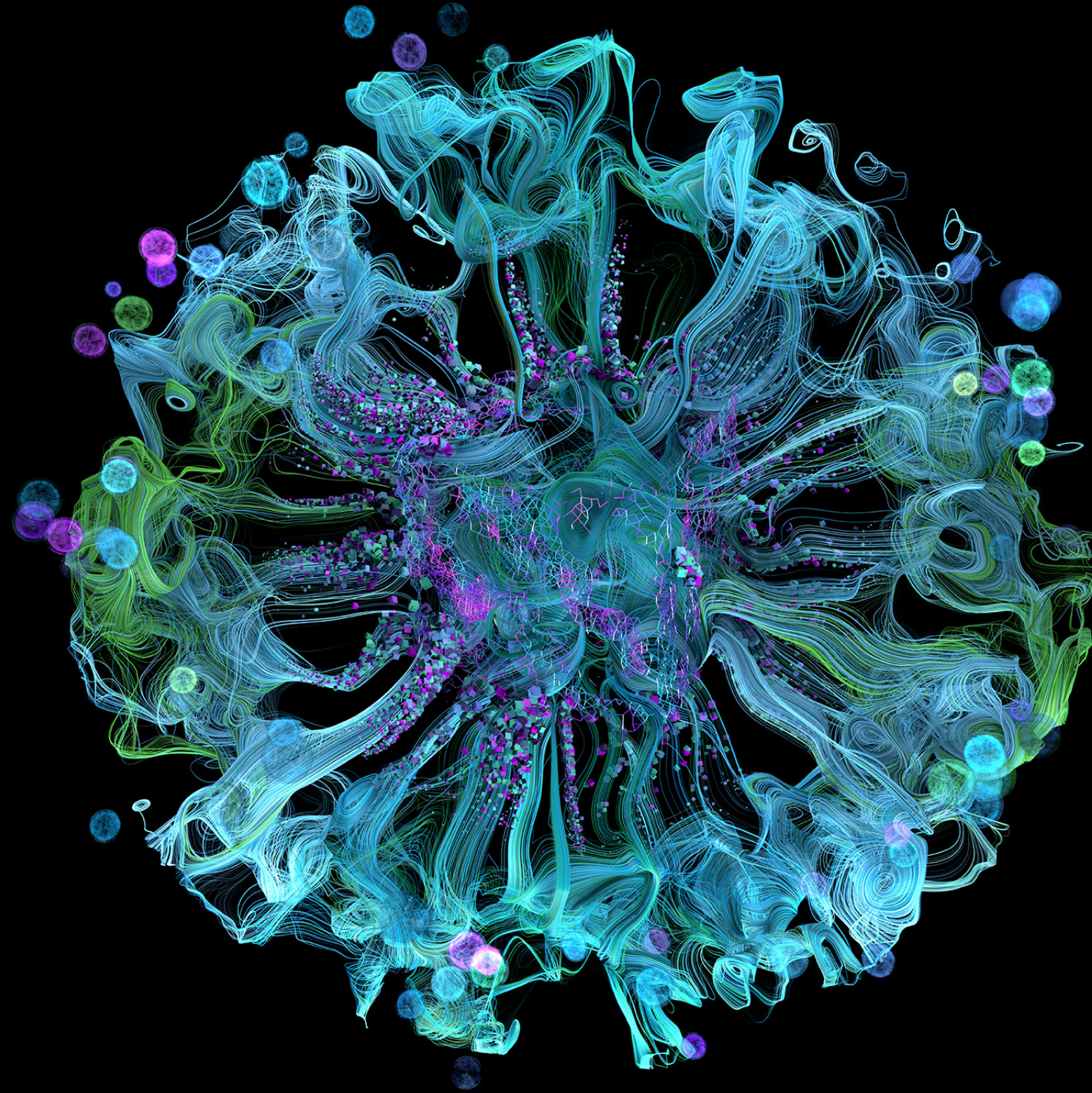# Deloitte.

The cloud imperative
Asia Pacific's
unmissable opportunity

Cloud transformation in action—regional case studies

Deloitte
Access **Economics**

"Cloud isn't just a future technology. It's driving business and government right now—and making what once seemed impossible, possible. Organisations can embrace cloud to respond to external disruption, and instigate industry-wide improvements and necessary transformation. Our latest research says many organisations are unable to adapt, or respond quickly, to challenges. Cloud is the key—and it's great to see investment in cloud is soaring. I'm really excited about the role cloud plays, and will continue to play, in improving the way we live and work."

