Joy Global mines its SAP® application with help from AT&T

JOYGLOBAL

About Joy Global

Joy Global Inc. is a worldwide leader in high-productivity mining solutions. Through its market-leading Surface and Underground Business Units, Joy Global manufactures and markets original equipment and aftermarket parts and services for the mining industry. The company has facilities and service centers that span six continents and eighteen countries.

Situation

To help protect against both revenue and potential data recovery during a disaster, Joy Global needed to outsource hosting and management of its SAP landscape. The company also needed the flexibility and efficient scalability to support acquisitions and its corporate data centralization strategy.

Solution

After an extensive review of not only the technical abilities, but also the corporate cultures of some of the top providers of hosting services, Joy Global chose to migrate its largest SAP business system to a hosted and managed AT&T environment. By meeting its data recovery time and cost objectives, the company can now concentrate resources on utilizing data rather than hosting and managing it. An agile infrastructure from AT&T positions the company to absorb the expanding requirements of a multi-billion dollar global manufacturer. With a centralized computing model, Joy Global also has greater insight into its worldwide operations.

A Better Way to Host and Manage Data

Joy Global has roots from several companies with over 100 years serving the mining industry. One of its founders, Joseph Francis Joy, went to work in the mines at the age 12 just like his father and brothers before him. By 15 he was working underground, and it was during those days that the industrious young man thought, there might be a "better way" to do the work. One mining invention led to another, until those "better ways" added up to a multi-million dollar corporation.

Today, Joy Global's singular focus on the mining industry makes it truly a company that's unique among manufacturers. Its direct service network also distinguishes it from its competitors. From coal cutting machines, shuttle cars and conveyer trains to mining shovels, blast hole drills, draglines and front-end loaders, Joy Global has continued to help its customers solve mining's challenges.

To improve the way its own business gets done, the company decided to centralize its worldwide operations on a single, common platform for enterprise resource planning (ERP). Joy Global's Director of Business Process Optimization Tim Bartel joined the company in the midst of this massive project that had started in 2004. Well

Joy Global Facts

Business Needs
Centralize SAP business systems on a single, scalable platform to support global growth and help reduce IT costs, while decreasing the risks of business disruption

Networking Solution
Managed hosting, Basis technical support and disaster recovery services for Joy Global's full SAP landscape including: SAP ERP, Business Warehouse (BW), Process Integration (PI), Business Objects, Governance, Risk & Compliance (GRC) and Solution Manager

Business Value
Business continuity, a consolidated view of global operations and the ability to manage growth cost effectively

Industry Focus
World Class Company serving the Mining Industry

Size
Multi-billion dollar worldwide operations in North America, South America, Europe, Asia, Africa, and Australia

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aware that consolidating systems could bring disaster recovery issues to the forefront, like the company's founder before him, Bartel sought a better way to address the challenges at hand.

"We realized we weren't in the business of running data centers," explained Bartel, "we were in the business of making high-productivity mining equipment. So, we began looking for a partner who was in the business of hosting and managing highly effective data centers that would also provide the disaster recovery services we needed."

But it couldn't be just any provider because Joy Global intended to outsource the management of its SAP landscape – the company's single, largest business system. Since SAP applications supported as much as 90 percent of its total business, the hosted infrastructure would need the scalability to support an expanding base of more than 5,000 users around the world.

Centralizing for a Global Perspective
Manufacturing is such a capital-intensive business. Consolidation would provide executives with a global perspective of their entire operation, one that took place on six continents in multiple currencies, languages and time zones. "When you have all the data on one system, it makes it very easy to do the analytics, to do the metrics and to have a common core of truth when you're trying to analyze how the business is performing," noted Bartel.

In response, Joy Global made the decision to migrate its surface business to the same SAP business system that its underground business was running.

