reserve capacity to attain this."

Naturally, the streamlining efforts include IT (Information Technology) as well. Specifically, the consolidation of group companies provides a golden opportunity to consolidate all the systems used by these companies at the data center. It is our intention to create a compact IT environment that requires fewer people and less cost to run.

In order to accelerate the pace of IT environment streamlining, our company chose to utilize cloud service.

"Using an external cloud service for the system platform allowed our company to avoid having to own servers and other resources. Relieved of the burden of updating or expanding servers, as well as maintaining the infrastructure or counteracting hardware problems, it is possible for us to accelerate our streamlining efforts further," observes Mr. Hiroshi Kurosawa of Meiji Fresh Network.

Total coverage from cloud infrastructure service to transition procedures

The core business systems that Meiji Fresh Network decided to transition over to the cloud infrastructure were the Sales Data Analysis System that is used to gauge sales performance,

the Warehouse Management System (WMS) that is used to manage stock, reception and dispatching of goods, and the Backend System that controls online ordering and payment.

Says Mr. Kuramochi, "Since these are the core systems that are the bedrock of our business, we of course were cautious about our decision to go with a cloud infrastructure service. We were concerned not only about the reliability of the service itself, but also had to carefully consider the extent of support that we could expect during the system transition."

Upon considering all these factors, the new system infrastructure that the company decided on was the cloud infrastructure service provided by NEC, "NEC Cloud IaaS."

Meiji Fresh Network planned to switch the server OS from UNIX to Linux at the time of the transition to the cloud service, making it necessary to accommodate the system upgrade along with the transition. However, if the IaaS provider and system upgrade/transition integrator were selected separately, there would be a risk of unclear accountability if system problems should arise, and contacts would be dispersed and difficult to coordinate.

"But with NEC," according to Mr. Kurosawa, "we had a one-stop solution, from service provision to system upgrading and transition, and all the way to operational management. We believed they would make the ideal partner to meet our requirements. The way NEC gave us detailed advice pertaining to the operation process and cost issues involved in cloud transition was greatly reassuring."

Phased transition of 3 systems over a short period of approx. 18 months

The objective of the project is to transition the 3 aforementioned systems by phases to a cloud system over a short period of approximately one and a half years (**Fig.**).

Following the Sales Data Analysis System that began full scale operations in October 2014, the WMS (Warehouse Management System) and Backend System will be transitioned to NEC Cloud IaaS in that order.

Two services are available for NEC Cloud IaaS, namely Standard (STD) which offers superior cost-performance, and High Availability (HA) which features high performance and reliability. Meiji Fresh Network selected the HA service taking into account the crucial nature of their systems.

The cost-performance of NEC Cloud IaaS, as well as being able to increase or reduce resources, and when necessary, the ability to utilize a housing environment, were all advantages that factored into our decision to choose the service.
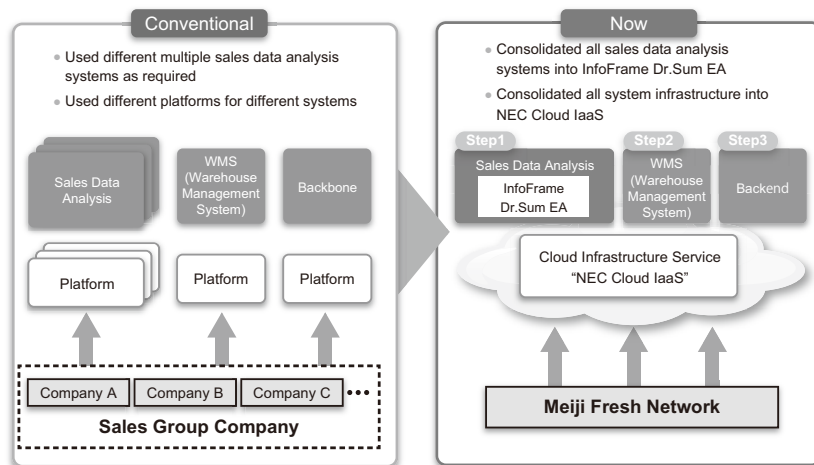
What's more, InfoFrame Dr.Sum EA was adopted as the BI tool owing to its high performance enabling high-speed processing of enormous amounts of sales data and its analytical flexibility.

