

Nutanix selected for information system virtual server and virtual desktop infrastructure (9,000 clients) of Hokuriku Bank and Hokkaido Bank. Japan's largest deployment of Nutanix.

Nutanix Selected by Wide-Area Regional Financial Group in Japan



Hokuhoku Financial Group, Inc.

CHALLENGE

Merger and restructuring by banks have become increasingly brisk as a means to strengthen competitiveness and survive in the next era. With a backdrop of regional population decline, as mergers and management consolidation between regional banks continue, the Hokuhoku Financial Group, the largest regional financial group with Hokuriku Bank, Hokkaido Bank, and Hokugin Software under its umbrella, has garnered attention as the group of remote regional banks.

The group was founded in 2004. Since then, Hokuriku Bank and Hokkaido Bank have optimized and integrated various systems in constructing a shared IT infrastructure. In 2011, the banks migrated to the shared use system MEJAR and began using it. In parallel with this, the banks have also been integrating their information systems.

In 2016, the group formulated a new medium-term business plan, "Best for the Region." In the plan, the group declares, "We will offer the region's number one financial services featuring improved convenience and features resulting from the establishment of our IT infrastructure."

"By integrating our information system infrastructures, as a financial group we aim to share and utilize our information and speed up operations," said Hideki Nakagawa, Division Manager for System Administration Division, Hokkaido Bank. "Our goal is to maximize synergies."



"Without being tied to a particular vendor, both banks made a big decision based on rational judgment. As we strive for further improvement in services, we will continue to make forward-looking investments and take on new challenges."

– Mitsuru Taga, Executive Officer
THE HOKURIKU BANK, LTD.

Eiji Tominaga, Head for IT Planning Group, Hokuriku Bank, commented on the backdrop of this system integration. Tominaga added, "We have restructured our systems that overlap between the two banks, and have integrated these systems that were overdue for refresh. The scheduled refresh of our virtual desktop infrastructure offered the opportunity to integrate the virtual information infrastructures of our two banks that had been constructed and operated separately."

SOLUTION

"The offices of Hokuriku Bank and Hokkaido Bank are far from each other for 790km. The coverage area of their sales footholds is also broad, so integration and virtualization of infrastructure in remotely located areas fit together well. We are able to overcome distance and show infrastructure virtually as a single entity," said Michio Kondo, Senior Manager for System Administration Division, Hokkaido Bank about the significance of virtualization.

Integration of information infrastructure became a concrete discussion topic in early 2015. “We compared three types of configuration for this infrastructure integration including traditional FibreChannel based storage and switching, general storage virtualization, and Nutanix Enterprise Cloud Platform. Each of which were using Intel x86 servers,” said Hiroto Hori, Manager for Development Division #1, Hokugin Software.

Reduced Infrastructure Costs

“After extensive analysis and evaluation, based on a long-term perspective that includes factors such as product price, cost of system deployment, cost of operation and maintenance, strong track record of deployment, product features, and future outlook, we selected Nutanix,” said Hori. “The existing virtualization environment is built based on commodity x86 server, and it has issues such as not being easily expandable or upgraded, costly system maintenance, and inability to freely choose products.”

“The reason we chose Nutanix is because we believed it could deliver on two fronts—achieve synergies for us as a group, and decrease information system infrastructure costs,” said Mitsuru Taga, Executive Officer, Hokuriku Bank. “We also risked throwing away an environment we had long used, so it was a big challenge for us.”

Simplified Operations Management

In fact, each regularly scheduled system update involved replacement of servers, fiber channel switches, and storage, along with corresponding detailed connection tests, which resulted in considerable effort and expense. “Of course, hardware will wear out so regular updates are necessary,” said Tominaga. “But the problem more so than expense is the huge system integration costs produced by each update. In addition, large costs were incurred for operation management due to the need for separate management tools for each tier and advanced operational knowledge.”

A simple, flexibly scalable system was sought to be able to respond quickly to market needs and business growth.

“Hyperconverged infrastructure is a category garnering attention. We compared the hyperconverged Nutanix Enterprise Cloud Platform with other products, but we resonated with Nutanix’s concept of ‘providing the complete solution including software foundation.’ In addition, other products claimed to have features equivalent to Nutanix even though in their catalogs, there were decisive differences, such as actual maximum number of nodes and limitations on required enterprise storage features, as well as the need for disruptive rebooting during updates,” said Tominaga of the reasons for choosing Nutanix.

