Grocer Revamps Systems Management

Fortune 50 retailer moves from silos with "1000 points of meaningless data" to reliable, actionable alerts

Wal-Mart is a tough rival – especially when they've built supercenters in half your major markets. To compete successfully, a top supermarket retailer has adopted an ambitious strategy to improve its service and product selection for customers while keeping prices competitive. This strategy demands a complex enterprise-wide IT environment. Three major data centers run servers and mainframes. Individual stores are equipped with point of sale controllers and individual servers running store-specific applications. Plus, the IT department delivers business computing services to workers in the corporate offices and specialized applications for distribution and manufacturing.

"IT servicing the business is absolutely critical, even more so today than a mere ten years ago. We do things faster. We do things much more in volume. We have a lot more data to be able to manage. And with all those things going on, managing your environment is critical to the actual revenue capability of a company," explains Joseph Ambrose, VP of Operations and Engineering.

Like many companies, the retailer had deployed a series of leading systems management tools – PATROL, Tivoli, SMARTS, Oracle Enterprise Manager, CA Explore, etc. – within a traditional siloed and platform-aligned IT organization. Despite their investments, understanding overall service health and pinpointing the root causes of problems was very difficult.

"There was no view in terms of all of these things talking to one another, so that I could understand a complete or holistic view of an application, its current performance or its predicted performance. Consequently what we had was 1,000 points of meaningless information," notes Ambrose.

This traditional systems management approach was impacting the company's business. In 2005, it estimated just the direct labor costs of their unplanned outages to be $14 million. In an industry with profit margins of 1-3%, eliminating unnecessary cost is crucial. Three primary business goals were identified to accomplish revamping the company's systems management area. First, they wanted to integrate all of the systems for a true end-to-end view of everything going on in performance. Second, they wanted real data, not simply threshold data in order to understand actual performance in real time. Third, they wanted to move from a reactive to a proactive systems management environment.

"We selected Netuitive against a series of other products that were also in that area. Because it was – without a doubt – the best in terms of analytics, real-time performance, and ability to interface to products that we had already invested in. By being able to leverage that type of a product on top of what we already had installed, as far as the systems management, we could have the glue for being able to get an end-to-end view," explains Ambrose.

About the Customer

The customer in this case study is the second largest retailer and largest grocery chain in the US. It operates approximately 2,468 supermarkets, 631 supermarket fuel centers, and 1,850 store pharmacies. In addition, the company operates – directly or indirectly – 779 convenience stores, 412 jewelry stores, and 42 food processing plants. Generating $66.1 billion dollars in revenue, the company's grocery division holds the #1 or #2 position in 38 of its 44 major markets.

> "Netuitive brings us a unique, automated intelligence layer for our IT environment,"
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> Joseph Ambrose
> VP of Operations and Engineering
> Major Grocery Retailer Chain