



HOW PANASONIC CLEARED TAKING CARE OF
HARDWARE, LEGAL CHANGES AND CUSTOMS
SOFTWARE RELEASE PLANNING

ONE CENTRALIZED AND STANDARDIZED
CUSTOMS SOLUTION PLATFORM VIA
MIC'S SOFTWARE AS A SERVICE (SAAS)

Panasonic Corporation is one of the largest electronic product manufacturers in the world, comprised of over 634 companies. It manufactures and markets a wide range of products under the Panasonic brand to enhance and enrich lifestyles all around the globe. Panasonic has 330,767 employees and a turnover of 72 billion Euros. Panasonic Europe, with more than 10,000 employees is the regional organization of the Panasonic Corporation.*

PANASONIC EUROPE USES MIC SOLUTIONS SINCE 2002

Nearly 10 years of collaboration between MIC and Panasonic Europe have led to one of the most extensive customer in-house implementations among MIC's customer base. Each year new solutions and customer specific developments have been added and rolled out into additional countries, leading to a multi-country customs platform for Panasonic's European businesses.

All of this has been implemented within Panasonic's IT landscape according to its strict Information Security Modell (ISM). For many clients, this is the most comfortable way of software implementation: you have full access to the hardware and operating system, you can decide when to change something, it is only your data that is on the system, it is only your employees being able to connect, and so on.

But in-house solutions generate costs for hardware, system administration, software release changes, etc. which are not always foreseeable and therefore not 100% calculable. Additionally, you need to plan the availability of resources regardless of their actual workload. In times like this it could be regarded as luxury – cutting down on costs to ensure operational profits are some of the major goals for nearly any company and for Panasonic as well.

A NEW CUSTOMS SOLUTION STRATEGY DUE TO A EUROPEAN WAREHOUSE CONSOLIDATION PROJECT

Petra Herrmann, General Manager - European Customs Compliance, says, "In 2010, a project to implement a new logistics solution was started. Related to this project, a European warehouse consolidation took place and in addition a new distribution center should be set up in the Czech Republic with the need to report customs declarations to the national customs authorities. So far, we had no Czech customs software solution in place and have been forced to investigate on this. First analysis showed that it was not possible to move forward with the existing IT system environment: it was not Unicode enabled which is absolutely required when using different character sets and it was not web enabled but accessible only via a Citrix-Server. The question was: Should we invest into a new solution or into the existing one causing costs related to the upgrading of the outdated Citrix server, regularly facing costs for installing software updates across 3 IT environments, taking care of legal changes and many more? This was the chance for a turnaround in our customs solution strategy!"

An intensive evaluation process started. The solutions compared have been in-house versus cloud computing or Software as a Service (SaaS). During this process, the costs for a transition of the complete existing customs solution to the MIC SaaS platform have been benchmarked with the costs of still running it in-house (supporting 3 environments: test, development and production) over the next five years based on actual costs of the past five years. The result was a clear-cut: MIC SaaS would save a lot of money.

"This result absolutely corresponded to our IT policy as cloud computing/SaaS was evaluated as a positive by our Head of IT. But this was just the start for further, more detailed evaluations." states Petra Herrmann.

STRONG SECURITY REQUIREMENTS AS ONE OF THE BIGGEST CHALLENGES

One of the most mentioned concerns regarding cloud computing are security aspects. So it was not surprising that MIC's SaaS solution had to go through a security approval process. During this process it turned out that Panasonic's Information Security Management (ISM) rules were really strict and a challenging factor for the project.

Berthold Sunke, GM / IT planning & architecture, explains "Due to our stringent ISM regulations all solutions used by Panasonic as well as the data processed with these solutions, have to remain within Panasonic's sovereignty. The data has to be fully isolated from the data of the other customers using the MIC SaaS platform. In addition, to be secured to a VPN connection, it was requested that the application should only be accessible with Panasonic registered workplaces (PCs, notebooks, etc.) and not with any private devices. This had to be guaranteed and approved by MIC together with its hosting partner the Austrian Telecom."

All involved parties showed great dedication to take on this challenge. Therefore MIC and the Austrian Telecom committed themselves to Panasonic's ISM and to comply with its audit rules. It was a huge advantage that Austrian Telecom was already certified according to ISO 27001, as well as SAS 70-II, which verified that there already is a high security standard in place.

