



# Vestcom



## Business Problem:

As a market leader in digital printing, Vestcom realized that controlling their IT costs would be critical to maintain their competitive edge. The company needed a way to maintain margins while continuing to price their services competitively.

" Micro Focus has clearly taken great pains to develop products that not only deliver rich functionality but are also extremely easy to work with. The company has a comprehensive vision for future development in creating their technology, and we would consider working with Micro Focus again on future endeavors. "

[Joe Misliniski, CIO, Vestcom]

customer success

# Reducing the Cost of Mainframe Hosting through Micro Focus Lift and Shift™ Migration

## Product Solution

Micro Focus Studio (Net Express® and Revolve®)

Micro Focus Server (Micro Focus Application Server™)

## Overview

Founded in 1969, Vestcom provides outsourced digital printing services for some of the largest companies in the insurance, financial services, travel, leisure and gaming industries. Vestcom's work is seen by millions of people daily in the form of account statements, insurance policy enrollment kits, direct mail and personalized marketing materials.

Vestcom's Marketing and Business Communications (MBC) division prints over one billion pages per year and has multiple production facilities strategically located across the US and Canada.

Providing digital printing services for the marketing and business communications sector is a competitive arena where vendors must deliver best practices at commercially attractive prices. As a market leader, Vestcom realized that controlling their IT costs would be critical to maintain their competitive edge as a digital printer.

## IT Critical to Business Performance

Vestcom's IT infrastructure is a critical component of Vestcom's performance. The IT processes guide the business operations by organizing, formatting and printing large batches of paper on a daily basis. Legacy is core to these critical operations. Customers send Vestcom their business data and legacy tools perform the mainstay of data processing. The data is then run through various composition tools to perform critical functions (such as pre-sorting addresses) before printing and, if applicable, posting to the Internet.

## Challenge – Reducing the Cost of Mainframe Hosting

In 2003, Vestcom took a hard look at their expenses and came to the conclusion that dramatic action was necessary to reduce mainframe expenses. The company outsourced the hosting of their mainframe operations and paid a sizeable monthly fee that represented 25 percent of the total IT budget for CPU and networking services. In addition, Vestcom faced increasing pricing pressure from competitors and looked for a way to maintain margins while continuing to price their services competitively.

After a successful pilot in late 2003 the decision to migrate major operations from the mainframe came in early 2004. Vestcom launched a \$1 million initiative to move over 750 COBOL programs, averaging 1500 lines per program, from the mainframe to four 2.5GHz machines running Windows® Server 2003.

The company looked at a handful of vendors before deciding on Micro Focus Net Express and Revolve, two of the products collectively known as Micro Focus Studio, because of their rich functionality and ease of use.

"Micro Focus has clearly taken great pains to develop products that not only deliver rich functionality but are also extremely easy to work with. The company has a comprehensive vision for future development in creating their technology, and we would consider working with Micro Focus again on future endeavors," said Joe Mislinski, CIO, Vestcom.

## Solution

Work was done over several months at Vestcom's primary central data center processing operation which handles the majority of data resources for other sites within the MBC division of Vestcom. Over 18 developers were involved in the project, which initially involved the analysis of the applications' assets (COBOL, JCL and VSAM Files) using Revolve.

The project benefited from the high level of mainframe compatibility provided by Net Express. The programs were migrated to Windows alongside the VSAM data which was converted from EBCDIC to ASCII. The conversion process went smoothly and quickly although one result was unexpected.

"The ability to pull up the COBOL on a PC, make changes to the code and test it is probably twice as efficient as our old mainframe screen modification and testing process."

[Bob Miesieski, Director of IT, Vestcom]

"After we migrated the code, we tested the application for differences. Not only did we easily spot the expected migration differences, but we also found areas for improvement that made the code run more efficiently," said Bob Miesieski, director of IT, Vestcom.

A key overall difference after the migration was a substantial improvement in developer productivity. Working with Net Express and Revolve helped developers diagnose and resolve problems extremely easily and quickly.

