

INTERACTIVE SESSION ORGANIZATIONS

Glory Finds Solutions in the Cloud

Ever wonder who keeps track of all your ATM transactions? If you use ATMs anywhere in the globe—and who doesn't—chances are good that specialist firms like Glory Global Solutions Ltd. are managing the process of dispensing and depositing cash ATM transactions. It's called the cash management business, and it's at the heart of banking activity in thousands of bank branches and global banking systems, and an important part of the retail vending, automated self-service venues, and gaming industries (such as the gambling industry, which runs on cash). There are over 3 million ATMs worldwide. Given the ubiquity of ATMs, cash transactions require global scale systems to manage the flow of value.

Glory Global was founded in 1918 as Kokuei Machinery in Himeji, Japan. Originally a light bulb manufacturing firm, it expanded on its manufacturing strengths by building the first coin and cash counters in Japan. By the 1970s it had moved into the manufacture of ATMs worldwide and changed its name to The Glory Group. Through a series of acquisitions, Glory expanded rapidly. In 2013 Glory acquired Talaris (a UK-based cash management firm) to create Glory Global Solutions Ltd., with headquarters in Basingstoke, England. Today Glory Global Solutions is one of the world's largest cash management solutions providers. Glory Global Solutions has over 3,000 employees, has a direct presence in over 20 countries, and services customers in over 100 countries around the world. Glory Solutions is a subsidiary of The Glory Group, which remains a Japanese-owned firm that trades on the Tokyo stock exchange.

Growing over the years through more than 25 acquisitions, Glory Group inherited a collection of legacy systems developed in different countries, by multiple firms and developers, for different lines of business. The company also inherited a collection of data centers from the firms it acquired. The various systems could not communicate with one another, and management was unable to “see” all of its businesses or to understand the business processes of their various business segments and operating companies. Management decided the firm could not achieve its strategic goals of growing the business without being able to streamline and standardize its

business processes worldwide. The inefficiency of operating so many disparate data centers and the absence of a single global system operating on a modern technology platform suggested the need for a global enterprise database approach and for operating on a cloud platform provided by a single vendor. Moving to a cloud solution would greatly reduce its data management and IT infrastructure costs.

Glory had already begun the move toward a cloud-based business by deploying Microsoft Office 365 and other cloud solutions a few years before. For the first time, the firm was able to share documents, data, and presentations across all its business segments. The firm's managers believed they could obtain a positive return on their investment within four years by moving other processes to a single database and a single cloud service.

The next challenge was determining which vendor would be the best choice. There are multiple vendors of cloud-based computing, from very large firms like Oracle, SAP, IBM, and HP to smaller, regional providers. Ultimately, Glory narrowed the choice down to two global vendors and then decided that Oracle best fit their needs. The firm had already adopted in its European operations several elements of Oracle's traditional enterprise suite installed on Glory's own servers. In the last five years, along with most global cloud providers, Oracle has moved rapidly toward offering “computing on demand” as a business model, where customers do not purchase software but instead rent the computing power they need and pay for only as much as they use the service. Having a single vendor for licensing software and processing power rather than dealing with multiple vendors was also seen as a positive factor.

Few firms have the expertise to move rapidly from a legacy system to a contemporary cloud platform. Glory reviewed ten vendors of systems integration services and chose a firm called TCS to help them with the transition and fill gaps in the firm's own knowledge. TCS had considerable experience with Oracle enterprise systems and had a number of pre-built modules that could be used by Glory. System integrators are consulting firms that have expertise in the hardware and software of business systems and bring with them knowledge and background in

PRIVATE USE OF PRO-CORREA@USP...

best business practices learned over many years in different industries. They help firms redesign their business processes and merge them into the enterprise software and IT infrastructure. After twelve months of work, the new platform was ready to deploy.

A key challenge facing management was how to implement these platform changes in 24 countries with multiple languages and multiple regulations in each country. This turned out to be a massive cultural change. Each of the firm's business units required training in the new business processes and the software used to implement the processes. Over 2,000 of the firm's employees would be using the new systems, some daily, to perform their jobs. A direct cutover to the new system was considered too risky. A parallel system cutover where both the old and new platforms operate in parallel was considered too expensive, and too difficult technically.

Management decided instead on a regional rollout strategy starting with the UK headquarters location. The company implemented the new system in the remaining countries over an 18-month period. Overall, the transition required four years to completion. Management believes the new system will reduce annual IT costs by 50 percent compared to the older legacy systems, but the real benefit will come from being able to operate and grow as a single global firm.

Sources: Glory-Global Group, "Fact Book 2020," accessed December 21, 2020; Glory-Global Group, "Glory Cash Recycling System, CI-5 Awarded the Design Prize "Red Dot Design Award 2019," Press Release, March 25, 2019; Glory-Global Group, "Declining ATMs, Growing Cashback—Are We Entering a New Cash Cycle?," February 14, 2019; Federal Reserve Board, "The Federal Reserve Payments Study 2018," federalreserve.gov, 2018; Accenture, "ATM Benchmarking Study 2018 and Industry Report," accenture.com, 2018; Ariella Brown, "Public Cloud Helps Global Firm Grow Its Business," CIO Insight, December 18, 2016.

CASE STUDY QUESTIONS

1. Why did Glory choose a cloud solution as opposed to modernizing the systems it had?
2. Why was it necessary to hire a systems integrator firm?
3. What were the main organizational change requirements for implementing the new cloud platform?
4. Why did management choose a regional rollout strategy? Why in the United Kingdom?

- **Software as a service (SaaS):** Customers use software hosted by the vendor on the vendor's cloud infrastructure and delivered as a service over a network. Leading software as a service (SaaS) examples are Google's G Suite, which provides common business applications online, and Salesforce.com, which leases customer relationship management and related software services over the Internet. Both charge users an annual subscription fee, although Google has a pared-down free version. Users access these applications from a web browser, and the data and software are maintained on the providers' remote servers.
- **Platform as a service (PaaS):** Customers use infrastructure and programming tools supported by the cloud service provider to develop their own applications. For example, Microsoft offers PaaS tools and services for software development and testing among its Azure cloud services. Another example is Salesforce.com's Salesforce Platform.

Chapter 2 discussed Google Docs, Microsoft Office 365, and related software services for desktop productivity and collaboration. These are among the most popular software services for consumers, although they are increasingly used in business. Salesforce.com is a leading software service for business. Salesforce.com provides customer relationship management (CRM) and other application software solutions as software services leased over the Internet. Its sales and service clouds offer applications for improving sales and customer service. A