PostNL uses the IT of the world

PostNL decided to go all cloud in 2012. A daring but, at the same time, essential step. ICT Group migrated all custom applications it had developed for PostNL to Microsoft Azure. Wim Reedijk, Director PostNL IT - Strategic Change, describes his choice for ICT Group as well as the cooperation between the two parties, and explains how this resulted in a unique cloud kernel.

Market demands 'IT of the world'

'PostNL's choice for ICT Group came about after a strategic reorientation which we initiated a couple of years ago', says Wim Reedijk. 'The reason is that we have been observing decreasing volumes in the postal market, while we see substantial growth in the parcel market. In 2005, we delivered a daily volume of 200,000 parcels, today this has increased to a daily volume of 550,000. At the same time, we experience enormous peaks, in excess of one million parcels per day. These contradictory developments have forced us to reduce costs and make them variable. What's more, we want to be able to anticipate new opportunities in the market. This was difficult within our old IT landscape because it was not scalable and was not geared to the peaks in our business, making it inflexible

and expensive. Cloud sourcing turned out to be a logical solution because of the benefits of scalability, flexibility and the possibility of pay-per-use. In addition, we want to use state-of-the-art IT, the 'IT of the world' as I call it.'

SaaS as basis for cloud migration

Wim Reedijk: 'In 2012 we formulated the ambition to turn off the lights in our own datacenters by the end of 2015. During the first phase we migrated some 500 custom applications to various clouds. The following step involved a complete redesign of the application landscape for our supporting systems. Workplace systems are moved to Office 365, marketing & sales and self-service portals are realized in Salesforce, and the current SAP applications are being completely re-implemented in two SAP SaaS

ICT smarter solutions

solutions (Business ByDesign and SuccessFactors). Ultimately we want to use these types of applications on the basis of Software-as-a-Service, which means that we are moving away from customization and towards standard functionality. At the moment we are completing the first phase of the migrations. There's still some 20 on-premise applications that will be moved to a private cloud. Once that is done, we can really turn off the customization lights. The phase of re-implementing the SaaS solutions is in full swing and will go on till the end of 2017. The third and last step consists of the design phase, in which we will develop a new cloud application landscape for our logistics services.

Cloud architecture, migration and management by ICT Group

PostNL involved various partners to realize the cloud migration. ICT Group is responsible for the cloud architecture, migration and management of the application environments. In addition, ICT Group offers flexible cloud management services, allowing PostNL to pay-per-use. As a result, the postal company has been able to reduce its management costs and it does not need to spend valuable time on standard tasks.

Pro-active attitude ICT Group makes the difference

When asked about the importance of the role of ICT Group in the cloud migration, Reedijk replied: 'Extremely important. Even well before we officially started the migration, ICT had already performed a test migration of the first application to Azure. It's a typical example of our excellent cooperation and ICT's knowhow and experience in the domain of cloud solutions. They also helped us in the thought process for developing our business case. What's more, ICT Group became operationally responsible. In short, there's no doubt that their role has grown substantially. They made a shift from a supplier of customized solutions to a software partner who is pro-active, who contributes ideas for improvements and who feels responsible for our service provision. What especially distinguishes ICT Group is the fact that their people don't hide behind processes. Instead, they take on an owner's role in terms of their sense of responsibility. In addition, they are capable of bridging the gap to our IT department, which has started to play a new role.

Joint development of unique cloud Kernel and turns out to be the Egg of Columbus

One of the results of the new and close cooperation between PostNL and ICT Group is a unique Cloud Kernel. Reedijk: 'Our philosophy is that you can't migrate an application to a cloud on a stand-alone basis. Instead, you need to create an environment in which an application can "land" for each cloud. That's the only way to spread the fixed costs for the services of this "virtual computer center", for instance the costs of compliance, Single Sign-On, back-up and restore facilities, etcetera. We are unique in this approach, and when I talk about this solution to colleagues, I hear that our kernel is seen as the Egg of Columbus. We made a conscious choice for working closely together with ICT Group in creating the architecture of the kernel, because continuous changes at an architectural level require solid cooperation.'

Next step PostNL: service provider

What are PostNL's goals after the cloud migration? Reedijk: 'Once the cloud migration has been completed, we will have a state-of-the-art IT-foundation which will enable us to perform extremely fast application roll-outs for new services at a very low cost. Take the delivery of parcels for example. This involves a complete set of services for the recipient, such as deliveries in a range of time slots – Sundays, morning deliveries or during evening hours, same day delivery, etcetera. In addition, we are working on extending our logistics services such as Pharma & Care, return proposals, etcetera. One thing is certain: if the opportunity arises, we can have the solution on the market within a minimum of time, and this is thanks to the new infrastructure that we have developed together with ICT Group.