One Platform, Many Workloads

Nutanix had already previously deployed its product at Hokugin Software. “In 2015, we deployed Nutanix for workloads such as VDI, virtual server infrastructure and virtual network infrastructure,” said Hori. “From this, we gained confidence that we could use it throughout the entire Hokuhoku Financial Group.”

The deployed Nutanix products were the Nutanix Enterprise Cloud Platform NX-3000 and NX-8000 Series. The number of nodes for server virtualization infrastructure and virtual desktop infrastructure for the two banks totaled 71, the largest number ever for any Nutanix deployment in Japan to date.

RESULTS

The decision to deploy Nutanix was made in spring 2016. In the same year, Nutanix was deployed in the data centers of both Hokuriku Bank and Hokkaido Bank, and an integrated system infrastructure of both banks will become fully operational in early 2017.

Excellent User Experience Equals Higher Efficiency

The total number of virtual desktop infrastructure clients of both banks will be approximately 9,000, the highest number in Japan for regional banks. "We are looking forward to the higher quality of banking business and faster operations," said Tominaga. "Since this is for the information system, it will not be directly linked to services for bank customers, but more efficient bank operations will provide great benefit to our services. Standardized and faster operations of both banks were essential."

Flexible and Seamless Upgrades

Nutanix installation is simple and fast. After purchase, the hardware is removed from the box, plugged into an electrical outlet, connected to the Internet, and set up with a few clicks. No longer is there a need to spend several months on infrastructure deployments. In addition, software version updates and system expansion can be done without stopping the system, making maintenance management simple. The banks are now even looking to handle system maintenance management internally.

Pay as You Grow Infrastructure

The cost benefits also cannot be overlooked. Tominaga said, "Looking over the long term, we anticipate cost reductions in infrastructure maintenance and operation. We hope to achieve a 20% reduction compared to before." Taga said, "We will now be able to use valuable system engineering resources that had been allocated for infrastructure maintenance and operations on areas such as service development that will generate actual profit. We will be able to invest aggressively." Tominaga added, "A leveling off in spending is also greatly appealing." Previously, IT spending had stood out significantly every five to six years when infrastructure updating took place. But now this steep mountain has disappeared, so the banks are able to turn the spending curve into a gentle slope.

NEXT STEPS

"There are some things that cannot be done by a single bank but that are possible with two," said Kondo with a smile. "There are also the synergies that are derived because we are in remote areas. A good example of this is our business continuity strategy. By having a data center in a remote location, our strategy becomes possible, and we are able to turn it into a positive benefit." Of course with Nutanix, migrating or integrating a physical data center becomes dramatically easier. Migrating is incomparably easier than in a typical 3-tiered system, and risks associated with migrating can also be reduced.

Taga, who described this infrastructure integration as a "challenge," said this challenge will continue moving forward. "Without being tied to a particular vendor, both banks made a big decision based on rational judgment. As we strive for further improvement in services, we will continue to make forward-looking investments and take on new challenges," said Taga. "We are looking into deploying this system into other infrastructures as well, not just stopping with the information infrastructure," said Tominaga.

The IT infrastructure that until now has been expanded as needed has become bloated and complicated. Costs and risks are also inflated. Getting out of this situation is a challenge, and a new challenge begins in a freer environment. The finance market is becoming increasingly difficult. Nutanix is supporting Hokuhoku Financial Group as it aims to survive in these times.



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Head for IT Planning Group
THE HOKURIKU BANK, LTD.

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System Administration Division
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Company

Wide-area regional financial group with Hokuriku Bank, Hokkaido Bank, and Hokugin Software under its umbrella.

Industry

Finance

Business Needs

Improved convenience and features from establishment of IT infrastructure

Product

- › Nutanix enterprise cloud platform NX-3000 and NX-8000

Solution

- › VDI with Citrix XenDesktop and XenApp
- › VMware ESXi

Benefits

- › Standardized and faster banking business operations
- › Reduction and leveling in system integration costs
- › Long term infrastructure, operation and maintenance costs estimated reduced by 20%

Nutanix makes infrastructure invisible, elevating IT to focus on the applications and services that power their business. The Nutanix enterprise cloud platform leverages web-scale engineering and consumer-grade design to natively converge compute, virtualization and storage into a resilient, software-defined solution with rich machine intelligence. The result is predictable performance, cloud-like infrastructure consumption, robust security, and seamless application mobility for a broad range of enterprise applications. Learn more at www.nutanix.com or follow us on [Twitter@nutanix](https://twitter.com/nutanix).

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