Dai Nippon Printing Co., Ltd. and DNP Information Systems Co., Ltd.

50% lower ICT costs and shorter lead time due to globally standardized infrastructure

Service: Microsoft Dynamics AX on Enterprise Cloud

DNP

Mr. Kazuyuki Miyamoto
Officer & General Manager of
System Technology
DNP Information Systems Co., Ltd.
"Through this project, I realized that NTT Com possesses in-depth knowledge and know-how regarding global infrastructure and applications."

Company Profile

Name: Dai Nippon Printing Co., Ltd.
Address: 1-1-1, Ichigaya Kagacho, Shinjuku-ku, Tokyo 162-8001, Japan
Establishment: January 19, 1894
Capital: ¥114,464 million
Employees: 39,524 (Consolidated)
Business: Publication printing, commercial printing, IC card, packaging, lifestyle materials, photo print, electronics, and others
URL: http://www.dnp.co.jp/eng/ (as of March 31, 2014)

Company Profile

Name: DNP Information Systems Co., Ltd.
Address: 21 Ichigaya Sanaicho, Shinjuku-ku, Tokyo 162-0846, Japan
Establishment: December 1, 1998
Capital: ¥100 million (100% of investment by Dai Nippon Printing Co., Ltd.)
Employees: 856
Business: Planning, design, development, maintenance, and operation control contracting for information systems
URL: www.dnp.co.jp/dnp_is (as of April 1, 2014)

Challenges	- Optimization of ICT investment to keep pace with rapid global expansion - Global standardization for mission-critical systems and security compliance
Solution	- **Microsoft Dynamics AX for ERP process standardization** - Enterprise Cloud-based global infrastructure compatible with Dynamics AX
Benefits	- Stable transition helped to reduce costs by 50% and shorten the lead time - Global business deployed rapidly and duplicate ICT costs avoided

Challenges
Speedy business development by "moving beyond local battles"

With "Today's innovation is tomorrow's basic" as their key phrase, Dai Nippon Printing Co., Ltd. (DNP) provides many market-leading products to consumers around the world. However, as they have broadened the scope of their business beyond Asia, they have encountered new issues, says Kazuyuki Miyamoto, Officer & General Manager of System Engineer Department at DNP Information Systems.

"The ICT system needed to catch up with the rapid development of our sales and production bases overseas. We were choosing and implementing a system for each foreign base, but we couldn't keep up with the pace of global expansion if we continued to fight these various local battles. For example, it used to take almost one year to fully deploy an ICT system, including advance research. We also had issues regarding standardizing the level of security in each country, ensuring compliance, and overlapping ICT investment."

With office openings planned for Vietnam and Malaysia, DNP began looking for global ICT infrastructure solutions that could be commonly applied and globally effective. One new approach was utilizing the cloud system.

"Our business has to respond to the local market to develop. We need to be able to quickly expand or reduce the business, or even leave the market, if necessary. With on-site system infrastructure, there is a risk that the ICT assets that we invested in will be wasted if our business strategy for that market changes."

It's general practice to update and improve your ICT environment every five years, which requires new investment. However, the cloud system is much more flexible.

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In light of their plans for business development, DNP calculated that the mid-to-long term costs of operation and maintenance for a cloud system would be lower than developing on-site assets for each base.

Solution
Pursuing a new style of ICT infrastructure to implement global strategy

DNP had settled on the cloud to provide its new ICT infrastructure, but they also needed common enterprise resource planning software (ERP) for sales management, purchasing control, inventory and warehousing management, and accounting in order to standardize operations at foreign bases and embark on regional business development as soon as possible.

"We were looking for applications that could be easily localized for language, currency, and commercial practices in each country, that were developed for global use and supported by many countries, and that had a lot of international templates as easy to implement and use as the standard version", says Mr. Miyamoto. After comparing various options, DNP went with Microsoft Dynamics AX and deployed it with NTT Communications' globally standardized Enterprise Cloud infrastructure."

"NTT Com has a lot of data centers in countries all over the world, and we thought that they would be able to provide services to handle the global strategies of DNP. Also, our managers were impressed by NTT Com's international telecommunications network, customizable ICT environment for DNP's bases, server environment in the cloud system and the implementation and support services for Dynamics AX."

Diagram: the globally shared ICT infrastructure

Shared infrastructure and cooperation enables the acceleration of global business development

Benefits
System construction completed in just 3.5 months
Accelerated global business expansion

DNP also faced difficulties incorporating this new global ICT infrastructure in their new bases in Vietnam and Malaysia.

"First of all, there were differences among the telecom carriers in each area. For example, in Vietnam, even the two biggest cities, Ho Chi Minh City and Hanoi, have different services, while the same services are available in any region in Japan. Also, we had concerns that the line quality might cause delays and downtime. However, the NTT Communication staff, well-versed in the local situation, tried various approaches and were able to secure a stable line for us," says Mr. Miyamoto. They were able to complete the system in just three and a half months.
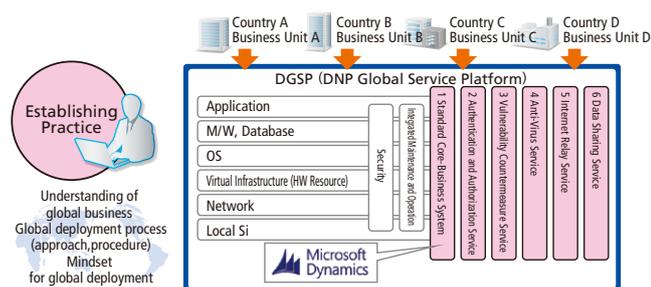
NTT Com's know-how came in handy for training as well.

"Introducing Dynamics AX was a first for us. We asked NTT Com to draw up a training program and schedule. We got their support, not just in training, but in local language support as well."

One year has passed since the implementation of the global ICT infrastructure and it has been working out splendidly. DNP was able to reduce the cost of setting up the ICT infrastructure and ERP system for a new base by 50%, as well as shorten the time required for execution. Using a common infrastructure avoided overlapping investments, unified security levels and compliance, and enabled users, who were not even aware of the change, to speedily master the system and customize it as needed.

"The most important point is that the system allows the users, both in Japan and abroad, to mutually apply their skills and minds to develop a global business. The fact that we could enable this was the most important outcome. We plan to expand and develop the shared ICT infrastructure to accelerate the development of our global business, with the continued support of our strong partner NTT Com."

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