

RTT INNOVATES ON THE BACK OF ASCENT'S HELP WITH NEW MICROSOFT SQL SERVER 2012 IMPLEMENTATION



Implementing Microsoft SQL Server 2012 leads to cost efficiencies, improved business processes and innovation.

The RTT Group is a new generation “intelligent” logistics services enterprise that provides intelligent, innovative and customised services to clients in niche industry bands. RTT actively defines, develops, markets and co-ordinates the implementation of industry focused logistics services that deliver value to customers.

However, since this market is one of high turnover and low margins, business efficiencies are critical. When the company found itself hovering perilously close to the red in early 2010, an entirely new management team was appointed, with the express purpose of improving the company's bottom line. IT infrastructure was one of the key areas that came under the spotlight and a decision was consequently taken to upgrade the legacy database systems infrastructure.

“Improving business efficiencies was a critical factor for us, since a good logistics business thrives on efficiencies. The database infrastructure we were using at the time was slow and unable to process transactions and queries speedily, meaning that our business was being stifled. Clearly, we needed a radical change in this regard,” says Martin Potgieter, CTO of RTT.

Disparate legacy systems

“Due to the disparate nature of the legacy systems we were utilising, our business performance was not what it should have been. Moreover, these older systems were inhibiting our operations, in that we were unable to effectively take to market a number of new solutions. What had happened was that the complexity created by these diverse technologies was creating a bottleneck - our technology systems no longer served as an enabler, but were, in fact, disabling the business.”

Potgieter says that the decision was therefore taken to radically innovate by consolidating and improving on the technologies RTT was using to add value to its clients. At the same time, he says, the cost factor also had to be considered – what was required was a cost efficient solution that would improve business performance and enable innovation.



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He adds that while the cost and service quality issues were solved by taking the decision to implement Microsoft's SQL Server 2012, the company also required a partner that could manage the implementation and consolidation process, while also keeping business risk to a minimum.

“We needed an organisation that could offer innovative thinking and really make a difference to our business. A good implementation is built on a triangle of technology, capability and skills. We needed technology that could provide us with the capability to be flexible and adaptable, and we needed a committed implementation partner with the right skills to complete the triangle.”

“Microsoft recommended Ascent Technology to us as their data platform partner of choice. Once the company came on board, Ascent not only ensured that it understood our requirements clearly, but more crucially, shared our culture, work ethic and our risk. As far as I am concerned, until you have a partner that is capable of doing this, partnership is nothing

more than a word,” he states.

“Ascent with the RTT database team replaced, consolidated and optimised our data centre technologies within a timescale of just two months. They provided us with the kind of scalable infrastructure that enables innovation and differentiation, thereby ensuring future business growth and enabling us to remain the market leader in this space.”

Standardised platform

Potgieter points out that the nature of the logistics industry is such that it is very difficult for a company to differentiate itself from the competition. For this reason, he says, RTT decided that it should do this by differentiating its technology systems.

“The advantages of the standardised Microsoft platform over the previous disparate systems are many. Our systems are able to run much faster, the technology is easier to use, since the functionality is simple, and our clients have quicker and more effective access to relevant

data. All of this gives us a critical strategic advantage.”

Not only was RTT able to consolidate and standardise its systems, says Potgieter, but the implementation of Microsoft SQL Server 2012 meant that the company also obtained greater functionality. “Unlike many other solutions, when you purchase Microsoft SQL Server, you get all the required functionality – such as for example the Business Intelligence (BI) tools – as part of the package, you do not have to purchase these separately.”

According to Frikkie Bosch, Microsoft’s Product and Solutions Marketing Manager for Microsoft SQL Server, this is just one more way that the company adds value to the platform.

“With the Microsoft SQL Server 2012 platform, our goal is to create a strategic advantage for our clients’ businesses. To this end, the features are designed to be able to adapt to the client’s specific business needs, rather than their business having to adapt to the technology,” he says.

Improved figures

Hemal Kalianji, RTT’s CIO suggests that the proof of the pudding is always in the eating, and a quick glance at the company’s financials pre- and post-implementation indicate just how effective the new platform has been.

“As a percentage of revenue, our IT spend last year was 3.67%, whereas this year it has been reduced to just 1%. Considering the high turnover, low margin nature of our business, that is a very significant amount of money,” he says.

“The value of the business process improvements and the increased operational efficiencies the new platform enabled can clearly be seen in our vastly improved financial figures.”

Kalianji points out that in the 2009/2010 financial year, RTT as an organisation experienced negative 5% growth, while in 2010/2011 – the period in which Ascent implemented the new database systems - its growth was just 12%. However, in the past year its growth has been a phenomenal 78%. “This is undoubtedly due to increased technological innovation, improved efficiencies and better product offerings,” he says.

An even more effective indication of the massive impact this implementation has had can be seen in RTT’s earnings before interest, taxes, depreciation and amortisation (EBITDA). “Our



profit increased by 102% in the first year, and this was followed by a further increase of 68%. This demonstrates the high impact the project had in its first year, followed by the stabilisation that occurred in the second year of operation.”

“And in pure cost terms, we extracted enormous value for money, since our legacy database systems were costing us approximately R1.6 million per year, with an additional R3.2 million for software acquisition. On the other hand, the Microsoft SQL Server database systems cost us a total of R1.6 million, with no additional software acquisition. I doubt there is any financial officer out there that would not be overjoyed to make a saving of some R3.2 million,” states Kalianji.

Looking forward

John Arvanitis, RTT’s General Manager for Database and Business Intelligence believes that for the logistics sector, the single biggest issue currently and over the next few years is going to be visibility across the supply chain.

“Reducing reverse logistics – in other words, cutting down on the number of delivery returns – and improving speed of delivery are going to become crucial differentiators for businesses like RTT. Only the most forward-thinking organisations succeed in this industry, and they do so not by merely leveraging technology, but by using it innovatively. Microsoft SQL Server’s build in BI functionality places real-time information access at our fingertips, allowing RTT to stay ahead of the competition,” he says.

“Already, we have witnessed exponential growth in the throughput of parcels since the implementation of the new SQL Server database systems. Now, thanks to the manner in which we are utilising the additional tools available through SQL Server, we are creating new applications and solutions that are taking our business to a level that would never have been possible in the past. At RTT, the BIG DATA

concept is already a practical reality, deployed at various clients”

Arvanitis adds that it indeed has been an exponential and radical innovative process. Ascent’s implementation of the SQL Server database systems first unlocked the initial bottleneck that was disabling the business. This not only improved cost savings and efficiencies, but enabled the business to remain an innovation leader in respect of its products and solutions. The next step, he says, will be to drive home the strategic advantage offered by BI and again take the business to an entirely new level.

Johan Lamberts, MD of Ascent Technology, says that this is a logical move. More and more, he states, Ascent has found itself engaging with clients not only in respect of database consulting services, but also in the BI arena.

“We have found that, once the database environment has been stabilised and optimised, organisations like RTT are eager to utilise the SQL Server tools to drive a BI strategy. We position ourselves as a trusted advisor to our clients and as such, we look forward to bringing our strong technical knowledge and the depth of our expertise to bear on assisting them with their BI requirements,” he says.

According to Arvanitis, RTT still has certain aspects of its business running on other platforms. However, due to the success the company has experienced with regards to the new database systems, he adds that RTT is now looking to migrate the remainder of its systems onto the Microsoft platform as well.

“We are constantly reviewing and challenging things, as it is our belief that once you stop doing this, your business will die. With this in mind, we are always looking to the future and therefore we are eager to work with Ascent in planning the way forward, as well as exploring additional avenues where our two organisations can work together,” he concludes.

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