



# Oxygen Business Solutions Limited

Oxygen Business Solutions Expands Customer Base, Lifts Earnings by 300 Percent

## Geography

Auckland, New Zealand

## Industry

Information Technology

## Business Need

Transform internal shared-services organization into customer-focused outsourcing company with capacity and credibility to successfully support all aspects of client IT needs.

## Solution

Oxygen implemented BMC enterprise systems management solutions to meet their business imperatives of binding together people, technology and processes.

## Results

- > Increased earnings by 300 percent in 2003
- > Boosted productivity and effectiveness in operations department
- > Created growth opportunities by adopting ITIL standards and attaining BMC certification

“BMC tools are the foundation for Oxygen’s whole enterprise systems management (ESM) environment. Our suite of BMC products links the process and technology management elements of ESM and also provides metrics for assessing the human elements, including what people we have and what skills are available. The BMC suite is the glue that binds together Oxygen’s technology, processes, and people for effective ESM.”

## Craig Bunyan

General Manager, Systems Optimization  
Oxygen Business Solutions.

## CHALLENGE

Oxygen Business Solutions Limited is a leading information technology services and outsourcing company specializing in supporting SAP users in Australasia. Oxygen was established in 2001, when Carter Holt Harvey, a major New Zealand-based paper and wood-fiber products company, decided to spin off its former IT services unit as a standalone business.

Carter Holt Harvey’s aim was to develop Oxygen into an independent IT services organization that could leverage its advanced SAP applications expertise. Oxygen targets medium-sized Australian and New Zealand enterprises that use SAP business applications, although it provides a complete package of outsourcing and support services in addition to specialized SAP expertise.

Headquartered in Auckland, New Zealand, Oxygen now employs approximately 300 people, with major data center operations in Auckland and Australia’s major business centers – Melbourne and Sydney. One of more than 30 companies in the Carter Holt Harvey group, Oxygen posted nearly NZ\$100 million in revenue during the 2003 financial year.

As a major enterprise with a sophisticated business applications environment, Carter Holt Harvey first adopted BMC infrastructure monitoring tools in 1998. For Oxygen, the initial challenge was to translate this investment in management tools into an ongoing business advantage as it made the transition from an internal shared-services organization to a customer-focused outsourcing company that could successfully support all aspects of client IT needs.

“It requires a considerable shift in mindset to make the leap from a shared-services environment to a commercial entity offering best-practice services to customers,” said Craig Bunyan, general manager, Systems Optimization, Oxygen Business Solutions. “The first thing we noticed was that, although the BMC tools were installed, we weren’t achieving the full value we should have obtained. Our operations certainly weren’t best practice by any means.”

“As a specialized IT services company, we use BMC infrastructure tools to perform efficient and effective service level monitoring and management.”

Craig Bunyan  
General Manager, Systems Optimisation  
Oxygen Business Solutions

#### Key Products Used

- > BMC® Event Manager
- > BMC® PATROL for Microsoft SQL Server
- > BMC® PATROL for Microsoft Windows Servers
- > BMC® PATROL for Oracle
- > BMC® PATROL for SAP Solutions Suite
- > BMC® PATROL for Unix and Linux
- > BMC® PATROL for Unix – Perform & Predict

Oxygen created a three-step plan to address this business imperative:

**Technology** – Increase effectiveness by ensuring monitoring tools were implemented according to BMC best-practice recommendations

**Processes** – Attain formal recognition of Oxygen’s service delivery capability through BMC certification and compliance with the IT Infrastructure Library (ITIL) framework, an international standard that sets formal requirements for IT services delivery

**People** – Increase skill levels among operations staff and restructure service delivery organization to work within ITIL framework

#### CUSTOMER’S PERSPECTIVE

“Oxygen drew up a business plan to lift itself up these scales and attain greater maturity,” said Bunyan. “Meeting these objectives was critical to our ability to compete for larger outsourcing bids, especially in the government arena. Equally important was the fact that these goals would improve Oxygen’s capacity to deliver best-practice service to its customers.

“The other challenge was to establish a flexible BMC monitoring infrastructure that could be shared across multiple customers. Leveraging common technology and processes across multiple customers brings down the cost to customers and drives economies of scale in a services business like Oxygen.”

#### SOLUTION

Oxygen offers customers extensive experience in deploying BMC PATROL monitoring and management tools to keep watch over availability and performance for SAP application environments, Unix and Microsoft Windows operating systems and a variety of database platforms, including Oracle and SQL Server. The company recently expanded its investment in BMC business service management solutions by implementing BMC Event Manager as an adaptive service management solution.

“BMC infrastructure and application management tools are a fundamental part of the service lines that Oxygen takes to market when we offer remote or centralized support,” said Bunyan. “BMC is integral to our ability to meet our customers’ service needs.”

Within its four data centers, Oxygen now monitors approximately 500 servers for more than 35 customers, including Alstom, Television New Zealand and Carter Holt Harvey. The company’s expertise in SAP business applications is reflected by the 80 SAP servers under management. All SAP monitoring is achieved with BMC PATROL software agents, while a combination of BMC PATROL and third-party agents is used to monitor alerts from hardware, operating system, database, and application layers.