Dan Newman
Partner, Cloud Transformation Leader,
Deloitte Asia Pacific

Cloud transformation in action

Ranging from New Zealand and all the way to China, we developed seven case studies to show the benefits of cloud transformation in action. These have been summarised here to show you what's cloud possible.

Case study:

Providing powerful weather intelligence services through the cloud in New Zealand — 4

University of Newcastle—digitising its student and researcher experience on the cloud in Australia — 5

Leading Chinese dairy FMCG—achieving better consumer operating efficiencies with data-driven insights — 6

Baba Products—driving efficiency, enabling exceptional customer service and support growth decisions — 7

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Global automotive manufacturer—achieving an insight-driven operating model in China — 9

Case study: Providing powerful weather intelligence services through the cloud in New Zealand

With a dedicated 240-strong team located across NZ, Australia, Asia and Europe, the Meteorological Service of New Zealand's mission is to combine scientific rigour, valuable data and insights, and leading-edge technology to create ground-breaking new products and services that redefine the weather industry and benefit both business and individual customers.

A state-owned enterprise, the MetService recently faced a number of challenges. It had to move its on-premise data centre after an earthquake hit and made the building unsafe, it had to reduce a large tech debt, and its leading research scientists were using aging data systems which posed significant risks to its ability to deliver mission-critical operations and be truly innovative in the future.

Deloitte New Zealand and AWS teamed up to define MetService's optimal future state architecture—and how to successfully map and migrate over 120 servers and mission-critical aviation weather systems to the cloud within a year. Not only was the migration a success, MetService's cloud journey also included retiring over 200 redundant servers to consolidate its environment and help reduce its overall operating costs. The new cloud platform is less complex to operate for the team, saving valuable time with inbuilt codes, reusable templates, simplified customer billing and stronger resilience in service provision. In future, time-to-market for product enhancements and service improvements are expected to be shorter and more reliably delivered.

This successful large-scale migration can inspire other organisations to explore the benefits of cloud, create new business models that increase revenue potential, and find better ways to provide valuable services to customers and citizens. Cloud has significantly contributed to MetService's business continuity and its ongoing weather-related services that are vital to New Zealand's citizens, businesses, industries and government and that contribute to the smooth functioning of its economy and society.

Case study: University of Newcastle—digitising its student and researcher experience on the cloud in Australia

With over 39,000 students and five campuses, the University of Newcastle is a well-established Australian public university with an excellent reputation for research excellence.

With the knowledge that technology and digital capability are key enablers of innovation, the University of Newcastle began migrating the majority of its application portfolio to the AWS cloud in 2019. Although a phased migration approach was originally planned over 18-24 months, the leadership team learned that its physical data centre was scheduled for demolition and the facility had to be vacated by September 2020. This prompted the decision to perform a full migration to AWS. The University believed a cloud-first strategy would further help it compete and differentiate itself in the higher education sector. Leaving the data centre also aligned with its environmental sustainability commitment.

Deloitte, AWS and cloud operations partner CSA worked together to plan an effective full migration to the cloud, tailored to meet the University's needs while delivering on its renewed digital strategy. The team collaborated to modernise the University's IT infrastructure and redesigned and fixed decades of legacy architecture with sparse documentation. By June 2020, after just nine months, the project was completed. In total, 72% of applications were re-platformed and 23% were refactored—to achieve 95% transformation (up from the original target of 65%). In addition, a quarter of all legacy applications were decommissioned, effectively reducing the University's technical debt.

The University is the first Australian university to achieve this digital transformation milestone—and is enjoying a number of anticipated benefits. For example, it can now introduce system changes in 0.5 days instead of three weeks, has reduced infrastructure operations costs by 20%, accelerated the speed of research by improving access to academic resources, improved its disaster recovery framework and resiliency, has automated threat detection and security monitoring, and is set to achieve 100% renewable energy supply.

