HP technology helps Lutz grow and adapt to change over time
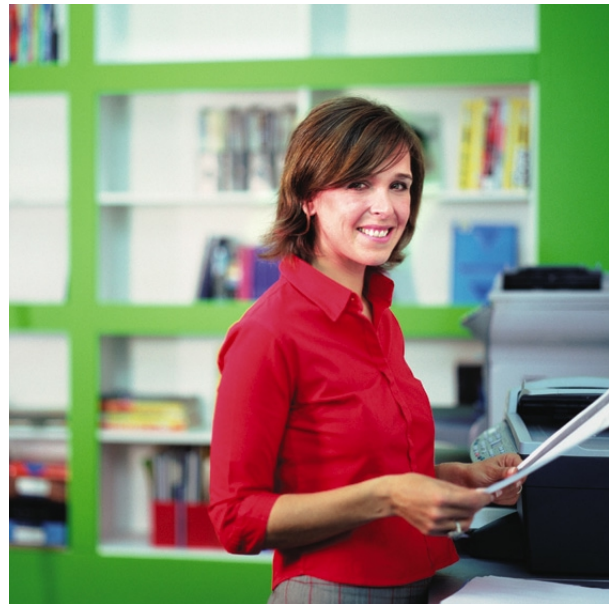
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> "We run our payroll, accounting, purchasing and inventory control systems on OpenVMS, which delivers the scalability we need to grow our business. We've upgraded our hardware several times over the past 15 years and have never experienced any unplanned downtime."
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Transforming a small family business into Europe's largest home furnishings retailer requires keen business acumen and the ability to manage change over time. Founded in 1945, Lutz began as a single store that offered articles of Austrian craftsmanship such as rustic painted furniture. Today, Lutz is a two billion euro enterprise that delivers more than three thousand orders every day.

To compete successfully in the face of rapid growth and acquisition, Lutz relies on HP OpenVMS systems, which enable the company to flexibly adapt to new business opportunities and address the demands of a constantly evolving marketplace.

The customer is king
The human element is the key to the company's success. Explaining his company's philosophy, Johann Stiglbrunner, Head of the OpenVMS Department at Lutz, says, "Customers are the axis around which our thinking and action revolve."

That caring for the customer is evidenced everywhere in the Lutz group of stores – from spacious children's play areas for the store's youngest visitors to full-service theme restaurants that make a visit to Lutz a fun and special experience for all.

Through growth and acquisition, Lutz has developed multiple product lines that are aligned to the needs of various customer groups – from high-quality furniture and home decorating services to affordable carry-home furniture and trendy accessories geared to young homemakers.

Lutz markets its products under a variety of different store names. The Lutz group of stores includes XXXLutz, for full service, high quality furniture and home accessories; Carryhome, for trendy home furniture and accessories for young homemakers; Ambiente, high-end furnishings for interior designers; Möbelix, Austria's largest discount furniture store; and Möma, offering furniture at rock-bottom prices.

While the company website has expanded the company's reach, most customers still want to experience the Lutz

environment firsthand. And that's where the store's highly trained staff comes in. Lutz employees undergo continuous training, which focuses on product information and interior planning. An OpenVMS-based information system supports employees and enables them to meet customer needs quickly and easily.

Lutz sales associates can instantly inform customers of delivery time and stock availability from an inventory of more than four hundred thousand individual, bar-coded items available in Lutz stores and its fully automated warehouses. To expedite its 3000 daily deliveries, the company notifies customers using mobile telephone short text messaging. Those not reached are contacted via landline phone or mail.

In 2001, Lutz built a state-of-the-art logistics center from which goods for all stores are distributed for just-in-time delivery. This highly efficient logistics system ensures that the company can meet its customers' needs quickly and professionally.

By standardizing on and integrating OpenVMS systems, Lutz minimizes business risk while reducing its expenses. Stiglbrunner explains, "At Lutz, we completely depend on our OpenVMS systems. If they were to go down for just an hour, it would cost us at least 500,000 euros. But the scalability, reliability and availability of OpenVMS has been perfect – it has never let us down."

Adapting IT through growth and change
Just as Lutz has changed its product offerings to satisfy the changing needs of its customers, HP has enhanced its technology to meet the ever-growing requirements of its customers.

One of Lutz's biggest challenges has been to manage its information technology throughout its tremendous growth. According to Stiglbrunner, HP has helped the company adapt to change. "The HP account team is a real partner to Lutz and is totally committed to our success."

