

Satsaco Group business growth soars with cloud deployment

Freight and logistics company realizes up to 40% cost savings, transforms business to serve new customers and markets.



30%

Growth in customer base

40%

Cost savings

Industry

- Freight and logistics

The challenge

- Migrate workloads from on-premise to cloud-based deployments
- Reduce system upgrade costs and minimize downtime
- Business growth stifled by IT limitations

The solution

- Lumen® Cloud Application Manager
- Lumen® Managed Cloud Services and Consulting Services

The benefits

- Improved operation excellence, agility, and customer response times.
- Enabled remote working and business continuity amid pandemic disruptions.
- Rapid customer growth and business transformation.

The customer

With an expanding client base and thousands of orders processed every day, it would be difficult to imagine Satsaco's small beginnings as a freight forwarding firm that struggled to serve a growing base of customers. Commencing operations out of a warehouse at Changi Airport in Singapore in 1988 and with just two staff members, Satsaco served customers requiring air freight to Indonesia.

As cross-border commerce evolved, the company's customers had new service requirements such as sea freight and warehousing. Additionally, customers also needed an end-to-end freight solution from goods handling and management to storage and distribution. With most of these requests originating from clients in China, Satsaco's management made the decision to set up a new office in Hong Kong and two logistics hubs in Guangzhou and Shanghai.

Against a backdrop of economic and IT challenges, the company placed technology at its core to modernize its processes and successfully pivoted to support the e-commerce industry, resulting in tremendous business growth.

Satsaco has today digitally transformed from a small-size B2B freight company heavily reliant on manual processes, to a competitive industry player addressing new opportunities and customer demands.

The challenge

In the competitive logistics and e-commerce landscape, speed, responsiveness, and agility are everything. The story of Satsaco began with a simple freight management system supplying basic point-to-point services to their B2B customer base. As the company looked to move into the e-commerce space, higher scalability and quicker customer response time were pre-requisites for a business striving to expand.

With great ambitions to grow the business and geographical footprint, there were several bottlenecks identified primarily around legacy IT systems and manual processes.

"Our initial target was to service clients across South East Asia. We wanted to customize our services according to their requirements and provide value-added services that would set us apart from the competition," said Sukrisno Chiuman aka Kris, Managing Director, Satsaco Group. "I knew from the very beginning that the only solution to transition from

B2B to a B2C business and handle a larger client base would be to leverage and invest in IT solutions to help us grow."



My biggest concern in this journey was not just migrating our legacy systems but also our workloads without too much disruption. It would have been too much strain on our small IT teams. The Lumen team not only provided their expertise but were extremely proactive in taking the lead during the whole process to ensure a smooth delivery."

**— Sukrisno Chiuman aka Kris
Managing Director
Satsaco Group**

He explains that the company previously used disparate systems, a combination of a local server and Azure VMware Solution (AVS). This set-up did not prove to be very productive, requiring maintenance and upgrades every two to three years, placing added burden on IT teams and causing system downtime for up to eight hours. Further, the IT teams also spent considerable hours on maintenance and archiving. "System upgrades were very costly and as a growing business, we simply could not afford to continue having these issues. Every time the server was down, it would halt and delay order processing," he said.

The solution

With headquarters in Singapore and new offices in strategic regional hubs, the company looked to consolidate and host its workloads in one location, creating a single domain in the cloud for all offices.

Following a cloud assessment by the Lumen team, a cloud adoption framework that comprised migration to Microsoft Azure public cloud. "The Azure platform was our top choice for fulfilling our criteria for a cloud provider with highest levels of security and reliability," says Kris.

Migrating to the cloud would give Satsaco the ability to scale up and down according to business needs and was the long-term solution needed for the business. A key component of the migration solution was deploying the Lumen Cloud Application Manager (CAM), a platform orchestrator designed to simplify

workload management by automating delivery of infrastructure, applications and services across hybrid cloud services. The platform's inherent features such as cloud optimization, analytics and application lifecycle management helps organizations to confidently and effectively implement and manage a hybrid IT or multi-cloud strategy.

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“Companies like Satsaco are undergoing major transformative initiatives to ready themselves for the Fourth Industrial Revolution. Having an agile cloud environment allows Satsaco to achieve cost savings, flexibility to scale and be optimized for application performance. By leveraging Lumen's managed cloud services, Satsaco has freed up staff time that needs to be spent on higher priority tasks and help reduce overall business risk.” Ignatius Wong, Director Product Management, Hybrid Cloud and IT Solutions, Lumen Asia Pacific.

Complemented by Lumen Managed Services Anywhere and a dedicated Technical Account Manager (TAM), Satsaco has successfully reduced complexity, IT burden and optimized their cloud deployment.

The benefits

Following migration to Azure and adopting a cloud-first approach, the company has reaped significant cost savings of up to 40%*. Additionally, IT manhours on maintenance and upgrades have also considerably decreased through dedicated round-the-clock support from Lumen.

“After migrating to the cloud, there is no longer any downtime,” says Kris. “Our teams can seamlessly complete their orders in time, and everyone is more aware of what they can accomplish, by adopting data-driven processes.”

He points out that CAM's single pane of glass dashboard provides better management of inventory and order updates as well as helping to identify and mitigate system issues in time. Further, cloud migration could not have come at a better time as moving the workloads from on-premises to the cloud meant business could carry on even during pandemic shutdowns. “Previously, we had to work out of one of our offices to get things done, but one of the biggest benefits of the cloud is enabling our teams to work from anywhere.”

Digital transformation also enabled the company to compete in the e-commerce space, a venture which started with just one customer in 2017. “In 2018, we had three customers which grew to ten by 2019 and 30 in 2020. For the year ahead, we believe our customer base can grow by at least another 30%*,” says Kris.

The company has now set its sights on further expansion in South East Asia. Kris adds “Through our services and solutions, we want to help our customers reach bigger markets in Indonesia, Thailand, Vietnam and Philippines and grow their online business. By investing in the right IT solutions, partnering with the right experts, and adopting cloud, I believe there are many more opportunities for us to explore.”

* The business outcome data points are based on Satsaco's evaluation.