Lotte moves to the cloud for future-readiness

Lotte was established in 1948 by Takeo Shigemitsu as a chewing gum manufacturer and seller. Since its inception, the company has developed many other popular chocolate and candy products, and is one of the leading confectionery manufacturers in Japan.

Industry
Food and Beverage

Strategic priorities
• Cloud migration

VMware Footprint
• VMware Cloud™ on AWS

• VMware Horizon™

Lotte Corporation (Lotte) was founded in 1948 as a chewing gum manufacturer and seller. It is one of Japan's leading confectionery manufactures and known for its culture of "Lotte-novation". The same innovative spirit encouraged Lotte to digitally transform by embracing future growth and tackling unpredictable changes with scalable, flexible hybrid IT and cloud infrastructure. Lotte has now migrated 4,000 VDI units to VMware Cloud on AWS, improving employee experience and maximizing business profitability.

A well-loved confectionery manufacturer

It is one of Japan's leading confectionery manufacturers and is known for its culture of "Lotte-novation". Its innovative spirit—"Lotte-novation"—contributed to several of Lotte's well-loved sweets like xylitol gum and Coolish, its drinkable ice cream. When several divisions of Lotte merged into a single corporate entity in 2018 — the year of its 70th anniversary —they decided to embark on digital transformation (DX) to enhance synergies and encourage business growth.

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Mr. Hisaaki Ogata, Senior Manager of ICT Strategic Division, Lotte Corporation

Accelerating "Lotte-novation" to stay ahead

After merging, Lotte found it challenging to ensure smooth business operations and employee experience due to silos between the merged departments. This had the potential to impact business development. Moreover, Lotte had been operating an on-premises VDI environment on Windows 7. When Windows 7 support ended, there was an urgent need to move to Windows 10 to strengthen Lotte's VDI resources. This prospective move to Windows 10 created further concerns about resource shortage.

"Our desktops required better specs to run smoothly with Windows 10, but we decided to use the upgrade to improve our system more broadly. We decided to use VMware Cloud on AWS because it offered the agility and flexibility of the cloud with a proven track record and made migration easy," said Hisaaki Ogata.

"The great thing about VMware Horizon is that we can connect and use our desktops from anywhere without having to keep apps and data on our client devices."

Mr. Hisaaki Ogata
Senior Manager of ICT Strategic Division, Lotte Corporation

Migrating their VDI environment to the cloud was thus a natural choice that would improve employee experience and profitability. It would also position them well for future expansion, and help them reduce time needed for infrastructure maintenance and operations.

VMware Cloud on AWS for virtual desktops

Lotte was confident in VMware's capabilities as it had partnered with VMware to deploy Horizon in 2011. In 2019, Lotte decided to deploy VMware Horizon on VMware Cloud on AWS, which also allowed Lotte to keep the same underlying platform as their on-premises environment.

Lotte started their migration in March 2020 with the support of DXC Technology Japan (DXC), VMware, and AWS Japan, while simultaneously upgrading to Windows 10. Just four

months later, Lotte had migrated about 1,000 computers to a 22-node VDI environment running on VMware on AWS dedicated physical servers.

The VMware team worked around obstacles created by COVID-19. And by the end of 2021, a total of 4,000 devices had been moved to the cloud, providing employee support for the global VDI environment operating both in the cloud and on-premises.

"We are grateful for the support of all three companies (DXC, VMware and AWS). Since it is a large system, we encountered various issues during the upgrade but were able to solve them quickly without stress. This success is possible because of VMware's professional support, particularly in the aspect of performance improvement," shared Kuro Ogata, ICT Strategy Department Manager of Lotte.

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Seamless transition and enhanced operations

Immediately, Lotte noticed how the transition between their existing on-premises environment and their new VMware Cloud on AWS VDI environment was virtually seamless.

"We're currently running VMware Cloud on AWS VDI environment alongside our on-premises environment and there are no differences between them. The user experience is virtually unchanged, and everyone finds it easy to use. Additionally, even though we migrated while the government's COVID-19 state of emergency declaration was in effect, transitioning our employees to remote working went smoothly," said Hisaaki Ogata

The cloud implementation and hybrid virtual desktop environment also empowered Lotte to pivot swiftly to telework during the pandemic.

"The great thing about VMware Horizon is that we can connect and use our desktops from anywhere without having to keep apps and data on our client devices. This eliminates the hassle of setting up groupware to use another computer for remote access on a business trip. It's also a reliable solution from a security perspective," added Hisaaki Ogata.