> "By consolidating on our new OpenVMS AlphaServer GS1280 systems, we will not only reduce administrative costs, but we will also be positioned to scale up, as Lutz adds thousands of users each year. We also plan to add HP Integrity servers in a few years and are delighted that HP has designed Integrity servers to integrate seamlessly with AlphaServer clusters." — Johann Stiglbrunner, Head of OpenVMS Department, Lutz

Lutz has relied on OpenVMS for 15 years – 15 years of astonishing growth. "We have been using OpenVMS since 1989, when we had 200 users and eleven stores," recounts Stiglbrunner. "Today Lutz has 5,000 users and 118 stores, and in two years we expect to grow to 9,000 users. We run our payroll, accounting, purchasing and inventory control systems on OpenVMS, which delivers the scalability we need to grow our business. We've upgraded our hardware several times over the past 15 years and have never experienced any unplanned downtime."

To operate at peak efficiency, Lutz uses a sophisticated, highly customized application developed for them by SHD, an HP partner in Germany. This comprehensive application runs on an InterSystems Cache database. In the interests of economy, Lutz performs 40% of its own programming and then provides code back to SHD to be mainstreamed into the application.

The Lutz IT operation currently consists of HP AlphaServer GS140 and GS80 systems, which have recently been expanded for additional capacity. For high availability and reliability, these systems run in an OpenVMS Cluster using Fibre channel interconnects and HP HSG80 controllers for storage.

These powerful OpenVMS AlphaServer clusters enable Lutz to support multiple business processes, and empower each Lutz store to respond efficiently and effectively to all of its customers.

Lutz strives to improve its reputation for exceptional customer service as it continues to expand with new stores and acquisitions. Over the past 15 years, OpenVMS has grown to meet the needs of organizations. "Each new version of OpenVMS delivers faster performance, enabling Lutz to reduce costs as we grow. With our recent upgrade, we significantly increased performance without purchasing new hardware," comments Stiglbrunner.

Server consolidation yields significant savings

As a leading-edge company that is constantly expanding its range and assortment of products, Lutz always focuses on the ratio among price, quality and value. So it's no surprise that Lutz also looks for value in its IT solutions.

To maximize the return on its IT investment, Lutz is consolidating its OpenVMS environment with two powerful HP AlphaServer GS1280 systems.

"By consolidating on our new OpenVMS AlphaServer GS1280 systems, we will not only reduce administrative costs, but we will also be positioned to scale up, as Lutz adds thousands of users each year," says Stiglbrunner.

In the future, Lutz is looking to incorporate HP Integrity servers into its IT operation. Stiglbrunner explains, "We also plan to add HP Integrity servers in a few years and are delighted that HP has designed Integrity servers to integrate seamlessly with AlphaServer clusters."

As it has in the past, HP solutions will help Lutz take advantage of new opportunities and expand with agility. With the flexibility to adapt to change and scale for growth, Lutz has become an industry leader and is poised for a very successful future.

"We have a very close relationship with HP," adds Stiglbrunner, "and that relationship is critical to our success as we continue to grow our business."

Adaptive enterprise solution overview:
Meet growing demand with unprecedented speed

Challenge

Manage IT through tremendous growth and expansion

Solution

Adapt OpenVMS systems to meet the changing needs of the operation, implementing a server consolidation program that reduces costs and enhances scalability for future growth

Results

- High availability, reliability and stability

- Ability to scale and grow as enterprise grows

- Cost savings through the reduction of administrative expenses

At a glance

- Name: Lutz

- Headquarters: Linz, Austria

- Established: 1945

- URL: www.lutz.at

- Products/services: Employing 9600 people in 118 stores located across Europe, Lutz carries a wide variety of home furnishings and accessories, including furniture, textiles, curtains, baby articles, lamps, floor coverings, oriental rugs, gifts, household goods and home accessories. To serve diverse customer groups, Lutz markets its products under a variety of brand name stores, including XXXLutz, Carryhome, Ambiente, Möbelix and Möma.

Technology highlights

- Hardware: HP AlphaServer systems in OpenVMS Cluster configuration

- Operating system: HP OpenVMS

- Application: Highly customized application jointly developed by SHD, an ISV in Germany, based on InterSystems Cache database to run bookkeeping, payroll, inventory control, ordering, purchasing

- Storage: HP HSG80 controllers

- Service: Support from HP Global Services

For more information on how working with HP can benefit you, contact your local HP service representative or visit us at www.hp.com

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