Approximately 20 systems needed to be consolidated at a rate of one every nine months or so. Adding to the challenge was the fact that not all locations were running the same or current versions of software. For example, while one ran the current SAP ERP implementation, another ran the older mainframe version. Some offices were even utilizing homegrown systems. While this part of the plan was being implemented, the company was also on an acquisition path that meant new systems would have to be incorporated, as well. All these centralization efforts brought to light two serious issues: scalability and business continuity.

"*We began looking for a partner who was in the business of hosting and managing highly scalable, highly effective data centers that would also provide cost-effective disaster recovery.*"
  – Tim Bartel, Director of Business Process Optimization,
    Joy Global Inc.

Consolidation Brings Risk
When Bartel joined Joy Global in March, 2008, the company was already four years into this process. "One of the first things I pointed out was that as we continued to centralize, the inherent risk from disaster grew," said Bartel. "And as we continued to scale at our current rate, our cost structure was becoming less efficient. As we added users,

we had to buy more hardware and software so we were simply adding costs at that same rate to support them. For every hundred dollars you grow, you don't want to immediately add eighty dollars of infrastructure."

Business protection, though, became the issue that forced Joy Global to start searching for a hosting provider. While a disastrous event could cost millions in lost revenue, the negative impact on customer relationships was harder to quantify. Joy Global sells mission-critical equipment directly to its customers so finding another source for an item like a 65-ton mining shovel isn't a simple task. "As we continued to consolidate our operations on a single business system, the risk of disaster and the accompanying loss of revenue and customer loyalty was a risk that no one was willing to take," said Bartel.

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  – Tim Bartel, Director of Business Process Optimization,
    Joy Global Inc.

Finding the Best Fit
With 25 years of SAP experience, Bartel was familiar with the major SAP application service providers. He quickly narrowed down the search to four candidates who already had a relationship with Joy Global, or were top providers of hosting and application services. From there, the company began a rigorous, seven-month vetting process comparing the candidates' technical abilities to deliver, host and manage the SAP solution.

"We went through a very long process to ensure we would make a good decision, because our SAP system is so core to our operation. We were looking for a partner who could not only operate the system effectively and efficiently, but who also had the scalable infrastructure we needed."

However, along with technical prowess, there were other, less tangible criteria that Joy Global used. Being extremely cost-conscious, the company was looking to minimize the expenditures for hosting services. Joy Global also wanted a cultural fit– a provider that suited its operation like a hand in glove. While Bartel admits that can be hard to gauge, he sensed AT&T would be a good fit. "Although AT&T is a huge company, we learned that its hosting business is very flexible. For us that's very important because we're so globally distributed and our plans do change frequently."

Timing is Everything
While Joy Global was interviewing SAP service providers, a parallel process of logistics planning was taking place. "We had to target the migration window for when the business was comfortable taking the system down," said Bartel. "And it also had to align with a lot of expiring contracts. We didn't want to be paying for contracts and leases from our legacy environment after we migrated."

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It was decided the migration would take place five months later, over the July 4th weekend. If that date wasn't met, the migration would have to be pushed out, with Joy Global absorbing all of the associated costs of the extension.

Some of the potential SAP service providers said they would need at least six to eight months. "Through the selection process, AT&T understood our schedule. Once chosen, they made sure we were doing all the right things to ensure we met the timeline," said Bartel. AT&T also came forward with some aggressive pricing. "Cost was important and they worked with us," he added.

A Global View of Operations

As Joy Global continues to migrate systems and acquire new companies, it now has a single SAP platform for a consolidated view of global operations. A scalable AT&T infrastructure platform supports worldwide users, and a more cost-effective hosting and SAP support solution help frees capital for other IT priorities. With a four-hour Recovery Time Objective and a one-hour Recovery Point Objective, AT&T also supports Joy Globals' disaster recovery solution. The relationship built with AT&T has also proven to be the right fit for Joy Global.

"Through it all, AT&T has been right there with us as a critical partner in helping us move forward," said Bartel. "It's been a year since the contract was signed, and AT&T continues to be easy to do business with and works in our best interest in order to keep us happy."

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