



# From the legacy world to the cloud

T-Systems supports a logistics company as a managed service provider

**„T-Systems as a managed service provider – that means the customer combines the lightness and agility of the cloud with extensive governance and top-quality service.“**

Jens Knepper, T-Systems

Next stop 2025: at this time, 50 percent of applications will be running in the public cloud, and 80 percent by 2030. It's an ambitious digital agenda, especially if your company has a history. The infrastructures of this T-Systems customer are still largely running legacy IT, which has provided reliable support for business processes until now. But reliability isn't everything in the age of the cloud. The logistics service provider is changing the way it thinks: faced with the current business challenges, they want to capture the agility benefits and innovation potential offered by the cloud for their business, to offer their customers new, digital possibilities.

Their demands of the freight business are increasing continually – in both the B2B and B2C segments. As more retail business moves to the Internet, new logistics concepts are needed, for example, for the fast delivery of perishable goods. Cost-efficient operation of the last mile poses a special challenge. Providing support for complex supply chains with IoT solutions to achieve transparent, optimized logistics is another challenge.

The customer also wants to offer innovations in traditional letter mail business: electronic letters and the automated dispatch of bulk mailings are just two examples. What's more, cost advantages play a crucial role in an industry with low margins – reason enough for the logistics service provider to rely on the public cloud. T-Systems is supporting the company on its way from the legacy world to the public cloud – with managed public cloud services for Azure.

## At a glance

- Logistics company establishes public cloud first strategy
- T-Systems as partner to manage the hyperscaler infrastructure
- Managed services for governance and customer service
- Increased agility for innovations and cost savings

# The reference in detail

## The challenge

The logistics group has trusted T-Systems to operate its infrastructures for years. Business-critical systems have to run smoothly, efficiently, and reliably to support ongoing business operations. This includes managing internal processes and workforce planning, as well as billing for service and physical delivery of shipments to their recipients. IT is essential. Previously, the company has relied on a private cloud and on-premise IT. In 2017, the group developed a new IT strategy that focuses on the public cloud. It wanted to take advantage of the agility of the public cloud and chose to focus on Microsoft Azure as a platform. The reasoning: wide international availability of the resources to provide optimal support for its international business activities. But the in-house realization with Microsoft did not lead to the desired result: the efficient management of cloud resources required much more effort than originally expected. The standard solution "as is" did not meet the customer's needs for IT governance. License management issues and internal cost center allocation remained fuzzy, for example. At the same time, the company expected the outsourcing to come with the high level of quality established over the years, even when using public cloud resources. As a managed service provider for the public cloud, T-Systems supports its long-standing customer's digitalization strategy and is guiding them through this change. Instead of changing to match the cloud, the cloud now adapts to them.

## The solution

During the planning for the changeover, it became clear that cost advantages could only be captured if the customer maintained a consistent focus on the public cloud. Simple lift-and-shift approaches increase costs; instead, the applications have to be designed cloud-native. "That's why we're not starting our journey to the cloud together with the migration of an existing service, but instead with a new, cloud-native service for route optimization," explains Raik Dittrich, the project manager at T-Systems. DevOps principles were used in the implementation. While the application was being developed for the logistics service provider, T-Systems designed the matching operating and development platform on Microsoft Azure and supplemented it with additional services to enable internal governance. The customer's users don't have to deal with any of this. They access the Azure platform directly, as a self-service, using an internal service catalog. T-Systems uses the monitoring functions that Azure offers and supplements them with proprietary solutions for end-to-end management of the public cloud resources. This enables internal cost allocation, for example, as well as license management for the applications used in the cloud. In addition, T-Systems supplements the cloud service catalog with managed and hardened operating systems (Managed Cloud OS) and the essential container services for the efficient use of cloud resources in the native environment. In addition to operating services, T-Systems also supports the customer with its background in cloud migration (cloud transformation services).

## Customer benefits

With its extensive expertise in different sourcing models, T-Systems supports the customer's individual journey to the cloud. As a managed service provider for the public cloud, the ICT service provider provides the link between large user companies, which want to establish effective cloud governance and need service contact persons, and hyperscaler platforms like Microsoft Azure. If the platform causes any problems, T-Systems provides personal contact persons who can help quickly. With the managed service approach, T-Systems relieves the customer of the need to administer cloud use, enabling users at the company to concentrate completely on adding value with the cloud, developing new applications for innovative business models, and improving the efficiency of internal processes. T-Systems is the first point of contact for all questions regarding the platform, working in the background to ensure end-to-end governance and establish platform-based innovations. When Microsoft makes changes or introduces new features, T-Systems captures them for the customer. Not to be overlooked: by migrating its systems to the cloud, the logistics service provider has achieved significant cost savings at the infrastructure level. "Our calculations show savings of at least 30 percent, usually more – but only if the applications have been optimized for the cloud," reports Raik Dittrich. The customer has also made significant gains in business agility and can implement its own innovations more quickly – a major plus for its market image. T-Systems currently manages more than 70 of the customer's working areas within some 100 virtual networks on MS Azure, with more than 300 virtual machines. The customer gets extensive transparency regarding cloud usage at the company and can control its costs efficiency. As such, it is solving one of the greatest challenges associated with using the public cloud at present. 25 applications – most of them business critical – are in different stages of migration. The journey to the cloud is picking up speed as the company steers toward 2025. As an experienced companion, T-Systems is taking care of managing the cloud infrastructures at enterprise level.

### Other benefits:

- Reduction in administrative tasks
- Ensured cloud governance
- Redundant network connection
- Protection of systems and sensitive company data
- Cost control
- Continuous service, personal contacts, quick problem resolution
- Access to certified Azure expertise (over 200 certified Azure experts)

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