

Psion Teklogix Increases Productivity, Reduces Support Costs, and Gains Over \$7.1 Million in Benefits with HP Storage Solution

IN BRIEF

- **Goal:** For Psion Teklogix to build a storage infrastructure that can support the proper running of its Baan Enterprise Resource Planning (ERP) system, lay the foundations for a disaster recovery strategy, and reduce server costs.
- **Solution:** HP StorageWorks XP12000 Disk Array and HP-UX-based servers
- **Results:** A projected cumulative five-year net benefit of \$7,112,825, an ROI of 1,146%, and a payback period of eight months. A reliable storage infrastructure that can support future growth, and that can serve as the foundation for a disaster recovery plan. Servers were consolidated from seven to four, and downtime has been eliminated.

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NOTE: This case study was authored by the Case Study Forum. The Case Study Forum is dedicated to writing and publishing case studies for the IT community.

Psion Teklogix, a global provider of solutions that enable enterprises to mobilize their business applications, depends on a Baan Enterprise Resource Planning (ERP) system to run the core of the company, touching on every aspect of the business. The company's existing hardware to run the system was becoming outdated, and was not capable of reliably supporting the company's growth. Additionally, the hardware would not support development of a comprehensive disaster recovery strategy. Psion Teklogix turned to HP for a solution, including a HP StorageWorks XP12000 Disk Array and HP-UX-based servers. The solution will yield a projected cumulative five-year net benefit of \$7,112,825 and an ROI of 1,146%. It has a payback period of eight months. Psion Teklogix has enough storage capacity for data growth into the foreseeable future, has laid the groundwork for a disaster recovery strategy, has eliminated downtime, and has consolidated its servers, saving in support costs.

Benefits

Objective	Benefits Achieved
Provide enough storage capacity for a growing, data-intensive business	Without the HP StorageWorks XP12000 Disk Array, Psion Teklogix would have run out of storage space within two years. The new system has the capacity and scalability to handle any foreseeable data storage growth.
Lay the groundwork for a comprehensive disaster recovery strategy	The ability of HP StorageWorks XP12000 Disk Array to replicate data in real time to a second location gives Psion Teklogix the infrastructure it requires to develop a disaster recovery plan.
Eliminate downtime	The HP StorageWorks XP12000 Disk Array and HP-UX-based servers have provided 100% uptime since they have been installed.
Consolidate servers to reduce support costs	Psion Teklogix has been able to consolidate servers from seven to four, and will save a projected \$300,000 in support costs over five years.
Increase staff productivity	The HP StorageWorks XP12000 Disk Array and HP-UX-based servers can be managed so efficiently that the extra storage and processing power can be maintained without increasing the IT staff.
Speed up the performance of night-time batch jobs	Because of performance increases, batch jobs now run much more quickly than previously; some take one-third of the time as they did before.

About Psion Teklogix

Psion Teklogix Inc. is a global provider of solutions that enable enterprises to mobilize their business applications. It has been providing expertise in providing mobile computing solutions for three decades. Its solutions empower mobile workforces by increasing efficiency and productivity.

The company was formed in September 2000 as a result of the strategic merger between the U.K.-based Psion Enterprise division of Psion PLC, and Canadian-based Teklogix Inc. It has customers in over 70 countries who it services either directly or through a network of business partners that includes independent distributors in North America, Europe, the Middle East, Asia/Pacific Rim, Australia, South America and Latin America. Psion Teklogix is headquartered in Mississauga, Ontario, Canada with additional corporate offices located in the United States, Latin America, Europe and Asia. Psion Teklogix is the operating business of Psion PLC, which is publicly listed on the London Stock Exchange (PON.L).

The Challenge: Keep Up with Storage Growth and Improve ERP Performance

"Nothing is more important to the success of the company than our data. We had to find a flexible solution that would meet our storage needs for the next several years, and would allow us to build the foundations of a disaster recovery strategy."