"The ability to pull up the COBOL on a PC, make changes to the code and test it is probably twice as efficient as our old mainframe screen modification and testing process," said Miesieski.

#### Tangible Results

ROI of \$500,000 per year. CPU and DASD components of mainframe outsourcing cost reduced by 75 percent.

#### A Resounding Success

Vestcom estimates the ROI to be in excess of \$500,000 per year, delivering payback in less than two years from mainframe cost savings alone before the additional benefits of greater agility and improved developer productivity are factored in. Importantly, Vestcom reduced the CPU and DASD components of the mainframe outsourcing cost by 75 percent.

Over 250 applications have been successfully moved and developer productivity has improved dramatically – developers can now work directly on the code from their PCs and deliver changes faster and with higher quality. This means the company can now react more quickly to customer requests, resulting in improved customer service. In addition, because of the increased developer productivity, Vestcom may not need to increase staff as the business grows, which represents additional cost savings.

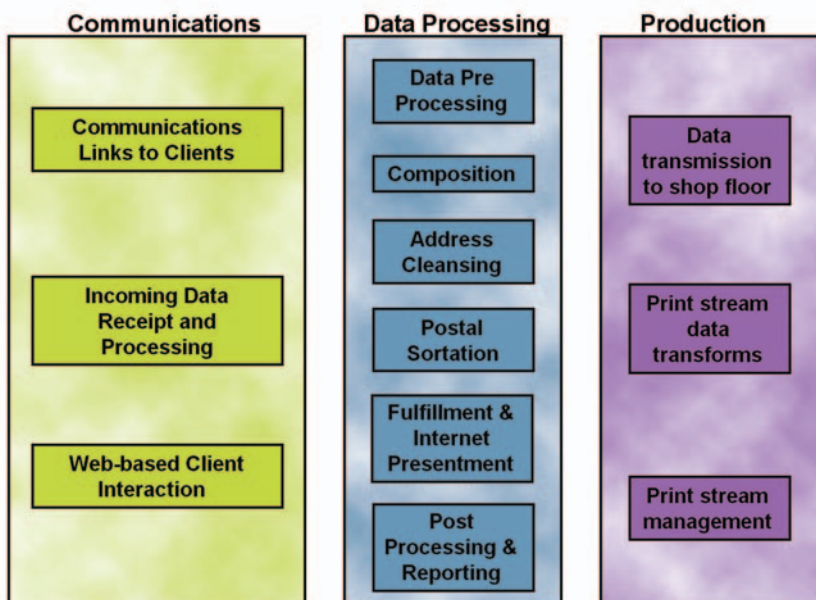
Not only is the system now more cost effective; it's also faster. The migrated applications run an estimated 10 percent faster on Windows than on the mainframe, maximizing delivery potential in key overnight runs.

"We're delighted with the move and have seen significant reduction in our IT expenses – we estimate the ROI to be over \$500,000 per annum. In addition, developers' productivity has increased because of the ease of using Micro Focus Net Express," said Mislinski.

#### Future Initiatives

With migration comes the flexibility to embrace new technologies and initiatives. Vestcom continues to explore the possibilities that Net Express has to offer – the company is currently investigating the use of Web services and is considering using Micro Focus Net Express with .NET to populate their customers' databases with real-time production information so that customers can see the status of each project in real time.

### Vestcom Production Technology at a Glance



"We are currently exploring the possibility of using Net Express with .NET. The .NET functionality will open up a world of integration possibilities like Web services that we do not have, and which we would never have thought possible before," concluded Mislinski.

## Micro Focus – Unlocking the Value of Legacy™

Micro Focus is a leading provider of legacy development and deployment software for enterprise platforms. Micro Focus enables organizations to reduce costs and increase agility with minimal risk by reusing their legacy applications with contemporary architectures and Web services. Founded in 1976, Micro Focus is a global company with principal offices in the United Kingdom, United States and Japan. For more information, visit [www.microfocus.com](http://www.microfocus.com).

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