As a result, it has become possible for about 1,000 users, comprised mainly of Meiji Fresh Network's sales personnel, to analyze the data of hundreds of millions of sales transactions at high speed and with a high degree of flexibility. An environment is now in place that contributes to sales activities, such as analysis of market characteristics of retail shops to uncover potential needs, enabling the provision of advice tailored to area customer lifestyles - such as what to sell, when to sell, and how to sell.

20% savings on total cost by transitioning to NEC Cloud IaaS

By adopting NEC Cloud IaaS, Meiji Fresh Network achieved further streamlining of their IT system.

"In the past, we had to maintain our servers, counteract any system problems, as well as renew the hardware every few

The systems operated by each group company were consolidated. By transitioning 3 systems to NEC's Cloud Infrastructure Service, "NEC Cloud IaaS", we achieved a more compact system, offering higher speed, to reduce man-hours.

Fig. Meiji Fresh Network system consolidation image.

years. But now, we're free from all of this. Currently we only have five operating staff. We have NEC Cloud IaaS to thank for being able to safely and securely use the system with such a low manpower burden.," says Mr. Kuramochi.

Expectations are also great for the system's ability to lower cost. The transition to NEC Cloud IaaS is anticipated to yield an approximately 20% reduction over the next 5 years in total cost, including initial investment in servers and storage as well as running cost.

Cloud computing offers the benefit of expandability as well. "The fact that server resources can be flexibly added to match the growth of our business," says Mr. Kurosawa, "was a strong appeal point for us. We were amazed at the speed when we temporarily adjusted server resources to test the WMS (Warehouse Management System) and Backend System that were being transitioned, and were able to experience the advantage first hand."

Additionally, the affinity between the performance of NEC Cloud IaaS and InfoFrame Dr.Sum EA helped to dramatically reduce the time required for data analysis. "For instance," elaborated Mr. Kurosawa, "the time it took to process a year's worth of sales ledger data was reduced to under one-tenth the time previously required. Sales staff could now boost their own performance by generating more effective analysis reports based on various criteria such as by region or customer."

High expectations for BCP and enhanced information usability

Although the transition to NEC Cloud IaaS is still ongoing, Meiji Fresh Network is concurrently taking steps to bolster their BCP.

Mr. Kurosawa states, "For chilled food businesses like ours where freshness of goods is managed based on expiration dates, the smooth running of the WMS (Warehouse Management System) and Backend System on a 24/7 basis is absolutely mission-critical. We hope to capitalize on NEC's data center to build a safe, robust and efficient backup system."

What's more, the company will be utilizing InfoFrame Dr.Sum EA to aggressively improve their information usage capability.

"In addition to enabling browsing of various data on mobile devices, based on enormous amounts of sales record data, we hope to add new analyses based on new perspectives in order to achieve more value-added data usage," states Mr. Kuramochi. In order to live up to such expectations, NEC will be taking advantage of technology which is its strong suit, to support the business of Meiji Fresh Network.

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* This article was written in November 2014 and is based on the interview to Meiji Fresh Network Co., Ltd.

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Data Center Service That Supports Cloud Infrastructure

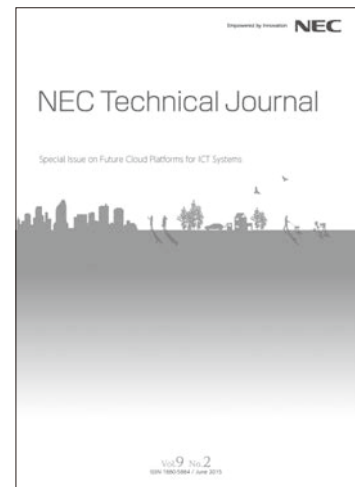**Products and latest technologies supporting NEC C&C cloud platforms**
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