PAT BURKE
MANAGER OF IT SERVICES
PSION TEKLOGIX

Psion Teklogix uses a Baan Enterprise Resource Planning (ERP) system to run the company's core operations. Keeping the ERP system running optimally is vital to the company's financial success. The ERP system handles purchase orders, materials requisitions, the manufacturing process, engineering change orders and more—in short, it serves as the back end for the entire enterprise. In addition to running the company's core operations, the ERP system also interacts with a variety of other systems and partners. For example, Psion Teklogix's extranet has an online RMA (Return Merchandise Authorization) system for allowing customers to make returns. That online RMA system pulls customer data out of the Baan ERP system.

Psion Teklogix is a decentralized company, with 42 offices in 18 countries, but its ERP, email, and Customer Relationship Management (CRM) systems are all housed in a single large data center. As a result, efficient, centralized data storage is necessary to keep the company running as storage demands are constantly increasing. Additionally, because the ERP system is housed centrally, but accessed remotely over local area networks or virtual private networks, it is important that the ERP system not experience any slowdowns, because a slowdown would have enterprise-wide implications.

Because of increasing storage demands and the need to make sure that its ERP application was running optimally, Psion Teklogix realized it had to upgrade its data storage and servers. In addition, its existing system was at the end of its useful life, making it necessary for the company to buy a new solution.

Driving the Need for a New Solution

Psion Teklogix had to buy a new infrastructure and storage solution for its ERP system and data storage. It was looking for a system that would do the following:

“We were looking for a storage solution that would keep up with our data growth, offer high-speed access so that there was no latency, be absolutely reliable, and be able to replicate to a second location in real-time so that we could build a disaster recovery strategy.”

PAT BURKE
MANAGER OF IT SERVICES
PSION TEKLOGIX

- **Keep up with data growth.** Its ERP system and other applications are data-intensive; data is the lifeblood of the company. Psion Teklogix was looking for a storage solution that would be easily and affordably scalable, and allow inline upgrades with no interruptions to applications.
- **Offer speedy data access, reliability and availability.** Because the company relies so heavily on its mission-critical ERP system, data has to be always available. There can be no delays in accessing the data, because latency would lead to decreased productivity.
- **Pave the way for a disaster recovery strategy.** Psion Teklogix wanted to build a disaster recovery plan, and was looking for a storage solution that would be able to replicate data in real time to a second location.
- **Ensure ERP and application uptime.** Because of the mission-critical nature of its applications, Psion Teklogix could not afford to have ERP or application downtime or slowdowns. It required a solution that would eliminate downtime and bottlenecks. A system failure would cause a loss of revenue, decrease profitability, and harm customer relations.
- **Consolidate its servers.** Psion Teklogix was using Windows-based servers, which required constant patches and maintenance, and a substantial amount of time to maintain. It was looking to reduce their number and consolidate them.

Psion Teklogix Chooses the HP Solution

Psion Teklogix chose a solution based on the HP StorageWorks XP12000 Disk Array and HP-UX-based servers. Psion Teklogix had a long-standing relationship with HP, and had first put in an HP solution in the middle of 1998. It had found HP hardware to be extremely reliable, and HP support to be very responsive. Based on its past experiences, it decided to buy the HP solution.

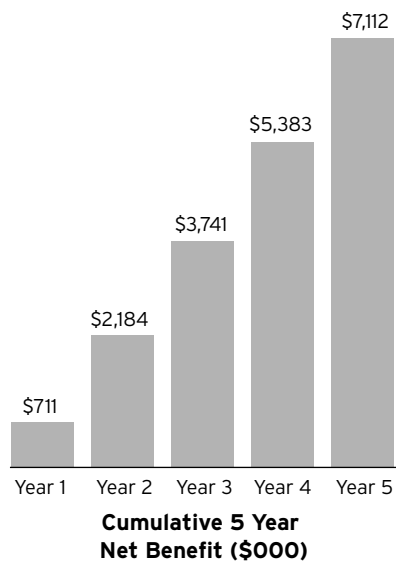
Psion Teklogix's bottom line for the project: A projected cumulative five-year net benefit of \$7,112,825, an ROI of 1,146%, and a payback period of eight months. Servers were consolidated from seven to four, downtime has been eliminated, and the company now has the hardware for a complete disaster recovery strategy.

