



### Business challenge

At NITORI, delighting customers depends on exceptionally efficient manufacturing and logistics operations. As the company geared up for explosive growth, the lack of capacity in its key systems left it exposed.

### Transformation

NITORI worked with IBM Systems Lab Services to deploy three IBM Power Systems E980 servers with IBM POWER9® processors to run Oracle databases and specialized applications developed in-house on IBM AIX®.



### Business benefits:

**Accelerated**  
deployment, ensuring readiness for peak sales period

**Gained**  
capacity and performance to handle peak workloads and future expansion

**Protects**  
existing investments while opening path to future growth

## Nitori Powering up to enhance service excellence as the business grows

NITORI Co., Ltd. is known for its original “Manufacturing, Logistics and Retail Sales” SPA model of furniture and home furnishing goods. Applying the principle of “self-sufficiency”, NITORI has developed unique systems for inventory control and the stable supply of products, which enables the company to deliver to its clients directly in a timely manner. With 24,816 employees as of February 2018, the company delivers a wide range of products through more than 523 retail stores worldwide including 56 stores in Taiwan, China and United States, as well as its online shop Nitori-Net.



*“IBM Power Systems enabled us to achieve a very low-risk transition, with enormous potential for future growth.”*

Toshinori Arai, NITORI Co., Ltd.

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## Gearing up for growth

As a leading company in the Japanese interior design industry, NITORI Co., Ltd. (Nitori) stands apart from its competitors through its original “Manufacturing, Logistics and Retail Sales” SPA model. The company recently achieved its 31st consecutive year of growth in both revenue and earnings. Customers can browse and buy a wide range of home furnishing and home fashion products in the company’s global network of more than 523 stores, including 56 stores in Taiwan, China and the United States as well as its online shop Nitori-Net.

Nitori has kept improving its own distribution systems and IT systems in order to efficiently and quickly ship products to stores and customers throughout Japan, as well as to reduce the cost of storing products. For example, beginning with implementation of the industry’s first automated multi-tier warehouse in 1980, Nitori developed its own unique systems for inventory control and the stable supply of products. Today, Nitori arranges the transportation of products from overseas factory to overseas distribution center, orders international container services to Japan through the bidding processes and customs procedures, arranges transportation from container yards to Japanese distribution centers, and then delivers products to stores and customers. All of the systems involved were developed and are operated by Nitori.



Behind the scenes, the company must coordinate a complex set of international design, manufacturing and logistics operations. For example, a Nitori store may need to confirm that a particular item can be delivered from its factory in Vietnam to one of its warehouses in Tokyo, requiring the seamless interplay of dozens of international and domestic processes between multiple subsidiary and partner companies. If in-store staff are not able to commit to a delivery date in minutes, Nitori could lose a sales opportunity.

For more than a decade, Nitori has relied on homegrown applications running on Oracle Database on IBM AIX and IBM Power Systems to ensure that these processes run smoothly, accurately and reliably. As the business geared up for

further growth, however, it became clear that more performance and capacity were required.

Toshinori Arai of NITORI Co., Ltd., comments: “Nitori plans to have 1,000 stores by 2022, expanding further into China and the U.S. in particular, and expecting to generate an additional USD10 billion in annual revenue. The biggest strategic challenge we face is around how to open new overseas stores that fit well with the local market needs. But one thing is common everywhere in the world: the need to offer customers fast, reliable, trustworthy service that creates loyalty to the Nitori brand.”

The company’s existing hardware was five years old, and while it had served Nitori well, the rapid expansion of the

business during that period had stretched the server to the limits of its design. With the traditional springtime sales peak approaching fast, Nitori needed to upgrade within a very tight schedule

## Flexible, non-disruptive deployment

Working with IBM, Nitori chose to deploy an IBM Power Systems E980 with POWER9 processors to run its mission-critical systems supporting planning, manufacturing, finance, logistics, sales, marketing and customer service. With up the ability to scale up to 192 POWER9 processor cores and 64 TB of memory, the Power Systems E980 will give Nitori ample headroom not only for the coming springtime sales peak but also for the years of rapid business growth ahead.

