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Case Study

Ladbrokes



Ladbrokes



Ladbrokes Stabilizes ERP System with Cost-Effective Strategy

Requirements

The global gaming and betting industry may depend on customers willing to play the game of chance to win big—but the same cannot be said for the operations side of the business, which is decidedly risk-averse.

Ladbrokes, the largest betting company in the U.K. and the biggest retail bookmaker in the world, clearly understands that the fast-paced world of gaming requires that systems both at the front and back end process information with lightning speed and complete reliability to meet the needs of customers, vendors, and employees.

After a period of rapid international expansion, the company realized it needed to improve its existing Oracle E-Business Suite-based enterprise resource planning (ERP) system running on Sun hardware, so Ladbrokes worked with Oracle Gold Partner dsp to implement an innovative end-to-end hardware and software solution to provide the reliability and performance needed for continued success.

With approximately 2,700 retail betting shops across the U.K. and parts of Europe, and a thriving online business with 13 tailored sites in nine languages supporting 17 currencies—and more than 800,000 active clients—Ladbrokes is a true multichannel retailer.

“We’re a customer service business,” says Mittu Sridhara, group CIO at Ladbrokes. “And the challenge is the transaction volume. We handle around 16 billion pounds in any given year, and every single percent of that goes through and is enabled by technology in this business.”

To make it more challenging, not only is it a high-volume business, but every transaction happens in real time. Sridhara says:

“In a bank you will wait five seconds to get your cash, but in our business, if you wait two seconds, a few things could happen. One is the event is over, and there is no more money that can be taken in. Or, if

there is a delay, the customer could place a bet at a set of odds that are different to where the current markets are, so you could end up losing millions of pounds.”

Clearly, downtime is unacceptable for Ladbrokes, even in the back office. Sridhara says:

“We have around 15,000 employees across the business. Our employees are primarily in the U.K, but we have traders around the world. Imagine if we didn’t pay wages for a week. That would be a huge operational issue for us.”

According to John Barnes, team leader for Corporate Systems at Ladbrokes, the company was running Oracle E-Business Suite for financials and human resources (HR) on Sun V890 Servers, but over the years as the business grew, the Human Resources application became highly customized, and the company had concerns about whether the hardware could continue to provide the performance and stability levels necessary to support mission-critical applications for payroll, financial reporting to the stock exchange, and payments to suppliers.

He says, “We were in a very dangerous situation. Everything was running, but it would take only a couple of key bits of hardware to fail, and we would be exposing ourselves to not being able to provide the information we wanted on a timely basis.”

Ladbrokes needed to find a way to remedy the situation with minimal interruption to the business. Furthermore, they wanted to explore cost-effective options because the company was not quite ready to completely overhaul and upgrade its software and hardware for back-office operations. Sridhara says: “Our goal was to stabilize what we had to give us the time to look at how we might replace it all eventually.”

Solutions

Ladbrokes looked to dsp to help find an optimal solution because the company has provided support services to Ladbrokes for many years. dsp, which is based in the U.K, is a managed services provider covering the entire Oracle technology stack, including



operating system, database, and applications. The company also offers a full variety of professional services. It was one of the first European partners to gain Oracle PartnerNetwork Specialized status in Oracle Database 11g. Devanand Nayak, Managing Director at dsp, says, “We knew Ladbrokes’ long-term roadmaps and we could leverage our intimate knowledge of their business.”

Working as a team with dsp, Ladbrokes first decided to upgrade to faster, more powerful Sun servers. Specifically, a new tier of two Sun 440 servers were introduced. Concurrent activities were decoupled from the existing Database servers. Then, the existing Database tier was moved to a more powerful Sun M5000 Server because the new server could provide the speed and stability Ladbrokes needed. The hardware piece of the project was managed by Kelway, an Oracle hardware partner. Then, dsp focused on helping Ladbrokes to migrate to the new Oracle Solaris system while maintaining existing software.

One of the most innovative and effective elements of the project was the decision to use a software migration strategy that leveraged Oracle Solaris Containers virtualization to allow Ladbrokes to run its existing version of Oracle E-Business Suite on the Sun M5000. “The challenge was to encapsulate Oracle E-Business Suite on a different version of the software running in an encapsulated way on the hardware OS, while ensuring that all the ancillary services continued to run in an encapsulated mode on the new hardware, too,” says Barnes. “We really concentrated on how to provide the best environment with the least amount of change.”

Nayak says,

“When you work with the Oracle E-Business Suite technical stack, it takes some skilful manoeuvring. You need expertise, not just at the database layer or the operating system layer or the applications layer. It is the dependencies between that take experience to flush out.”

Business Results

The project started in March 2010 and was completed in November 2010. It has generated outstanding performance improvements. **Overall, the performance has increased between 50 to 80 percent.** For example, payroll accounting used to take around 11 hours to process and now takes just a little under three hours, and employee-record reports

used to take around 40 minutes to process and now take only six minutes at the most.

Sridhara says,

“We’re a very different company now than we were eight years ago when we first implemented our ERP system. The project has given us interim stability, so we have time to review and do the necessary long-term planning and analysis for the future.”

Barnes concurs:

“It’s easier to just say, ‘Upgrade it.’ But, we had confidence in our partner, dsp. We knew they would provide the technical resources and know-how, and ask the right questions. They’re not one of Oracle’s biggest partners, but they are quite celebrated. Having a strong relationship with dsp was key to us being successful in this project.”