

CASE STUDY



China's largest brand e-commerce solution provider

ORGANIZATION:

Baozun provides e-commerce solutions for brand partners in mainland China, Hong Kong and Taiwan. It offers end-to-end e-commerce solutions, including IT infrastructure setup and integration, online store design and setup, store operations, visual merchandizing and digital marketing campaigns, customer service, warehousing and order fulfilment.

CHALLENGE:

Migrating to an IT infrastructure that could rapidly scale as the business grew.

SOLUTION:

Datapipe Stratosphere Cloud
Datapipe Managed Services



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BEST PRACTICE SCALABLE CLOUD DEPLOYMENT

THE CHALLENGE

Baozun was faced with four significant concerns that needed to be rapidly addressed. First, China's retail e-commerce is fast growing. The country surpassed the US in 2015 to become the world's largest retail e-commerce market, and is expected to cross US\$1.21 trillion in retail e-commerce sales in 2017, according to eMarketer. While e-commerce is growing, running an e-commerce business comes with its own set of unique challenges, particularly around scale. For example, when online promotions are launched, Baozun sees significant spikes in sales volumes – sometimes up to 100x that of a normal day. On Singles Day in 2015, Baozun processed a whopping 650,000 orders in the first hour and 3.5 million orders within a span of 24 hours. There was an obvious need to address the scalability of its IT operation - specifically around server capacity - to handle such a high demand.

Second, Baozun's IT leadership anticipated great benefits from freeing the burden of maintenance from their in-house IT infrastructure team, bringing new efficiencies. Baozun's IT infrastructure team comprised more than 20 employees, working tirelessly to ensure the company's infrastructure was up and running. Previously, this Infrastructure team spent more than 200 hours each month maintaining servers. This involved

installing and removing servers to or from the rack, handling hardware issues, managing backup and remote storage, regular inspections, physical asset management and commuting to or from their previous hosting vendor.

Third, there was a major challenge to improve security, meeting global-leading best practices around compliance and regulation. This is of particular importance in the e-commerce sector, where there are challenges and strict guidelines around data protection.

Finally, Baozun strives to guarantee 99.95% uptime to its clients. This was increasingly challenging as the business continued to see rapid growth and Baozun was expected to fund infrastructure growth and optimization internally.

From an IT architecture perspective, these challenges implicated three key layers of Baozun's operations:

- Customer Facing Layer – direct online stores, weChat, online marketplaces (Tmall etc.)
- Supply Chain Management Layer - order and warehouse management, data warehouse and business intelligence
- Back End Integration Layer – integration of Supply Chain Management Layer with brand's back-end systems and third party logistics companies

THE SOLUTION

Prior to working with Datapipe, all of Baozun's data ran on web servers hosted externally. This was not sustainable given the business' rapid growth. As the business grew, so too did the server load; consequentially server sizes increased, placing a lot of pressure on maintaining these to run smoothly and running server maintenance almost daily.

Datapipe's expertise in designing, deploying, enabling and managing private and hybrid cloud environments was recommended to Baozun by one of its brand partners, citing Datapipe as a good fit to meet its migration needs. With Datapipe's strong managed services portfolio focusing on scalability, compliance and security, Datapipe was able to provide Baozun with guidance, assurance and innovation in its cloud migration journey from the start. Baozun also saw Datapipe's world-leading migration services as a strength in easing the challenges of initial migration from on-premise to cloud environments.

Baozun looked to migrate to Datapipe's managed private cloud to meet growing demand, to continue providing best-in-class services to their customers, and to remain the market leader in greater China and in Asia.

Baozun spent approximately two months assessing three cloud services vendors before ultimately choosing Datapipe. Key factors in selecting Datapipe included performance, support, pricing and real-time application tests of all three vendors to gauge real-world performance. Baozun tasked an internal team to assess cloud vendors across these criteria - with Datapipe emerging as the leader.

"Of particular commendation was the level of support, including customer service support, provided by Datapipe," said Tony Wu, Chief Technology Officer of Baozun. "Datapipe's response time was the most superior. Also, Datapipe's solutions were as or more affordable than the competition. Finally, Datapipe also provides private cloud services, which is one of the key requirements for e-commerce operations. For these reasons, we trusted Datapipe with our deployment."

Datapipe was able to tweak its private cloud architecture to meet Baozun's scalability performance requirements, emerging as the most flexible and responsive vendor able to meet all the unique challenges and requirements of e-commerce.

OPERATIONAL IMPACT

RESULTS & BENEFITS

- Reducing the onboarding time of new clients from 25 to 5 days
- Reducing 200 hours of monthly server maintenance to zero hours
- Ability to guarantee 99.95 percent uptime for its clients

Under Baozun's previous hosting model, it took about 25 days to deploy a new server. Steps included confirming new requirements and server configurations, internal approvals, a two week lead time, and finally configuring and installing into the rack. After migrating to Datapipe, it took Baozun less than five days to deploy. This fast-tracked process simply involved determining Baozun's hosting requirement and server configuration, customers placing an order, and having Datapipe deliver the rest. Apart from reducing implementation time, Baozun virtually eliminated maintenance efforts after migrating to Datapipe's cloud, reducing the burden from 200 hours per month to effectively zero hours per month.

Datapipe also played a key role in closing the skills gap by complementing Baozun's IT infrastructure team of 20+ employees, bringing new insights around best practice cloud deployment. Moreover, by engaging Datapipe, Baozun saved time and money on hiring additional staff to handle the migration. Thanks to the high-performance storage, Datapipe's platform delivered 5 percent overall improvements versus traditional rack servers in UNIX benchmarking.

RESULTS & BENEFITS

- Total Cost of Ownership of IT environment dropped 20%
- 100% scalable platform
- Meeting a high level of security and compliance in China

“Baozun’s cloud deployment approach is to go hybrid. So far, we have only moved the first customer-facing layer of our operations to the cloud, along with some of our warehouse and order management systems. Some parts of our operations still run on our web servers, though we plan to migrate more and more of our operations to the cloud in future. We’re also strongly considering Datapipe’s private cloud service offerings going forward,” said Tony Wu, Chief Technology Officer at Baozun.

Migration and management of cloud infrastructure can be filled with nuances and uncertainty, particularly in China where compliance issues are a major concern for businesses. With Datapipe’s expert guidance through the migration process, end-to-end managed solutions and knowledge of China’s market, enterprises are better equipped to navigate the changing global marketplace.

DATAPIPE

A next generation MSP, Datapipe is recognized as the pioneer of managed services for public cloud platforms. Datapipe has unique expertise in architecting, migrating, managing and securing public cloud, private cloud, hybrid IT and traditional IT around the globe. The world's most trusted brands partner with Datapipe to optimize mission-critical and day-to-day enterprise IT operations, enabling them to transform, innovate, and scale. Backed by a global team of experienced professionals and world-class interconnected data centers, Datapipe provides comprehensive cloud, compliance, security, governance, automation and DevOps solutions. Gartner named Datapipe a leader in the Magic Quadrant for Cloud-Enabled Managed Hosting.

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