

Chilean retailer migrates VMware fleet to Google Cloud

Laying a foundation for innovating user experience

This retailer is one of the top five in Chile, with dozens of stores and a large online presence. The company sells a wide range of apparel, home furnishings, personal technology, home appliances and toiletries to a nationwide customer base.

Business challenge

As the company's business grew, the cost of its on-premises IT infrastructure was becoming prohibitive. The retailer lacked flexibility in provisioning new systems and in expanding existing environments. Even a simple change, such as adding more memory to a server, would potentially involve weeks of working through procurement, installation, and configuration processes. Most importantly, inflexible infrastructure blocked the product development team from quickly prototyping, building, testing, and improving customer-facing applications. From the strategic perspective, this lack of flexibility was making it difficult for the company to sharpen its competitive edge and support the ongoing personalization of the customer experience.

Transformation

The answer to the flexibility challenge was to migrate the relevant parts of the infrastructure to the public cloud. This would empower the retailer to provision additional CPU, memory, storage, and network resources almost instantaneously, and deprovision them quickly when no longer required, while paying only for the resources used. The company's move towards the cloud started before COVID-19 hit Chile—but the pandemic raised the stakes significantly. The retailer needed to accelerate its cloud rollout so that it could rapidly scale up capacity and minimize the risk of outages during a period where more and more people began shopping online.

Results

- 55 VMware virtual machines migrated to Google Cloud
- 55% reduction in the number of on-premises servers
- Consistent 10/10 Net Promoter Score for the joint solution
- 27% in estimated annual cost savings



Solution

The outdated nature of the retailer's existing infrastructure and software represented a significant obstacle in the migration plan. The ideal approach would have been to move the applications into a platform-as-a-service environment on the public cloud. However, given that the applications were several versions behind the oldest versions supported by cloud providers, this would have been a complex project. First, the company would have needed to buy and install new physical servers and upgrade its operating systems. Then, it would have needed to update all its software versions to bring them in line with the target environments on the public cloud. For reasons of cost and time, this approach would not work for the retailer.

After evaluating the retailer's technical and business requirements, Kyndryl proposed to take the virtual machines (VMs) that were running in the retailer's existing private cloud, and move them in their entirety to a dedicated VMware Software-Defined Data Center environment in a public cloud.

Google Cloud was the only provider who could accommodate this solution. By moving the existing VMs to Google Cloud as-is, the solution eliminated the need for costly and time-consuming upgrades. By adopting this special lift and shift approach, Kyndryl gave the retailer the immediate flexibility and cost benefits of the public cloud, as well as deferring the need to upgrade and modernize the applications themselves.

Low-risk phased migration

Kyndryl started by establishing a secure VPN connection between the retailer's on-premises private cloud and Google Cloud, then conducted a detailed exercise of discovery and assessment of the existing servers. Based on this analysis, Kyndryl worked with the retailer to determine the optimal migration plan to meet its business priorities.

The team used the StratoZone service from Google to perform the sizing analysis for the source and target environments, to identify application and server dependencies, to highlight affinities between workloads, and to capture all the resources that would need to be migrated.

Kyndryl then used VMware HCX to perform the migration of the existing VMs from the on-premises servers to bare metal servers on Google Cloud. Following approximately six months of planning, the migration of the targeted 55 VMs was achieved in a staged manner over the course of two months. Thanks to expert end-to-end program management from Kyndryl, the migration was fast and seamless, taking place within existing maintenance windows where possible to avoid interruptions in service.

The production VMs now running on Google Cloud support applications including logistics, human resources, staff scheduling, inventory management, point-of-sales systems, and business intelligence tools.

The Google Cloud environment is dynamic: the company can quickly and easily move VMs in and out of the public cloud. This flexibility has already proven useful: since the initial migration, the retailer has chosen to move several VMs back to its private cloud temporarily, to consolidate software licenses.



Lower costs and enhanced flexibility

Kyndryl used cloud-native tools combined with its own proven methodology to ensure the rapid, low-risk migration of a complex production workload to Google Cloud. The initial goal was to migrate 47 out of 100 on-premises VMs; the team beat this goal by migrating 55 VMs.

By replacing physical on-premises servers with virtual servers on Google Cloud, Kyndryl was able to reduce infrastructure costs for the retailer by an estimated 27%, freeing up budget for ongoing modernization and transformation projects. In the future, the retailer plans to containerize its software landscape and manage it using Kubernetes. It also plans to consolidate its large Oracle landscape, which currently continues to run in the on-premises private cloud for cost and latency reasons.

Beyond the significant cost savings, the key benefit of the migration is the added flexibility it brings: the retailer can now add or remove resources in Google Cloud as its requirements change. Recently, the organization temporarily required a machine with 1 TB of memory for testing purposes and was able to get it up and running in just one hour. In the on-premises environment, this would have taken much longer, and would have required permanent investment in new capacity.

The Kyndryl Multi Cloud Management Services (MCMS) team in Argentina supports the VMware environment for the retailer. Regular internal surveys by the retailer reveal a consistent 10/10 Net Promoter Score (NPS) for the Kyndryl solution (including Google Cloud Platform), highlighting the consistent excellence in service levels. With its initial cloud migration successfully accomplished, the retailer now has time and breathing space to focus on its longer-term transformation projects.



Take the next step

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