



RAET Part 2

Increased flexibility and €1M+ per year cost savings achieved through re-platforming

Challenge

Raet’s customers are demanding a more flexible and responsive way of processing their payroll calculations, a move towards just-in-time and real-time management of their payroll data. The web based HR and Human Capital Management systems of Raet provide those capabilities and customers are expecting the same for their payroll calculation. The rising mainframe costs were prohibitive in meeting this demand. In addition, a lot of mainframe skills will be lost to the team due to retirement in the coming four years. Finally, the overall technology strategy of Raet is focused on Web based applications on the Windows platform.

Solution

- Micro Focus Enterprise Developer
- Micro Focus Enterprise Server

RAET

Raet delivers SaaS solutions for Human Capital Management, HR and payroll for 14,000 customers, managing payroll for close to three million Dutch employees. It has been active in the Netherlands since the mid sixties and recently started international expansion under the Youforce brandname (www.youforce.co.uk). In the Dutch non-profit market, Raet’s Gemal application, a mainframe COBOL-based system, has been very successful for forty years.

Increased customer demand for flexibility

In today’s fast-paced environment, Raet’s clients are demanding a payroll solution which is flexible and fit for purpose. Gemal processes 1.1 million payslips every month and although it has performed perfectly well for four decades, it is not the dynamic, just-in-time and real-time solution which Raet would like to offer to its clients.

Gemal was mainframe-based and flexible capacity was a real issue. Jeroen van der Heijden, Chief Technology Officer for Raet, recalls an incident when it required a short-term uplift in mainframe capacity: “At certain points in the year all our clients’ pay slips are slightly more complicated, particularly at year-end and just before the summer holidays, as many pay a vacation bonus. The combination of this additional complexity with a

Highlights

- Operating savings of over €1 million per year
- Staff savings of €150,000 per year
- Increased flexibility to respond to client demands
- Doubled processing power
- Stepping stone to the cloud

“Mainframe maintenance and support costs of €1 million+ per year were saved straight away. In addition, I estimate that we will run the environment with two less staff, translating to another annual saving of €150,000. I expect the move to the cloud will reduce operating cost even further, while improving our flexibility to meet customer demands.”

Jeroen van der Heijden,
 Chief Technology Officer, Raet

peak usage pattern that was different from what we anticipated, required us to request an small uplift of our mainframe capacity. Unfortunately, the outsourced mainframe datacenter could not deliver the uplift timely nor at a reasonable price. For us, this once again highlighted our lock-in and the rising costs associated with it.”

An aging development team

Another reason for Raet to reduce its mainframe dependence is the average age of their 30-strong development team. Within the next four years, seven team members will retire, taking with them a lot of the in-house mainframe knowledge and skills. When recruiting new developers, finding skills suited to a distributed and Web-based environment is much easier and cheaper.

Rising mainframe costs

Raet paid well over €1 million every year to keep its 600 MIPS mainframe infrastructure running. Cost alone was not a good enough reason for Van der Heijden to undergo a substantial re-platforming exercise to a Windows environment, but combined with the increased flexibility the new environment would give them and the fact that development skills will be easier to source, the decision was made to go ahead with a replatforming project.

Having worked with Micro Focus in the past, Van der Heijden was confident that this replatforming project would be a success: “We felt Micro Focus had the best tools and services in place to smooth the process for us.”

Replatforming project

The approach was to move from a z/OS to a Windows environment, which involved moving data held in DB2 to a Microsoft SQL Server solution. Close to 13 million COBOL lines had to be replatformed. With a project of this scale, it’s unsurprising that the team ran into some unforeseen hitches. They came across a lot of undocumented Rexx scripts and JCLs which proved to be system-dependent and therefore not easy to migrate across to the new platform at all. However, with the help of Micro Focus professional services and the dedication of the Raet in-house team, all of these issues were overcome and as Van der Heijden says: “This re-platforming exercise was by no means easy, but immensely rewarding. The largest barrier to a project like this is the internal attitude that it cannot be done. People have grown up with the mainframe and don’t have the belief and confidence that a new environment can give them so much more.”

Faster processing power

Immediately following the replatforming, Raet did a check on the speed of payslip processing. Prior to the migration, 130,000 payslips were typically being batch-processed overnight. On the new Windows platform, this number was nearly doubled to 250,000, with the expectation that it will even increase, as expertise and experience in using the new tools and fine tuning the new environment grows within the organization.

Cost savings on an ongoing basis

Van der Heijden was impressed when he looked at the cost/benefit analysis of the migration project: “The mainframe maintenance and support costs of €1 million+ per year were saved straightaway. In addition, I estimate that we will run the environment with two less staff, translating to another annual saving of €150,000. I expect the move to the cloud to match this cost saving again.”

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Increased client flexibility

In the new environment Raet is able to offer increased capacity to its clients at an acceptable cost. Its plans to move the entire environment into the cloud will have a further impact on this flexibility and its responsiveness to client requests. The Micro Focus Enterprise Server for Azure product will enable it to view capacity as electricity. You pay for it on demand, at the point of usage. Van der Heijden: “The next phase of our modernization journey is to implement Azure to provide our customers with the on-demand processing elasticity they require. Having visited Micro Focus to understand how mature its Azure technology is I am confident this technology will enable us to take that next step and make our system available in the Azure cloud.”

About Micro Focus

Micro Focus, a member of the FTSE 250, provides innovative software that allows companies to dramatically improve the business value of their enterprise applications. Micro Focus Enterprise Application Modernization, Testing and Management software enables customers' business applications to respond rapidly to market changes and embrace modern architectures with reduced cost and risk.

Part 1 of the Raet story outlines how the company used Micro Focus technology to increase mainframe developer productivity and lower costs whilst still deploying the application back to the mainframe. Part 2 continues the story outlining how Raet were then able to take their mainframe application and deploy onto an alternative platform increasing flexibility and saving money.

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Note: Enterprise Developer and Enterprise Server are the current names for products used in this project.