CASE STUDY: QUÉBEC LOISIRS

QUÉBEC LOISIRS MIGRATES CUSTOMER ADMINISTRATION SYSTEM ACHIEVING IMPROVED PERFORMANCE AND REDUCED IT COSTS
Québec Loisirs is a premier book club based in Québec, Canada, delivering print and audio products to the French-speaking population in Canada. Part of the DirectGroup Bertelsmann, a leading provider of direct-to-customer media commerce, and a division of Bertelsmann AG, one of the largest media companies in the world, Québec Loisirs is among the best performing book clubs in the organization. Serving an active membership of 280,000, Québec Loisirs generates revenues of over $26.7 million per year.

**The Challenge**

Facing growing competition in the book club industry, Québec Loisirs was limited by both the architecture of the existing Customer Administration System (CAS) and the extremely high cost to run it on an IBM mainframe. The total cost related to CAS was $750,000 per annum and Québec Loisirs required a more efficient and cost-effective system to maintain its premier rank in the market. As a result, the company opted for a systems migration to a Microsoft Windows® server.

The kernel of CAS was maintained by the ICS CompetenceCenter (ICS) of the DirectGroup Bertelsmann in Vienna, which is responsible for supporting the kernel for many of the organization’s book clubs. However, as the book club business differs from country to country, Québec Loisirs had to configure the kernel provided by ICS to correspond with the culture of its target market. Supplementary modules were then developed and maintained by Québec Loisirs’ IT department to provide the complete CAS system and customize it for the unique requirements of Québec Loisirs’ business. Both the kernel and supplementary modules of CAS were written in COBOL running under CICS on a leased IBM mainframe running VSE.

“The legacy system implemented by ICS years ago was clearly in need of a major overhaul,” said Léo Théberge, CIO, Québec Loisirs. “The cost of maintaining the system was extremely high relative to its value and we needed a solution to cut down on the expense.” Responding to the pressure to provide a more cost-effective and flexible solution, ICS moved the kernel of CAS to Windows and helped the European book clubs migrate their supplementary modules.

**The Solution**

Given the potential cost savings of a new Windows-based CAS system, Québec Loisirs made the strategic decision to adopt the new kernel from ICS, but to also configure it themselves and migrate their supplementary modules in-house rather than utilize ICS services.

Using Micro Focus development tools, the Québec Loisirs IT team essentially re-hosted their supplementary modules from the leased IBM S/390 (13 MIPS) VSE mainframe to a single CPU HP ProLiant Windows 2003 server. The resulting COBOL/CICS applications were then deployed using Micro Focus Server on Windows. The migration project required a team of four, three of which were highly experienced COBOL/CICS programmers, and was completed over a six-month period.

“The productivity delivered by the Micro Focus tools was a key factor in the on-time completion of the project,” said Théberge. “Issues that would have taken us days to isolate and fix using mainframe are done in a matter of minutes within the Micro Focus environment.”

**The Result**

Québec Loisirs successfully completed the project on schedule and 19% below budget. The migration resulted in a 43% CAS system cost reduction, bringing the cost down to $430,000 per annum, and reducing overall IT expenditure by 17%.
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Léo Théberge,
CIO, Québec Loisirs
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