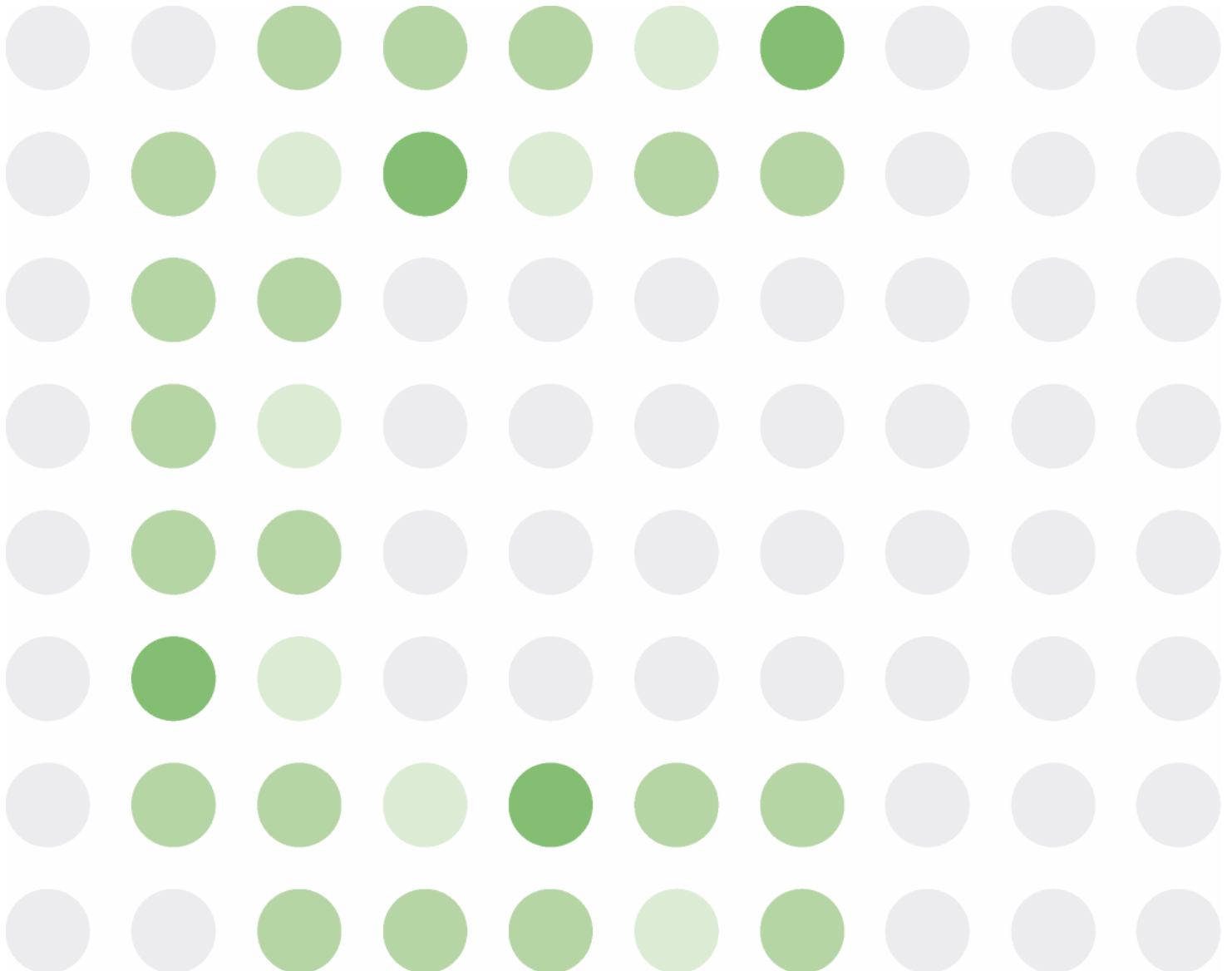


Case Study

SONY



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1 Sony Europe

Sony has become one of the best known global brand names. Whether in the home, on the move, or at work, Sony products are renowned for their quality and design innovation. From the invention of the Walkman Personal Stereo to the on-going development of new generation digital technologies, Sony's name is synonymous with innovation in audio-visual communication.

With its music, pictures, game and online businesses, Sony is uniquely positioned to become a leading personal broadband entertainment company in the 21st century. Much of the research and development associated with this evolutionary process is taking place in Europe.

Sony's overall consolidated sales in Europe, including electronics, music, pictures and games, for the fiscal year ended March 31, 2006 amounted to EUR 12.6 billion. Sony Europe, responsible for the company's European electronics business, registered consolidated sales of EUR 8.3 billion.

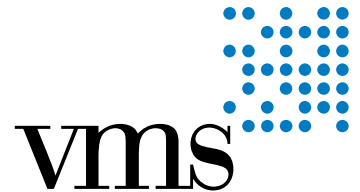
The Infrastructure Services & SAP Solutions Group of Sony Europe provides all infrastructure, data center, network, SAP application, technical development and support services to the European sales and marketing operations. The user community consists of more than 12,000 people, 6,000 of them being SAP users. Sony runs a large enterprise system landscape with an extraordinarily high data volume. At the time of installation, Sony Europe's SAP system was one of the largest single instances worldwide. Characteristic for the usage pattern of Sony Europe is a very high volume of transactions.

With a view to constantly optimizing their systems, IS has taken a proactive approach to optimization and asked VMS to advise Sony Europe on how to optimize the SAP landscape with regard to system performance and operating cost.

www.sony-europe.com

2 VMS – VMS Benchmark

VMS is the inventor of the state-of-the-art VMS Benchmark, the method to measure the utilization of the SAP system directly and in an automated way down to the transaction level – the method which is named "DNA-level Benchmarking". It allows clear identification of the levers for the optimization of costs and performance. The analysis, too, is automated.