In addition, it chose the HP StorageWorks XP12000 Disk Array because the storage solution delivers always-on availability for mission-critical applications, offers online scalability without interruptions to applications, allows multiple arrays and hundreds of terabytes to be managed from a single station, and offers the features Psion Teklogix required for creating a disaster recovery strategy.

The Bottom Line for Psion Teklogix

A detailed analysis of the implementation shows that Psion Teklogix will gain a projected, cumulative five-year net benefit of \$7,112,825 from the project. It will yield an ROI of 1,146% and has a payback period of eight months.

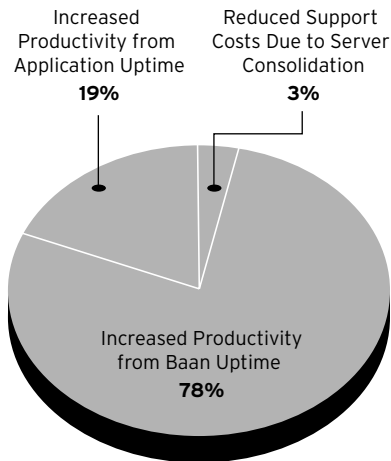
Most of the benefits come from increased productivity from ERP and application uptime. Since the solution has been installed, Psion Teklogix has suffered no system downtime, and the system has been always available. Additionally, the company has seen significant increases in the performance of its ERP system and other applications, as well as in its data access.



In addition, Psion Teklogix will be able to save a projected \$300,000 in support costs over five years due to server consolidation. Servers have been reduced from seven to four, and staff will be able to perform maintenance and apply monthly patches on fewer servers. Psion Teklogix has also been able to save on database administration costs. The company's database administrator has been able to handle administering increasingly larger databases without needing assistance. Additionally, some of his time has been freed up for other tasks as well.

The company is well-positioned to handle increasing amounts of data. It has enough storage for the foreseeable future, and if it needs to add more, it can perform online upgrades without interruptions to applications.

The following chart provides a detailed, five-year analysis.



Cumulative 5 Year Net Benefit = \$7,112,825

Project Summary						
ROI	1146%					
Payback Period (in months)	8					
Cumulative Net Value	\$7,112,825					
Project Costs (\$000)						
TOTAL COSTS	Start Up	Year 1	Year 2	Year 3	Year 4	Year 5
	\$680	\$680	\$680	\$680	\$680	\$680
Benefits (\$000)						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Increased Productivity from Baan Uptime	\$1,648	\$1,698	\$1,749	\$1,801	\$1,855	
Increased Productivity from Application Uptime	\$402	\$414	\$427	\$440	\$453	
Reduced Support Costs due to Server Consolidation	\$20	\$40	\$60	\$80	\$100	
TOTAL BENEFITS	\$2,071	\$2,153	\$2,236	\$2,321	\$2,409	
Financial Analysis (\$000)						
Net Value	Year 1	Year 2	Year 3	Year 4	Year 5	
	(\$680)	\$1,391	\$1,473	\$1,556	\$1,641	\$1,729
Cumulative Net Value	(\$680)	\$711	\$2,184	\$3,741	\$5,383	\$7,112
Net Present Value	\$5,843					
Payback Period (in months)	8					
ROI	1146%					
Internal Rate of Return	209%					

Psion Teklogix Looks to the Future

With the HP solution in place, Psion Teklogix can continue growing and adding applications and data, knowing that its storage solution and servers can keep up with its growth.

Because the HP StorageWorks XP12000 Disk Array offers array-to-array local and remote data copying, and will let Psion Teklogix replicate data in real time to a second location, the company can begin development of a disaster recovery strategy.

“HP is a solid engineering company, and their solution did everything that we asked of it. I’ve worked with HP equipment for 18 years and have found in that time that HP will never let you down.”

PAT BURKE
 MANAGER OF IT SERVICES
 PSION TEKLOGIX