Case study: Leading Chinese dairy FMCG—achieving better consumer operating efficiencies with data-driven insights
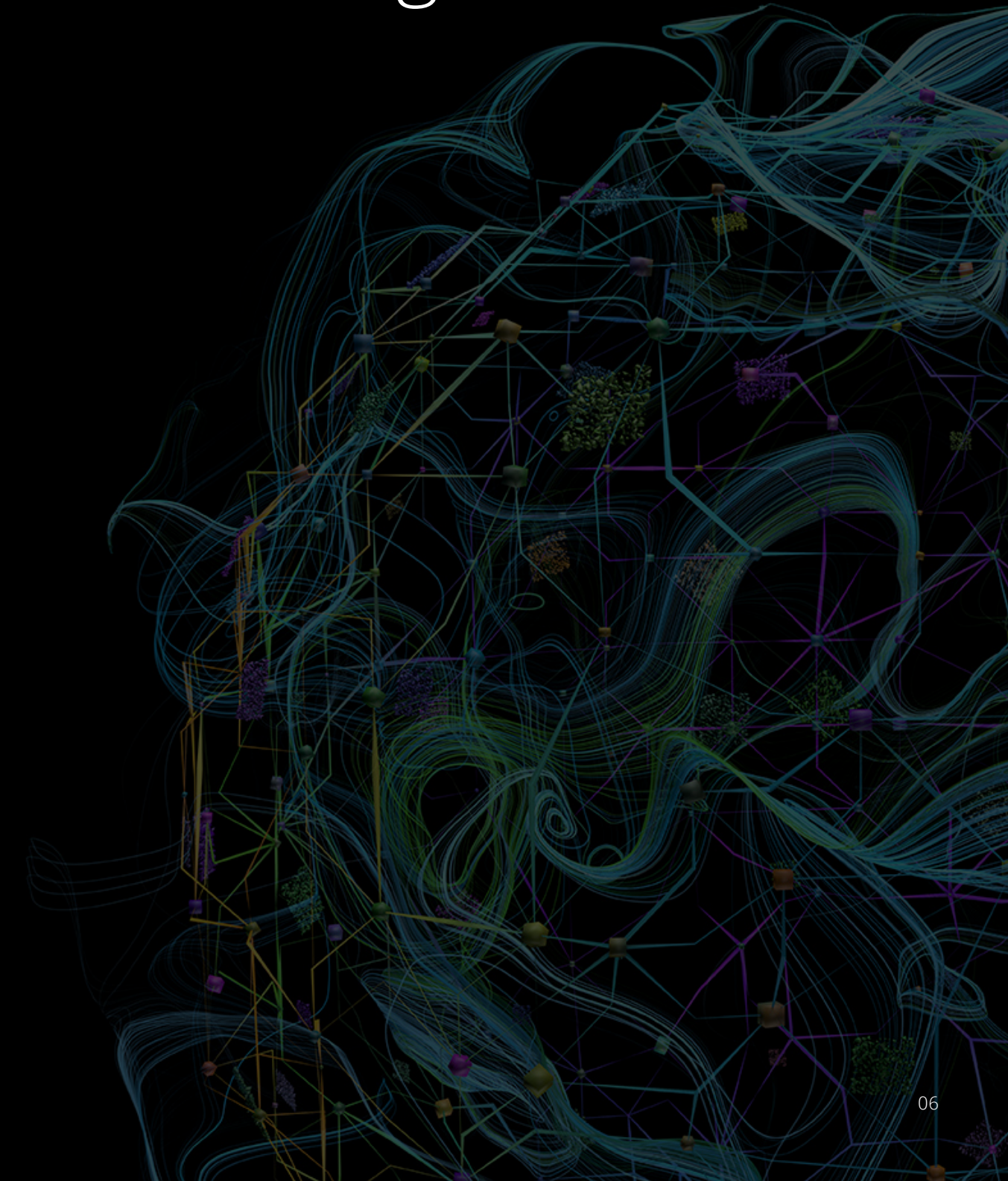
This Deloitte China client is a well-established leader in the dairy industry, specialising in baby formula products.

To achieve ambitious sales acceleration targets in an increasingly mature market, this client wanted to acquire new consumers and increase the number of repurchases from existing consumers.

To deliver, the client identified the need to become more digitally intelligent and optimise operational efficiencies. In particular, our client wanted to be able to use the latest customer insights to drive buying decisions at key customer touchpoints. Gathering these insights required seamless data integration across its off-and on-line operations, ranging from retail storefronts to digital campaigns and loyalty programs.

Supported by Alibaba Cloud's data mid-end platform solution, our client assessed its data analytical requirements by designing multiple practical scenarios for investigation. Relevant consumer and sales activity data stored on legacy applications were identified and appropriately harnessed to extract consumer insights for each operational area. The resulting insights were drawn and shared via a business intelligence reporting tool and consumer tagging application.

This investigation and research phase helped the client identify a number of issues that stopped the business from running efficiently. Subsequently, the new cloud platform solution was designed to support different consumer touchpoints with the right data to support precision marketing, sales, and repurchasing efforts. The client's cross-functional and business units' operational issues and inconsistencies were solved through the design and adoption of standardised processes across the entire business.