The adaptive VMS TCO-model accurately displays the structure and dynamics of the system that is analysed. The client`s specific SAP landscape is no longer squeezed into an inflexible benchmark pattern. With the VMS-method comparability is based – in a simplified view – on a comparable transaction mix, executed by a comparable number of users with a comparable quantity structure in comparable quality. To each *element* of the systems of the VMS database – e.g. cost of the hardware, cost of application management in a given area or the intensity of usage of a specific application – we assign a statistical weight between 0 and 1 compared to each SAP system of the customer. Similar usage and quality result in a high weight.

VMS AdaptiveTCO accounts for costs as well as quality criteria in benchmarking comparisons - the model represents the specifications of the client`s SAP system. Above that, the benefit the system brings to the company is accounted for. Because if the focus were only on costs, the business value, the process support would be neglected carelessly. This is why VMS examines the quality of the available applications through automated measuring by means of the VMS DataCollector.

Structure (detailed characteristic of the SAP-environment) and dynamics (performance of the system over time) of the applications and the technology are fully accounted for by the VMS methodology. The result is full transparency of the actual utilization of the system – only this allows clear identification of the levers for optimizing performance and costs.

VMS benchmarking projects are minimal invasive because the systems are measured in an automated way by means of the VMS DataCollector. Operations are affected only very slightly – IT staff can continue as usual.

The database, the VMS Benchmark base, contains detailed data of currently over 800 SAP-Systems (as of July, 2006). This makes it the largest and most detailed database worldwide.

Last but not least, over 50 international clients, ten of which are DAX 30-companies, are taking advantage of VMS methodology and technology.

www.vms-s.com

3 Project design

Subject of the project was to investigate the technical and cost structure of the SAP installation of Sony Europe and to provide a best-practice benchmark (VMS Benchmark). The goals were:

- to obtain transparency regarding cost, usage and quality,
- to identify potential cost savings,
- to identify SAP system bottlenecks, problematic usage patterns, and non-effective usage and
- provide an appraisal and advice of potential improvements of the technical landscape.

The investigation concerned the SAP production systems – ERP, BW, CRM, APO and WMS – of Sony Europe and the corresponding test and quality assurance systems. Cost information provided by Sony was transferred into the VMS AdaptiveTCO-model for enterprise application environments. It contains cost elements as well as quality criteria and elements describing the usage of the systems.

The Sony project team consisted of the project manager and two IT Controlling specialists for gathering cost and system related information and feeding it directly into VMS` s online interview system. Information collection and refinement took no more than 50 hours (!) in total for all persons involved. The information was then transferred into the specialized TCO-model for enterprise application environments (VMS AdaptiveTCO). It consists of cost elements as well as quality criteria and elements describing the usage of the systems. Automated daily data collection via the monitoring software VMS DataCollector was performed in a five month period to gain a 360 degree picture of all important system characteristics as well as of the dynamic behaviour.

„Working on this project with VMS was far less intrusive than with traditional questionnaire-/excel-based benchmarking studies. VMS gathered data automatically directly from the system. Also most of the other work was done remotely.“

David Laing, General Manager – ISE Finance, Information Systems Europe, Sony Europe

Eight weeks after project kick-off, interim results were presented by VMS in a workshop at Sony`s premises at Basingstoke (UK). Already this analysis provided a complete and detailed picture of the systems` characteristics, highlighting areas of the benchmarking where deeper analyses were useful. The project team agreed upon to further investigate the areas of hardware architecture and cost structure.

4 Results

„The benchmarking by VMS built up a total picture in terms of the TCO of the landscape, while precisely taking into account the quality and actual usage patterns.“

Frank Cunnane, Director – Infrastructure Services & SAP Solutions (iS3), Information Systems Europe, Sony Europe

The project goals were fully accomplished within the planned timeframe. The VMS Report provided detailed quantitative analyses as well as clear and actionable recommendations for management. Summarized in the VMS Report, all aspects of the benchmarking study – cost, usage and quality as well as system bottlenecks, problematic usage patterns, and non-effective usage – were covered in fine-grained detail.

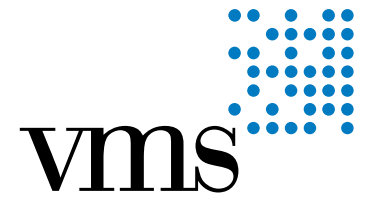
The study clearly identified potential savings against total operating costs. The VMS Report also revealed areas for architectural improvement, helping the operations team to meet Sony Europe`s especially high performance requirements. Additionally, VMS provided actionable advice on how to establish cost efficient solutions for disaster recovery in the case of future changes in the system landscape.

The VMS report demonstrated as well that current IT staffing levels at the Infrastructure Services & SAP Solutions Group of Sony Information Systems Europe were well in tune with the complexity – and associated workload – of the system landscape. Indeed, even a slightly higher staffing level would still be very close to best practice.

Summarizing the process and results of the project with VMS, Mr Cunnane states:

„It`s definitely a service I would recommend to other global organisations using SAP, as VMS has a really unique methodology, taking into account the technical as well as the economical aspects of SAP to provide a 360 degree view of the system landscape. The advisors of VMS are very knowledgeable in the SAP-environment, especially in how SAP interacts with infrastructure – which is rare.“

Frank Cunnane, Director – Infrastructure Services & SAP Solutions (iS3), Information Systems Europe, Sony Europe



Your contact:

Mr Ralph Treitz
Tel. +49 6221 43852-0

VM Solutions GmbH
Burgstraße 61
69121 Heidelberg
Germany
www.vm-s.com

Tel +49 6221 43852-0
Fax + 49 6221 43852-22
E-mail info@vm-s.com