"All of us, Panasonic's IT, MIC and the Austrian Telecom worked hard to make this happen and it was facilitated by true partnership. Everyone was seeking a joint understanding based on open discussed and shared requirements under consideration of the big picture, a common solution. Finally, the project team showed the necessary evidences and we got the 'OK' for this project from our compliance department ", states Berthold Sunke.

A BUSY TIME

It's not enough to have all the concepts accepted by the board(s), they also have to be finalized accordingly. Once again, the security aspect was one of the most demanding topics together with data and process integration requirements:

- Including all users in the agreed security concept
- Preparing the migration of gigabytes of data from the Panasonic in-house environment to the shared MIC SaaS environment, which was much more complex than expected by both parties and was causing most of the work in testing
- Implementing a limited number of customer specific developments (compared with the previous on premise solution) and customizing the new environment
- Setting up required bi-directional interfaces between Panasonic's SAP environment and MIC's SaaS environment
- Training and education of the user community
- Testing, testing and more testing

THE BIG MOVE

In April 2011, everything was prepared for the big move. Nearly 50GB of data had to be transferred from the old system to the new MIC SaaS environment, SAP interfaces and users had to be redirected and the old system had to be taken offline.

Petra Herrmann explains, "Everything went well due to our accurate preparation and excellent support during the transition of all involved parties. We had a plan 'B' in case something went wrong, but we never had to use it."

BENEFITS OF MIC'S SAAS SOLUTION ACCORDING TO PETRA HERRMANN AND BERTHOLD SUNKE:

- "The system availability and stability have improved."
- "The IT resources and the operational costs could be reduced due to the fact that we don't have to take care of the IT infrastructure and legal changes – this is covered by MIC's unique maintenance model which guarantees that MIC accurately implements legal changes in time, as required by the various national customs administrations."
- "We've increased visibility and transparency not only of our customs operations but also for our budget planning. The MIC SaaS model makes it significantly easier to compartmentalize the related operational and transactional costs."
- "MIC's SaaS solution offers the possibility to operate customs globally. It's very flexible and enables an easy rollout into other countries."

Petra Herrmann continues, "Besides the benefits it needs to be mentioned that the decision to a SaaS solution on a shared IT environment requires the commitment to compromises. Compromises are, for example, the reduction in flexibility in terms of time slots for installation and maintenance, as well as, certain restrictions in terms of customer specific implementations. But in general, it needs to be stated that the advantages are prevailing."

PANASONIC'S FUTURE PLANS WITH MIC

So far, Panasonic uses MIC solutions in 16 countries throughout Europe based on the SaaS model with the possibility for not only rolling it out into other countries, but also to connect it to other legal entities of Panasonic that are not using SAP as their ERP system.

Petra Herrmann concludes, "Our future goal is to offer MIC's SaaS solution also to legal entities of Panasonic not having an SAP or ERP in place, as it is open to any other ERP system. Furthermore, we're planning to rollout MIC's Central Classification System into countries outside the EU – making MIC's CCS our classification backbone."

PANASONIC

Panasonic Corporation manufactures and markets a wide range of products under the Panasonic brand to enhance and enrich lifestyles all around the globe. For decades it has been among the largest and most successful electronic product manufacturers in the world.

Its divisions are split into 3 core businesses operated by 16 affiliates with independent divisions for production, sales, research and development. Thanks to this specialization all products get an advantage of a concentrated expertise. Around 6.6 % of its global sales have been invested into research & development by Panasonic in the past fiscal year. Due to its innovative products Panasonic is the 2nd strongest company globally in terms of patent registrations.

Beyond the consumer electronics market, Panasonic Corporation produces and sells a lot of business-to-business solutions related to Energy management, Air-conditioning, Security management, Healthcare, Automotive, Avionics and several other areas.

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www.panasonic.eu

MIC CUSTOMS SOLUTIONS

MIC is a worldwide leading provider of global customs solutions and is dedicated to the development, implementation and support of global customs software solutions. MIC specializes in integrated solutions while leveraging regional and national legal requirements. MIC software helps large and small companies grow, comply and compete globally. Currently, MIC customs software is used by more than 700 customers, in 45+ countries, on five continents.

MIC provides its customers with a high-quality, user-friendly suite of software products, which undergo continuous enhancements and developments. Therefore, customers can rely on MIC's capability to efficiently enable customs processes and to meet compliance requirements, which consequently provides a payback for their investment in the MIC system. www.mic-cust.com

