



CHALLENGE

Magna International needed to streamline its procurement processes and consolidate its server infrastructure to help increase productivity, optimize business processes, and avoid wasted hardware resources and unnecessary energy consumption.

SOLUTION

Using the Dell Premier Pages service, the company built a customized Web portal with an efficient ordering system and deployed VMware ESX Server virtualization, helping reduce the number of active servers in its Frankfurt office from 70 to 3.

BENEFITS

- Procurement personnel can manage acquisitions better with improved order tracking.
- Personnel spend less time on lower-value tasks, installing new servers in 15 minutes.¹
- End users gain a more robust network as virtualization supports business continuity.

Related Categories:

Case study, Magna International, virtualization, VMware

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AUTOMOTIVE GIANT BOOSTS EFFICIENCY

The Dell™ Premier Pages service combined with VMware® virtualization on Dell PowerEdge™ servers enabled automotive supplier Magna International to take control of its IT procurement processes and streamline its server infrastructure—helping increase efficiency and reduce costs company-wide.

Magna International, the third-largest automotive supplier in the world, manufactures and distributes automotive parts, systems, and complete modules to its customers around the world—including General Motors, Ford, and Chrysler. With its headquarters in Toronto, Canada, the company operates from 235 production centers and 62 engineering and research and development sites in 23 countries across five continents.

As part of its drive for greater operational efficiency, the company wanted to streamline IT procurement and consolidate its IT network. It had been operating on a decentralized system in which specific regions and local sites handled their own IT inventory and equipment requirements, without standardized management or control over IT procurement. It lacked a solid framework for efficient ordering as well as transparency in its IT inventory and orders. As a result, the company would regularly incur superfluous purchases, unnecessary costs, and operational delays from un-customized support—causing inventory problems, obstructing order consolidation, and disguising expenditures, costs, and budget standings.

In addition, the company was running too many servers, using the majority of its Intel® processor-based systems only for special applications that consumed 5-15 percent of the relevant processing power. The company housed its servers in four data centers—in Shanghai, Detroit, Toronto, and Frankfurt—and the waste of energy resulted in high electricity bills.

Magna International chose Dell to help resolve these key business challenges. Together, they implemented the Dell Premier Pages personalized online procurement service to standardize IT purchasing worldwide, and designed and installed a virtualization solution that reduced the server pool and simplified IT management.

DELL PREMIER PAGES OFFERS CONTROL OVER IT PROCUREMENT

Dell Premier Pages offers Magna International standardized management and control over its IT procurement. A customized Web portal provides access to products and solutions for the entire organization, and the predefined framework contract allows the company to set standards and limitations and gain insight into prices, equipment variants and configurations, service agreements, and software licenses. Kurt Siegl, director of IT and finance projects at Magna International, says,

¹Customer experiences and individual results may vary.

“Dell Premier Pages allows us to place our IT procurement under global control to optimum effect. It coordinates future plans, streamlines costs, and delivers a more efficient service to the business.”

—Kurt Siegl

Director of IT and finance products at Magna International
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“Dell Premier Pages allows us to place our IT procurement under global control to optimum effect. It coordinates future plans, streamlines costs, and delivers a more efficient service to the business. Employees benefit from standardized network support, which is helping them increase productivity. Such transparency makes Dell Premier Pages an excellent tool for us.”

Dell Premier Pages allows the IT departments at individual centers to attend to their own IT procurement and specific technology needs, but alleviates the need for long, drawn-out referrals to external IT providers. By using one IT provider, the company can easily collaborate on and monitor the parameters of its global budget and inventory agreements. Siegl says, “The local units know their own requirements better than anyone else. With Dell Premier Pages, the individual sites can order independently in accordance with their specific needs. At the same time, we can consolidate all orders, know where we stand within the global framework contract, and know how much we have ordered in total and under what terms.” This approach gives each Magna International center the flexibility to operate as an independent unit while still remaining within the company’s overall budget and inventory limits.

With Dell Premier Pages, employees and business decision makers at Magna International can achieve critical insight into business operations, costs, budgets, and

inventory standings across the company—helping eliminate unnecessary overstock, allowing centers to consolidate their orders, and streamlining and standardizing the company’s IT network. IT staff also have access to a quick reference point for manufacturer-specific regulations and technical specifications, allowing them to work more efficiently within the guidelines.

Dell and Magna International have collaborated successfully on a number of projects, which has further developed their relationship. In 2005, Magna International purchased 6,500 computer systems from Dell, and in 2006, this figure increased to 8,000.

VIRTUALIZATION PROVIDES A NEW LEVEL OF EFFICIENCY

Virtualization offered a way for Magna International to simplify its server infrastructure and consolidate its resources. The solution deployed by the company includes Dell PowerEdge 1850 and PowerEdge 6850 servers configured with up to four Intel processors running the VMware ESX Server 3 virtualization platform. This solution helped reduce the number of servers at the company’s Frankfurt center from 70 to 3. In addition, Siegl notes, “Dell hardware and VMware software are available bundled, which eliminates time spent on configuration.”

Reducing the number of physical servers has drastically reduced the amount of energy wasted on running and cooling its

network, and simplified configuration and management. Siegl says, “The virtualized servers save us considerable costs in terms of power consumption and cooling states and, as a result, virtualized systems pay for themselves quickly.” IT staff can install virtual machines remotely, and the process now takes just 15 minutes—a significant decrease from the previous process.² “Before, a member of our staff had to go out to the hosted computer centers to set up new servers in person,” says Siegel. “With virtualization, setting up new systems takes a fraction of the time.” In addition, the virtualized infrastructure has helped improve recovery times from network failures, because the virtual machines can easily take over functions from the other systems if a problem arises. This capability alleviates disruptions to the network, allowing staff to continue working even if network problems occur.

Dell provides Magna International with a single point of contact for its virtualization needs. This level of service includes Dell Platinum Enterprise Support—the most comprehensive Dell support package for critical server environments, which helps ensure that any outages are resolved rapidly with engineers on-site within four hours and provides a dedicated Dell technical account manager to help plan future IT developments. The service helps ensure Magna International gains the most from its virtualized environment, maximizing cost-effectiveness and employee productivity. 

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