To ensure that the company can meet the new Power Systems servers’ extreme appetite for mission-critical data, Nitori migrated its existing IBM DS8000 storage to an all-flash IBM DS8886F that offers higher throughput, performance and migration function enhancements. Nitori also increased the performance of its Storage Area Network (SAN) from 8Gbps to 16Gbps.

“The IBM Power Systems E980 represented a very flexible option for Nitori, because we knew that we could achieve the transfer of our data to the new

storage with no disruption,” says Mr. Arai. “We needed to increase our capacity rapidly because of the approaching spike in demand, and staying on IBM Power Systems enabled us to achieve a very low-risk transition, with enormous potential for future growth.”

Nitori is now in the process of migrating its applications and Oracle databases to the Power Systems E980, with continuing support from IBM Systems Lab Services.

“When we compared IBM Power Systems with the other leading contender, we saw that we could achieve the performance we needed on the E980 without needing to do any special tuning, whereas the other platform required significant tuning,” says Tomoyuki Sano of NITORI Co., Ltd. “We have been using Power Systems for many years without any reliability or security issues, so we were happy to be able to stay on the platform.”



*“We saw that we could achieve the performance we needed on the E980 without needing to do any special tuning.”*

Tomoyuki Sano, NITORI Co., Ltd.



## Boosting customer service

For customer-oriented enterprises such as Nitori, superlative service is key to building and maintaining loyalty. With IBM Power Systems supporting the most critical processes across planning, finance, logistics and sales, Nitori has a stable, high-performing and extremely scalable platform to support customer-facing operations.

“Since we handle a complex set of processes from manufacture through to delivery, it’s vital to maintain a clear view of data at all times,” says Mr. Arai. “IBM Power Systems have always provided very good availability, helping us to ensure that we can meet our commitments to customers.”

Based on the tests it has performed, Nitori is confident that its new IBM Power Systems E980 will be able to respond to the anticipated spike in sales volumes during the springtime peak period. “Although we are still working to complete the migration, our past experience of IBM Power Systems gives us confidence that the new server will meet our requirements,” says Norihiro Takeoka of NITORI Co., Ltd. “As a large-scale platform, Power Systems has always been very reliable for Nitori. The IBM PowerVM virtualization technology also allows us very flexibly to increase or decrease both the memory and processing resources without any disruption, so that we can maintain the right level for our needs.”

Nitori consolidates production and non-production (test, development) workloads on the same system. If the company wants to run a performance test, it can dynamically and temporarily assign to a test environment the same amount of CPU and memory resources as used by the production environment. Should production workloads need more resources as the business grows, Nitori can scale the Power Systems servers up to 192 cores each.



*“As a large-scale platform, Power Systems has always been very reliable for Nitori.”*

Norihiro Takeoka, NITORI Co., Ltd.

Looking to the future and considering its plans to grow to 1,000 stores worldwide, Nitori also sees value in its broader relationship with IBM. “Nitori is growing into a much larger-scale company in the coming years, and the number of partners that have the scale to work with us globally is therefore going to reduce,” says Tomoyuki Sano. “Clearly, IBM has many major global reference customers, so we are comfortable that they will have the resources available to meet our growing needs. IBM is certainly a trusted advisor for Nitori, and the relationship is mutually beneficial. As we build up our new environment on the Power Systems E980 and DS8886F, we look forward to further joint success.”



## Solution components

- IBM® Power® Systems E980
- IBM Power Systems S914
- IBM AIX V7.1
- IBM PowerVM V3.1
- IBM DS8886F
- IBM TS4300
- IBM Global Technology Services
- IBM Global Financing

## Take the next step

To learn more about IBM Power System E890, please contact your IBM representative or IBM Business Partner, or visit the following website: [ibm.com/marketplace/power-system-e980](http://ibm.com/marketplace/power-system-e980)

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