



Mainframe Migration Project: Driving Innovation and Future Growth

A Success Story: Owens & Minor

When Owens & Minor decided to modernize its core IT systems and applications, the potential benefits of mainframe migration far outweighed that of rewriting or replacement initiative-options that could have cost the company more than \$100 million. Owens & Minor chose its long-standing IT partner, Perot Systems, now part of Dell Services, to migrate all mainframe processing of its mission-critical enterprise resource planning (ERP) system to a Windows-based infrastructure framework.

The Challenge

The ERP system at Owens & Minor is the lifeblood of the company's business, doing everything from processing orders and billing to managing inventory. The company needed to modernize its systems to provide for future enhancements and growth, while improving performance.

The decision to migrate to a framework based on Microsoft® Windows® was also governed by the need to preserve the company's 20 years of IP-based data, systems, and unique business logic.

Specific project goals included:

- Achieving timely or early project completion to allowing termination of mainframe services
- Preventing disruption to ongoing business operations
- Delivering defect-free software in the Windows environment
- Implementing change control processes to allow business-critical changes to current systems during the migration period
- Sustaining adequate performance of applications in the Windows environment

- Ensuring that the project stayed within the approved budget

The Solution

Dell Services used a "lift and shift" migration to Windows to modernize Owens & Minor's heavily customized ERP platform. The first aim of the lift and shift migration was to achieve a "like-for-like" system by running extensive testing. The implementation of a relational database management system reduced risk by introducing minimal change to applications, while providing for data tier modernization.

The project was carried out over a three-year period. The team used an equally weighted project management and solution delivery methodology and brought in an incremental approach to break the project into manageable phases that reduced risk and resulted in the project going live well before the established deadline.

The key steps followed by Dell Services in the migration exercise were:

- "Lift and shift" Cobol from Mainframe to Wintel
- Configure Database I/O routines in Wintel Environment
- Retrofit
- Test and Fix
- Implementation

"Migration to a Microsoft Windows environment was a low-risk, high-return way to accomplish our IT and business goals at a fraction of the cost of a rewrite or wholesale ERP replacement."

Rick Mears
Senior VP & CIO
Owens & Minor

The Results

The mainframe migration project delivered significant short-term and long-term benefits for Owens & Minor.

Cost savings. The project is expected to yield substantial annual savings for Owens & Minor while improving efficiencies for future support and needs relating to supply chain management. Owens & Minor is reinvesting these savings into technology innovation projects designed to enhance customer service and drive future business growth. The migration has also made funds available to invest in other significant new platform enhancements and modernization initiatives.

Planning for the Future. The migration ensured that the company's core IP remained intact and achieved greater optimization. The new IT environment will also serve as a foundation on which Owens & Minor can continue to build its market leadership. In addition, the migration enables expansion without incremental budget requirements.

Higher performance. The new IT infrastructure delivers greater performance capabilities, and is able to handle a larger volume of users and orders. The hardware and software configuration is expected to provide three additional years of capacity sufficient enough to accommodate potential revenue growth.

Enhanced customer service. The user interface modernization will deliver better online tools for Owens & Minor customer service representatives, enabling them to further enhance service levels.

Increased staff productivity and efficiency. Simplified business processes, for example, some functions previously required users to access multiple screens (in some instances up to 25 screens to address a back-order issue). In many instances, these processes are now handled on a single screen.

"This was a complex and mission-critical project, and we are proud of the benefits this successful collaboration brings to Owens & Minor," said Chuck Lyles, president of Dell Services Public Services Sector. "The migration establishes a powerful and flexible computing platform to drive future growth and innovation."

Summary

When Owens & Minor set out on an IT modernization drive, they chose to implement a mainframe migration initiative with Dell Services. They were concerned about retaining their unique business logic. Dell Services not only provided attractive financing options for the project, but also ensured that the migration was completed in a timely manner and within budget. Dell Services' implementation provided Owens & Minor with the flexibility it needed for future growth and innovation. The results exceeded Owens & Minor's expectations and reinforced its reputation as one of the most innovative users of technology in their industry.

For more information about any of our service offerings, please contact your Dell representative or visit dell.com/services.

About Owens & Minor

Owens & Minor, Inc., a Fortune 500 company headquartered in Richmond, Virginia, is a leading national distributor of name-brand medical and surgical supplies and a healthcare supply-chain management company. With a diverse line of product and service offerings, and distribution centers throughout the United States. The company serves hospitals, integrated healthcare systems, alternate care locations, group purchasing organizations, and the federal government. Owens & Minor provides technology and consulting programs that improve inventory management and streamline logistics across the entire medical supply chain — from origin of product to patient bedside.

"We needed to find an approach that funded itself, where I did not need to go outside the IT organization to find benefits to justify a significant increase in IT expenses."

Rick Mears
Senior VP & CIO
Owens & Minor