

**ams AG**

QUALITY IS THE MOST IMPORTANT CURRENCY.



**The business**

ams AG was founded in Unterpriesterstätten (Austria) in 1981. The core business is the development and production of analogue semiconductors and sensors. The product portfolio comprises sensors, sensor interfaces, power management ICs and wireless ICs for customers in consumer markets, mobile communication, industry, medical engineering and the automotive industry. With 1,800 employees in 20 countries, it looks after 8,000 business customers. ams entrusted its IT operation to T-Systems in 2003. The contract has been prematurely extended to 2023. From 2018, T-Systems is also to provide high availability IT at the new production facility in USA.

As Witzmann recounts: "We meet the customer face to face two to three times a week. We guarantee the greatest possible availability of our services through regular consultations, tight maintenance windows and redundant technology. We have taken a major step forward, not least in the course of our group-wide quality offensive, Zero Outage." The speed of order processes – for example for new hardware – has also been improved significantly by means of a special capex budget that is available without any major approval processes.

"In most areas, T-Systems meets our expectations as a customer to our complete satisfaction", adds ams' head of IT Brantner. The Service Level Agreements are always met or even exceeded. "The high TRI\*M score of 90 points and the early extension of their contract also point to ams' satisfaction with their IT service provider. "At the end of 2013, we entrusted our IT to T-Systems for a further ten years", Brantner confirms. "Because the reliability of IT systems is directly dependent on the personnel involved. T-Systems' employees display great technical knowledge and are highly dedicated. They understand what we need and know that stability and quality are of utmost importance to us."

**IT SERVICE QUALITY GAINING IN SIGNIFICANCE**

There are two main reasons for this: On the one hand, ams has committed to maintaining the highest possible quality in semiconductor production. For example, the company boasts an extremely low "field return rate" of 0.1 ppm (parts per million). That means that only one chip in ten million produced by the Austrians is faulty. On the other hand, the aim is to avoid any malfunctions entailing financial loss. "Our entire production would grind to a halt one second after any IT failure. That would have dire consequences for our business", explains Brantner. "To this extent, our financial success is directly linked to the quality of our IT."

A survey conducted by the ITSM Group confirms how much business processes in general are dependent on high IT service quality. While in 2007 only 40 percent of IT decision-makers rated quality as "consistently crucial for success", today that figure already stands at 70 percent (see infographic). The numbers emphasize that more and more companies are digitizing their business models, making them dependent on powerful, reliable IT. The latest findings established by analysts at PwC fit the same picture: Quality is now the most important factor when it comes to choosing an IT service provider – ahead of price.

"Of course the costs still play a part for our customers. But they increasingly see investment in quality as an investment in security and reliability", Regional Sales Manager Dietmar Taurer comments. Because quality is also the most important IT currency for ams, the company intends to further expand its collaboration with T-Systems. The semiconductor manufacturer is currently building a new plant in the US State of New York – with capacity that will be three times greater than that of the Austrian production plant. When production starts at the beginning of 2018, T-Systems is to provide and manage the entire IT infrastructure through its American subsidiary.

Nobody takes any notice of them but everybody uses them. They are found in cell phones, cars and computer tomography. They even flew to Mars with "Deep Space 2". ams AG's products do their work in the dark. The Austrian semiconductor manufacturer from near Graz has been developing and producing microchips and sensors for consumer electronics, industry, medical equipment and the automotive sector for almost 35 years. And has been doing so very successfully too: in the last four years alone, sales at ams more than doubled to 464 million euros.

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"IT WHICH IS HIGHLY AVAILABLE IS INDISPENSABLE IN CHIP PRODUCTION", explains Reinhard Brantner, IT Director at ams. Systems must be stable – 24/7, 365 days a year. "It's a highly complex operation to ensure that this happens, and it requires comprehensive expert knowledge. Because it's not our core area of expertise, we looked for a reliable partner at an early stage, and in 2003 we found one in T-Systems."

Since then, the business customer division of Deutsche Telekom has been responsible for the IT systems of the semiconductor company. Employees of T-Systems Austria take care of the operation of the ams data center, the central user help desk for 1,800 employees worldwide, support for around 2,800 devices in 25 locations in Europe, Asia and USA as well as all the Group's LAN and WAN network connections.

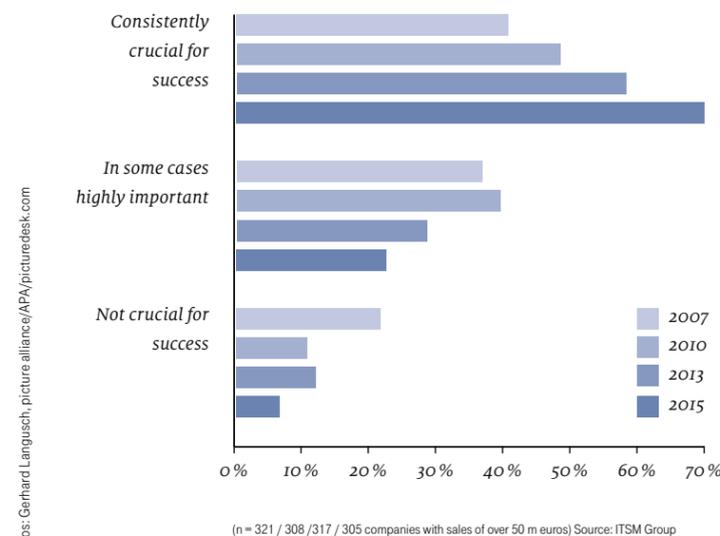
But the challenges faced by the IT service provider are also constantly growing as the company itself grows, also in strategic terms. "After company takeovers – and there have been a few of

them – we have to quickly connect the new locations to the ams company network. The number of user profiles and devices administered as well as the storage volumes required have also grown enormously", says Ingo Witzmann, Service Delivery Manager of T-Systems Austria. "If the IT system is not set up with total thoroughness from the word go, it's impossible later to guarantee the availability that the customer demands."

**MAJOR ADVANCE WITH ZERO OUTAGE**

There have been around 1,100 regular IT changes in total at the Austrian chip manufacturer. They included the swapping of components and the implementation of new products as well as connecting up further locations. And in spite of the complexity and the risks associated with many changes, the last major IT malfunction occurred more than four years ago. A software bug was responsible for a database error at the time.

**TO WHAT EXTENT ARE BUSINESS PROCESSES DEPENDENT ON THE HIGH, MEASURABLE QUALITY OF THE IT SERVICE?**



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