Case study: Baba Products—driving efficiency, enabling exceptional customer service and support growth decisions

Baba Products (BABA's) is Malaysia's leading curry powder, spice and flour mixes brand, and sells almost 100 different products nationwide. With a workforce of 1,250 people who serve over 50,000 customers, BABA's also operates in Singapore and Brunei, and is planning to expand into Australia, UK, Indonesia and China.

Keen to operate more effectively and efficiently, this Deloitte South East Asia client had a number of objectives it wanted to achieve by migrating to an SAP ERP solution on the AWS cloud. BABA's Group of Companies' Head of Finance, Mr Ilaventhan says the benefits included "reducing ordering and delivery times caused by our legacy system, modernising or automating traditional functions, getting access to data on the mobile of our van sales staff, and providing exceptional customer service which has been our first priority from day one—while saving costs that come with running on-premise server facilities, and facilitating real-time decision making with more accessible and relevant data."

BABA's worked closely with Deloitte to revamp and transform its traditional and relatively basic sales functions, accounting, finance, and warehousing to a centralised, digital system with SAP S/4 HANA supported by SAP Direct Store Delivery.

The new cloud-hosted solution meets and exceeded all its objectives. Highlights include increased efficiency and productivity in field and van sales—especially in terms of the sales and delivery cycle across Malaysia, Singapore and Brunei. It has embedded the new CRM, and streamlined its system support to maximise the new system's effectiveness and the cloud is now supporting key business activities in real-time, such as the new finance function which now gives accurate cash flow visibility.

Mr Ilaventhan concludes, "BABA's is using the cloud as the single source of truth to provide the right data to the leadership team, supporting critical business decisions and inspiring confidence to venture into other parts of the world."

Case study: Leading global quick service restaurant chain – cloud transformation solves system failure in Japan

In late 2018, this Deloitte client's data centre in Tokyo, Japan experienced a significant outage involving six complete system failures, impacting an additional 40 systems, and affecting restaurant operations for two months.

Not only was important HR data lost, its point-of-sales system, promotional menu and new product rollout system were impacted. Supplier systems for food ordering and delivery were also interrupted, so that the data centre failure had spill-over impact on customers. In total, recovery efforts from the outage cost the client approximately $US6 million.

With a national network of 1,000 restaurants which employs thousands of people and serves many more citizens and tourists, this was a huge challenge for the company's C-suite. The leadership looked to cloud transformation to fix and build a sustainable systems infrastructure to streamline operations and protect its brand well into the future. Together with its cloud service providers, Deloitte analysed the client's entire application portfolio, developed a business case for cloud modernisation, and designed a future-state operating model to address executive's concerns.

After a successful cloud migration the national quick service restaurant chain has experienced a number of benefits from its cloud investment, including a 50% reduction in annual steady-state costs by migrating its applications to the cloud, and a total of $US2.5 million in annual savings for steady-state operations. Today, the client cloud infrastructure and many of its business applications are managed by Deloitte's Cloud Managed Services team, and support this world-famous brand to deliver the best possible experience for its customers and crew.

Case study: Global automotive manufacturer – achieving an insight-driven operating model in China

This global car manufacturer and leading technology company is headquartered in the UK and famous for building iconic British vehicles. Today, it has vehicle assembly plants all around the world, including China. To become a truly insight-driven organisation and maintain and increase its market share, the client recognised it had to embed analytics into its various business decision-making processes.

However, its data was stored in several siloed systems, some files required manual updates, and there was a lack of transparency and security.

In collaboration with AWS, Deloitte implemented a comprehensive data lake architecture—where data is stored until it's needed, and analytics are run to decide how best to use the data going forward—to help this client design its optimal operating model. A comprehensive technology stack was built on AWS's cloud platform to provide traditional data warehousing, business intelligence solutions, and AI-enabled advanced analytics. This allowed the manufacturer to connect data assets across business functions, improve data transparency, and use data for useful insights to inform decision-making. Areas such as sales planning and performance, stock optimisation and marketing can now be enhanced by better and faster decisions. This transformation journey has provided the client with one single data platform to integrate and orchestrate its data across the entire company ecosystem, providing one single source of truth.

To continue operating as an insights-driven organisation, the client also needed to ensure its workforce was equipped with the right skills for the future. As part of the cloud transformation journey, workforce skills gaps were identified, and new roles and capabilities were defined to support future growth.

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Unlock your cloud possible with us. There are many different ways to start your cloud transformation journey. We'd love to hear from you to explore what's best for you.

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