Beyond enhancing employee's work experience, Lotte's migration to the cloud has also allowed them to build an ICT infrastructure that can respond to business growth and new opportunities with flexibility. An example includes how they have boosted the use of cloud in business applications, such as Groupware, and modernized the modes of communication.

They also hope to upskill and educate their employees on IT literacy for thorough DX throughout the company.

"The foundations for digital transformation are in place, and Lotte is ready for new challenges and growth," Hisaaki Ogata says. "VMware has a wide range of solutions and being able to use them in the cloud brings in all the advantages we need."

Building on transformation

Looking ahead, Lotte hopes to continue working with VMware to enhance their IT system for improved security standards and optimized costs.
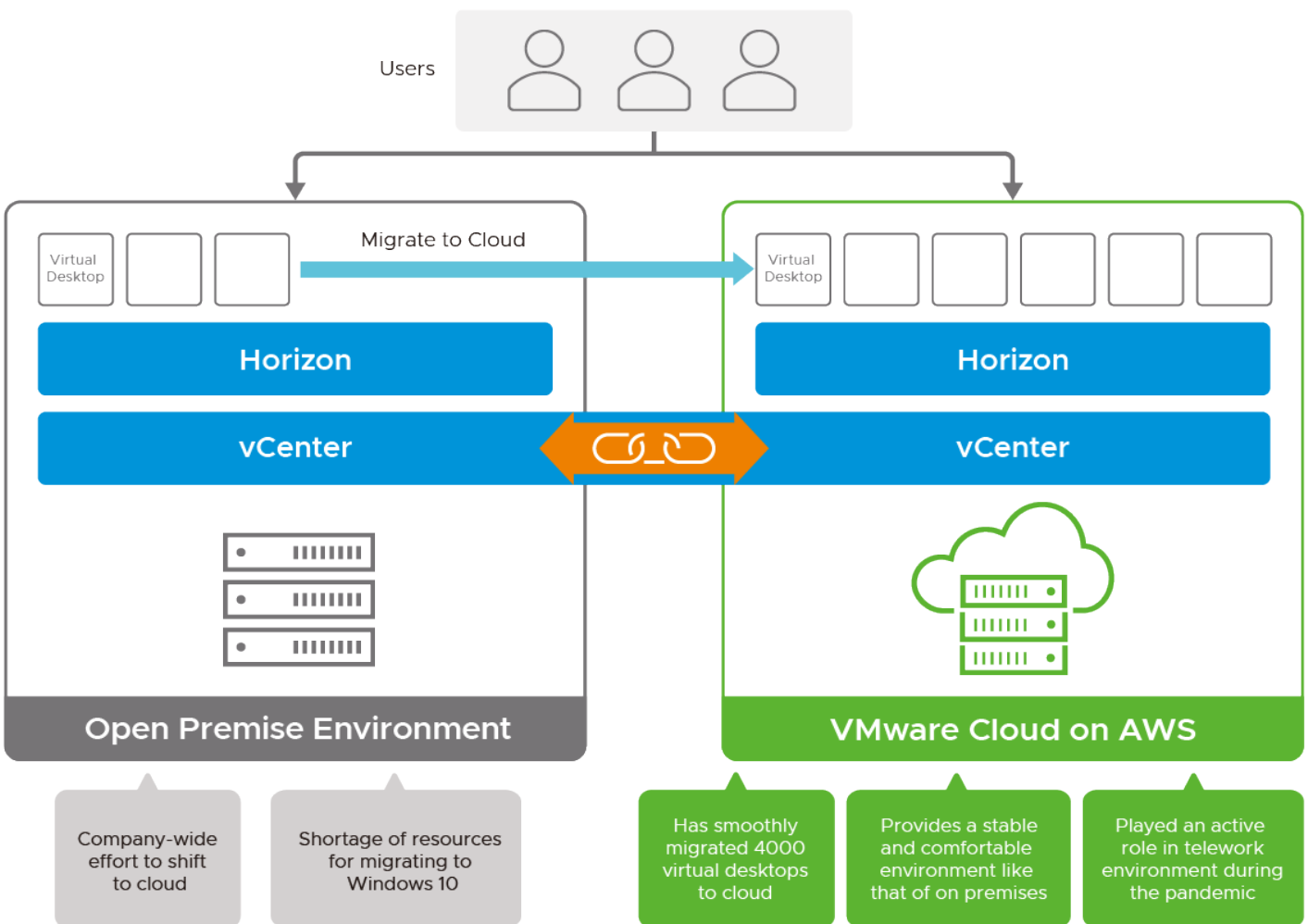

Figure: Shift of VDI environment to cloud with VMware Cloud on AWS