

IN DATA

A TRANSPARENCY CASE STUDY



SMT Data
Specialists in IT Business Intelligence

DON'T TELL EVERYBODY EVERYTHING - BUT WHEN YOU TELL SOMETHING, TELL THE TRUTH

● ● Interview with Michael Hillerstrøm, Chief Technical Officer, JN Data, about time to market, the bad guys out there and about having been together with SMT Data from the dawn of time

Michael Hillerstrøm receives us in his bright and accomodating office in JN Data's headquarters on the outskirts of Silkeborg in central Jutland. From here and together with his department he's responsible for the stable, secure and cost efficient operation of the IT systems of the partners behind JN Data – Jyske Bank, Nykredit, BEC, SDC and Bankdata. All of them are major players in the Danish finance sector, and they also rely on JN Data to optimize their infrastructure so time-to-market on new initiatives is as short as possible. Michael Hillerstrøm explains:

"Our primary focus is the operation but almost as important is the development of the infrastructure, so our partners can use IT as a competitive tool against the bad guys out there." The words are spoken with a smile, but behind them lies the realization that IT is a major consideration for this entire industry.

"The secret is to operate IT with a maximum of stability and a minimum of costs – and at the same time keep at the forefront of innovation. Perhaps not up where the wave crashes but at least high enough so that your head is above the water at all times."

Keeping your head above water can be done in a number of ways, some of them more intelligent than others, Michael Hillerstrøm thinks.

"On one hand: If it ain't broke, don't fix it. And in many cases, that's true. It's an attitude that might not lead to much development, but you don't often go 'oops' with it. But these days it's more about trimming things all the time and keeping an eye on everything. And one of the things you keep an eye on is the price."

Of course you can put pressure on your supplier to make him come up with the product at a lower price, Michael Hillerstrøm explains with a meaningful glance at SMT Data's Country Manager, Knud Skriver, who's following the conversation from the other side of the table.

"But you can also try to make better use of what you already have. Or you can let something go. We have chosen the first two approaches in most cases where we engage in long and thorough discussions before we enter into contracts. Of course they need to be beneficial to both parties – but we also invest a lot of energy in looking after our own backyard. We don't want machines triggering over at a load level of 2-3%. We need them going at full tilt when we're talking

VMware servers. And on the host side we make every effort to ensure that we don't waste cycles on doing nothing," says Hillerstrøm

He continues: "That's exactly where SMT enters the picture. We have used different stages of this software for more than twenty years and we have co-developed on it along the way. For instance, what we call shadow invoicing, which is to say internal settlement of various services, which we use to explain why IT costs money – but also for the purpose of behavior adjustment. A lot of people were doing stuff that was inappropriate and you can track this if you follow things and have a history of your transactions. We have used SMT accounting software for this and we have been part of developing it. We still use it for that purpose. But of course we also use the other modules for instant overviews – so we're not just looking at history."

We ask Michael Hillerstrøm if, according to him, SMT Data is correct when they say that at present they are alone in the market with a through-and-through IT Business Intelligence solution.

"These days I think you can find alternatives – at least for this or that detail. But I don't think that anybody has connected mainframe and open systems like they have. I think you can find a lot of companies that bang their drums in this or that respect, but I don't think you can find anybody who is equally good at both sides."

Michael Hillerstrøm explains: "Everything grew out of the mainframe environment where a lot of the focus was on how much a transaction would cost. Remember, just a few years ago the prime cost was the hardware. Today, it's the software. So knowing about mainframe and optimizing its cost structure also calls for insight into the way your applications are put together, structured and used. And that is one of the things SMT's tools make possible for us."

"In the old days you went out and bought a new server when the need arose. But the software providers have also learned something about pricing. As more cores and processors have been added to the machines, more and more licenses seem to be needed."

THE CAR ANALYSIS

JN DATA

CHALLENGE

JN Data's mission is to ensure competitive power for a variety of different organizations through providing operation of internal and external IT-operation that is safe, stable and efficient. On a practical level, the challenge for SMT Data was to ensure a fact-based and highly detailed cost distribution between the owners/customers.

ACTION

Installing the complete SMT Data solution and working together with JN Data to develop a cost distribution programme. To use and co-develop SMT Data's IT Business Intelligence platform to provide complete transparency of the interaction of business drives and IT-initiatives.

RESULTS

An environment of common language and common truth has been established. Substantial savings in operational costs are realized. Kompass rates JN Data in the top of its industry in terms of cost control and turnover per employee.

ABOUT JN DATA

JN Data is a Danish IT operation and technical data centre with facilities in various parts of Denmark.

The company is responsible for creation and operation of the technological foundation for Jyske Bank, Nykredit, Nordisk Finans IT and Bankdata, all major Danish financial institutes.

JN Data is a subsidiary, jointly owned by Nykredit and the Jyske Bank Group. Nordisk Finans IT and Bankdata are partners in JN Data.

JN Data services around one third of the workplaces in the Danish financial sector. More than 200 banks run on its infrastructure and 43,000 PCs are connected to its network. Its customers account for half of Denmark's total real estate financing and 35% of the bank market.

In 2010, JN Data had total billings of around 1 billion Danish Kroner (App 135 million Euros) and employed 345 people.

"But as price becomes more central to the decision process, it's increasingly important to have some monitoring software. What's unique about SMT is that they can bridge the gap between mainframes and open systems. In principle they can give you the same information, no matter the environment. That leads to transparency and you can see whether it would be best to run a job on a mainframe or perhaps on four smaller servers. And at the same time you can explain the cost and why, for instance, it takes four technicians to do the job. Or perhaps discover that part of the installation goes unused. There is any number of aspects and every question can be turned on its head. But SMT's solutions will always provide you with a qualified answer.

On one hand it's not JN Data's job to involve itself in the business development of its partners. On the other they are called for to provide support so that the application developers of each partner can produce what the businesses need.

"So what we're offering is an insight into what's possible with what we've got. But we also like to provide a view of what could be done if we went one step further. So a couple of times a year we organize a workshop with

opinion-makers from the various partners. And then we ask questions like: 'what should you know?' and 'what should you wish for?' And then we sit down and swap ideas on how to put everything to the best possible use."

"SMT gives us deep insight and a sensible explanation for a lot of things. In turn, that gives us the opportunity to see things in a structured manner and to communicate with our customers in a way they can accept."

"To me it is important that you should not have to tell everybody everything. But what you do choose to tell should always be the truth. And the more you can back up whatever you say with facts the more you can avoid the kind of discussions where everybody has a truth that is different from everybody else's. So to me it's extremely important to have a tool that gives us a common truth and a common way to interpret things. It's pure gold. It makes things so much easier at meetings. And we even use it to forecast trends and tendencies as well as for our budgeting. And that has been practically spot on for the past four years."

