

Cloud

Client Case Study

Optimized up or down-scaling with PostNL cloud-only strategy

PostNL

PostNL is the national postal company of the Netherlands. The postal market in the Netherlands is free and PostNL had an 81-percent share in this market in 2012. The number of letters being sent is currently dropping. To absorb this, PostNL is switching from being a delivery company that deploys full-time to one that deploys part-time postmen. However, the increase in online shopping means that the number of parcels being delivered in the Netherlands is growing rapidly. PostNL is market leader in the Benelux parcel distribution market.

Changing market

PostNL is operating largely in a shrinking market: that of letters and other postal items. In 2013 volumes fell by 11 percent, a fall that is likely to continue for the time being. By comparison, the rise in online shopping has resulted in a healthy growth in parcel deliveries.

This is something that Marcel Krom, CIO of PostNL and responsible for IT strategy for the post and parcel company, takes seriously: 'These circumstances place a certain pressure on the decision to switch to the cloud: the need to be able to shape ourselves according to the market.'

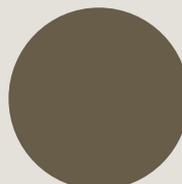
Transformation

The transformation that PostNL needs to go through to become future-proof affects every department, with consequences for IT every time. Krom uses postmen as an example. Many permanent full-time employees are being replaced by part-time staff who are deployed more flexibly. 'Delivering post is no longer a full-time job.' If Krom were to take no action, the increase in part-timers would lead to higher costs, as more 'faces' would need to access his IT systems.

The cloud strategy

A cloud, where IT capacity can be switched on and off at the touch of a button, can control these costs.

PostNL is deploying a rigorous cloud strategy. All IT systems that can legally switch to the cloud are switching over to it. This means that the post and parcel carrier is going further than any other Dutch company of whatever size.



Doing business with PostNL – our solution

The post and parcel delivery service resolved to shape a significant proportion of its cloud future with Sogeti, a trusted partner that had already built and managed dozens of PostNL applications. These more than 75 applications will be placed in a so-called public cloud.

Sogeti is creating and managing this cloud, which is based on Microsoft Azure, exclusively for PostNL. 'You don't see many organizations applying this model,' said Gerrie de Jonge, responsible for the cloud transition within PostNL. 'We have contracted our development and maintenance of applications to Sogeti and other parties for years and are now having them take on a new role of cloud platform manager. For us as Benelux player, it feels very good to do business with Sogeti. We can connect with them quickly and at the highest level. As there are no reference cases of this size, you can only start a form of cooperation like ours with a party that you trust and where there is a good cultural fit.'

Applications

PostNL is transferring partly to Microsoft clouds: Azure and Office365. This does not mean that PostNL has rushed headlong to the cloud switch. In fact, preparations for the transition already started two years ago. Johan Flikweert is responsible at Sogeti for this part of PostNL's cloud future. 'The so-called transformation road maps have now been organized. We also call these "transition lines", where applications first enter before being prepared for a standardized process, prior to actual transfer to the cloud. The first eight application clusters are already live. The next set is in our pipeline. Our entire Service Factory is based on a 24*7 continuity model, based on a dual shore resourcing model from the Netherlands and India. The transition will be complete in 2015.

Savings

There are considerable questions and concerns regarding the cloud: how secure are customer data? What if the internet breaks down and we can no longer access vital company information? And as soon as you have everything running on their systems, aren't you then tied to this cloud provider? PostNL is able to put all objections about the cloud, whether rational or not, into perspective. It can be proven easily that these do not outweigh the advantages of flexibility and cost savings. Marcel Krom talks of reducing the IT budget by 30 percent.

Experiences

What has Gerrie de Jonge learned from the cloud adventure until now? Three things.
'First: make that bold move and switch to the cloud: it is the future for which organisations and suppliers will need to prepare, sooner or later.
Second: make a thorough inventory of your current IT landscape. And finally: consider carefully which supplier suits you and can offer the right added value. This is a strategic project and is uncertain in nature. This means you have to have confidence that together you can solve everything that you come up against; a confidence we had with Sogeti.'

PostNL about Sogeti

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- Gerrie de Jonge, Manager Cloud Transitie

Advice about your cloud

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