BUYER CASE STUDY

What a Difference a Night Makes

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IDC OPINION

Schibsted's migration to the cloud took less than four hours in the middle of an autumn night last year, and it went very smoothly with no major disruption and obstacles. This demonstrated the enormous potential of the cloud for front-office, client-facing applications, and not just the more traditional email, conferencing, and back-office applications that most companies are more familiar with.

In addition, the initiative opened the doors for Schibsted's enthusiastic engineers to create new solutions, automate processes, and run infrastructure with the support of CloudFormation, AWS' platform for the creation of new resources.

IN THIS BUYER CASE STUDY

Norwegian media giant Schibsted switched 3.5 million registered users to the AWS cloud for single sign-on and payment purposes in just one night in October and one night in December (in Sweden and then in Norway, respectively). In addition, their engineers are using AWS' PaaS and IaaS for application and infrastructure development, and more developments are likely to come. It describes its experience with AWS as "magnificent."

SITUATION OVERVIEW

Founded in 1839, Schibsted is an international media group with more than 6,800 employees in 30 countries. In addition to key operations in Sweden and Norway, the company also has operations in a further 14 countries in Europe, 12 in Latin America, and five in Africa. The company's headquarters are in Oslo, and the largest offices are in Sweden, Spain, and France. The majority of the business outside the home markets in Scandinavia is online-based.

Organization Overview

Schibsted is a widely recognized and established media company in Scandinavia. Its activities include various products and services: news portals, online classified, print media, multimedia, and mobile. Schibsted's websites are among the most accessed in Norway and Sweden, after Google and Facebook. It has more than 200 million unique users worldwide, including 5.3 million in Norway and Sweden. The company believes that producing centralized components (applications, best-practice standards, information, etc.) that can be easily customized and transformed into localized content is the key to its success both in its home markets and elsewhere.

The company conducts an aggressive merger and acquisition strategy. At present it has over 100 companies, often through acquisitions of other organizations worldwide. It operates under various names and domains outside the home markets of Norway and Sweden, particularly for classified media. Examples include popular engines such as segundamano.es in Spain, leboncoin.fr in France, and subito.it in Italy.

Challenges and Solution

Early in 2014 Schibsted decided to roll out a managed services cloud solution for single sign-on. The initiative, which was initially steered by the company's Identity & Payment teams, was aimed at improving flexibility, scalability, content control, and ultimately to reduce lead time.

Schibsted chose AWS because AWS had worked with Schibsted previously for various ad hoc backup service initiatives dating back to 2007 (when AWS was formed). The fact that AWS is the market leader in the cloud space was also a deciding factor. Most importantly, there was a very good technology match, which allowed Schibsted to significantly decrease its workload and transition its assets smoothly into the new ecosystem.

Initially, the project was aimed at providing single sign-on to Schibsted's clients in the two home markets. First, the company switched 1 million users in Sweden to the cloud platform literally overnight in October. There was a lot of preparation in the months preceding the switch, but the transition itself took between three and four hours in the middle of the night, causing no disruption – neither to the staff nor to the customers. Customers did not notice any changes, except that the speed for single sign-on and payment had increased dramatically the next morning.

The following month Schibsted switched 2.5 million users in Norway, also overnight. The two countries had two identical production platforms, which helped to ensure that the transition process was uneventful and steady. The experience was very similar to Sweden: there were no delays and no business losses, and even teething problems were kept to a minimum.

After the front-office deployment in Norway and Sweden, the cloud focus moved toward automation of various processes. These processes were previously conducted manually and were prone to errors and inaccuracies. Schibsted believes that "manual processes are risky" and therefore is striving to transition all of Europe to the cloud as soon as it is viable. At present, it estimates that at least half of its 1,000 engineers are using PaaS or IaaS from AWS with very positive results. It is currently using AWS' CloudFormation language and sample template to develop its own solutions and applications, and to upgrade its entire infrastructure and production procedures. For Schibsted, CloudFormation is a powerful enabler because "it automates the process of setting up new processes by simply pushing a button."

Schibsted believes that AWS exceeded its expectations, and said: "We were super impressed. AWS was magnificent. We have never experienced such service level and support. Things couldn't have been better, from beginning to end."

Results

The cloud has enabled Schibsted to expand its user database and to provide more user insight. The company is currently developing its own payment solution on the cloud with AWS' PaaS offering. In addition, it has also allowed Schibsted to produce customized content to each division and organization in line with the centralized components (applications, best-practice standards, information), which are defined in the home markets of Sweden and Norway.

The most important benefit to Schibsted was transforming the company's operations from reactive to proactive, and being able to handle all the processes in-house. The company can create its own deployment policy, and decide itself how to manage new services. Also, significantly, there is no separation between infrastructure and application engineers.

In addition, Schibsted believes that AWS cloud enabled it to achieve monetary savings, although the company has not quantified them. There are savings related to the termination of various fragmented and costly contracts previously held with local technology companies, including IT services companies in Norway. Schibsted is continuing to retire various contracts with these and other organizations.

From the perspective of Schibsted's clients, single sign-on and payments became faster and there are virtually no disruptions, and those that do occur are very quickly rectified. Customer satisfaction, and therefore retention and renewals, have improved significantly since the change.

In short, moving to AWS enabled Schibsted to save money, to expand and improve its existing service, cut down contracts, and even reduce maintenance time. In the words of Mikael Lindström, head of operations at Schibsted Payment AS, "We got so much for free; it was a real no-brainer."

Next Schibsted is looking to use AWS' cloud for event tracking, new marketplaces, and new media platforms. However, it does not have plans to move traditional back-office applications such as HR and accounting to the cloud because it has a BPO contract with IBM. That is, at least for the time being.

ESSENTIAL GUIDANCE

Schibsted's advice to other companies is that they should not be afraid to automate and to use cloud providers for managed services. When you are on the cloud, try to use managed services as much as possible to simplify where it makes sense. This will make the migration process smoother, particularly from a technical perspective.

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