“Oxygen is strongly focused on offering customers an end-to-end service monitoring capability, rather than simply component-level monitoring,” said Bunyan. “Our reference point is always the customer point of view. The customer is interested if the application is available and performing, so we look at what components are collectively required to keep that application online. This defines the end-to-end service we need to monitor.”

The lynchpin of Oxygen’s heterogeneous monitoring capability is BMC Event Manager, which provides adaptive service management capabilities that enable Oxygen staff to easily understand the impact of all IT objects on real-time business operations. BMC Event Manager provides a central repository for all monitoring activities and an integrated console for all alerts, including those generated by BMC PATROL agents, Microsoft MOM agents, and other component-level monitoring tools such as HP OpenView.

“Before customers come to Oxygen for outsourced hosting and support, they typically have either no monitoring, very basic monitoring, or monitoring that is restricted to single components,” said Bunyan. “Oxygen’s business advantage is that, as a specialized IT services company, we use BMC infrastructure tools to perform efficient and effective service-level monitoring and management.

“It’s easy to collect a myriad of component-level alerts, but such an approach can easily swamp a support environment if you don’t know what to do with the alerts. One of the hard things is to prioritize this data so that any alert that comes through is one that requires action – it’s not just

an information alert. Support staff then immediately know to respond to the issue. The prioritized approach enabled by BMC Event Manager has significantly cut down the routine workload for the Oxygen support team, enabling our technicians to provide proactive monitoring and better service."

BMC Event Manager enables Oxygen to deliver proactive monitoring services that prevent problems before they affect customer operations. For example, BMC PATROL agents monitoring file system utilization can provide early warning of an impending lack of storage. Oxygen operations staff can then reorganize files or add extra capacity before this problem impacts on the client's business-critical IT services.

Similarly, BMC PATROL agents keep a close watch over network and CPU performance to eradicate bottlenecks that may slow the flow of critical business data. For example, BMC PATROL can notify the Oxygen support team if it observes a CPU running at 100 percent utilization during batch-file processing. "We can soon identify which processes are overloading the CPU," said Bunyan. "This enables us to take remedial action such as refining the process, adding extra CPU power, or moving the job to another machine with extra capacity. BMC monitoring tools allow us to tackle bottlenecks and ensure there are no flow-on effects that slow down the customer's business.

"The net effect of service impact management with BMC is that Oxygen is a lot more proactive in its support. We now fix more things before they cause an outage or affect service."

#### CUSTOMER'S PERSPECTIVE

"BMC tools are the foundation for Oxygen's whole enterprise systems management (ESM) environment," Bunyan said. "Our suite of BMC products links the process and technology management elements of ESM and also provides metrics for assessing the human elements, including what people we have and what skills are available.

"The BMC suite is the glue that binds together Oxygen's technology, processes, and people for effective ESM. BMC monitoring solutions enable Oxygen to do more with less. That directly contributes to our profitability and makes us more competitive in a keenly contested outsourcing market."

#### RESULTS

Oxygen increased EBITDA earnings by 300 percent in 2003 financial year after making the transition to a full-service outsourcing business model and expanding its customer base. Implementing integrated BMC monitoring and management platform technology delivered economies of scale that enable Oxygen to improve customer service and increase profitability.

The company has boosted productivity and effectiveness in the operations department with priority-driven service impact management infrastructure. Benchmarking against Gartner analyst service standards shows Oxygen to be well ahead of industry best-practice metrics in its staff-to-servers ratio. This positions Oxygen to expand efficiently, with support and operations staff delivering higher levels of customer service within cost-effective parameters.

Oxygen created new growth opportunities by adopting ITIL standards and attaining BMC certification. This independent recognition enables Oxygen to successfully bid for a wider variety of customer outsourcing projects, and then successfully deliver a positive service experience for its customers.

#### CUSTOMER'S FINAL WORDS

"Most requests for tender that come out now ask for some sort of proof of best-practice capabilities," Bunyan said. "If you don't have that proof, either through ITIL compliance or standards like BMC certification, then you won't even reach the bidding point. Formal qualifications are a prerequisite for outsourcing today, especially in the Australian government market – and many commercial service providers are struggling with this requirement.

"Our hard work in attaining ITIL and BMC certification will continue to pay dividends for many years as the company continues to grow and consistently exceed customer service expectations. BMC gives Oxygen the tools we need to become a major force in the Australasian IT services and outsourcing industry."

#### About Oxygen Business Solutions Limited

Oxygen Business Solutions is a leading IT services and outsourcing company specializing in supporting SAP-based customers in Australasia.

#### About BMC Software

BMC Software delivers the solutions IT needs to increase business value through better management of technology and IT processes. Our industry-leading Business Service Management solutions help you reduce cost, lower risk of business disruption, and benefit from an IT infrastructure built to support business growth and flexibility. Only BMC provides best practice IT processes, automated technology management, and award-winning BMC® Atrium™ technologies that offer a shared view into how IT services support business priorities. Known for enterprise solutions that span mainframe, distributed systems, and end-user devices, BMC also delivers solutions that address the unique challenges of the mid-sized business. Founded in 1980, BMC has offices worldwide and fiscal 2006 revenues of more than \$1.49 billion. Activate your business with the power of IT. [www.bmc.com](http://www.bmc.com).



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