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Growing the Business Without Growing I.T.

Mark Shackelford

VP – Information

Baldor Electric

IBM System z Expo

September 17-21, 2007
San Antonio, TX



**Growing the Business,
without Growing IT**



THE BEST RUN BUSINESSES RUN SAP

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Baldor's Mission Statement

BALDOR

is to be the best
(as determined by our customers) marketers,
designers and manufacturers of industrial electric
motors, power transmission products, drives, and
generators.

- To think of value to our customers as,

$$V_p = \frac{Q_p \times S_p}{C \times T}$$

Baldor

- 811 Million in Revenue in 2006
- 85 Year Old Company
- Headquarters in Fort Smith, AR
- 26 U.S. Mfg. Plants, Bristol UK, Mexico and China
- 50 North American Sales Office's
- Over 20 International Sales Offices
- Global SAP Implementation in Fort Smith, AR



Ft Smith, Arkansas

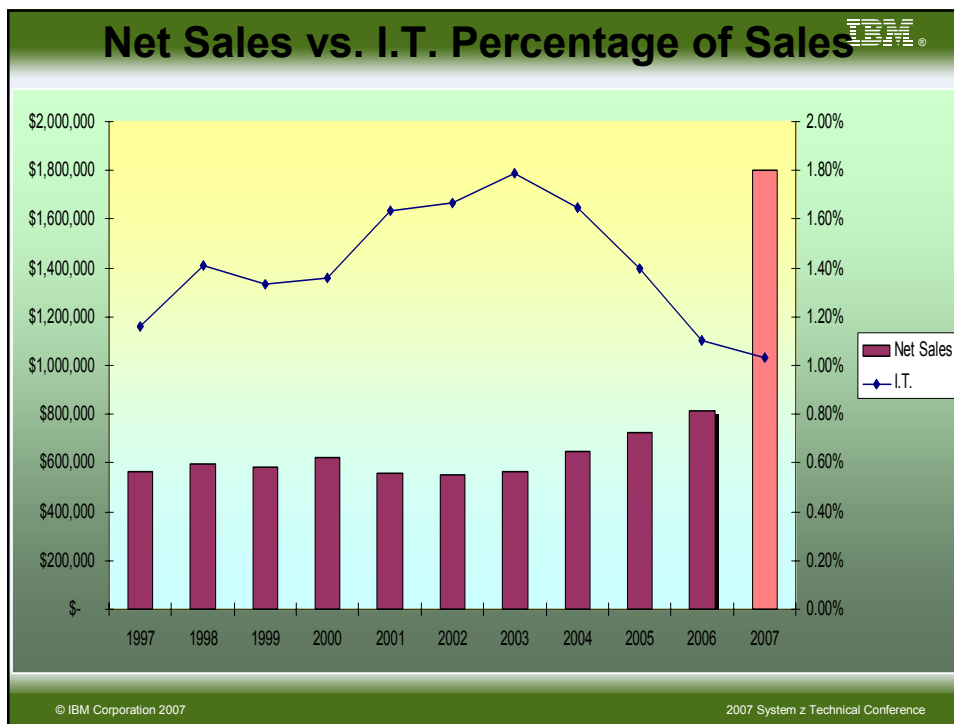
Key Challenges

- **37 Different Application Systems**
- **International Growth**
- **High Availability**
- **Business Growth**
- **Acquisitions**
- **I.T. Investments out of control**
- **Unable to grow headcount**




Timeline of Events

- **01-01-1997 Started SAP Implementation**
- **07-01-1997 Live with Financials, MFG, HR/Payroll**
- **11-27-1997 Live with SAP/DB2 on the mainframe**
- **07-01-1999 Live with Sales and Distribution**
- **2001-2002 Acquisitions (Motion, Linear, Generators)**
- **06-09-2003 Web/AS Pilot with Internal H/R Site**
- **03-01-2004 BaldorVIP Live using Web/AS**
- **04-25-2005 All Global systems live with SAP**
- **06-12-2005 Total Z-Linux Implementation**
- **08-08-2005 SAP Enterprise Business Suite**



SAP/z-990 Deployment Results

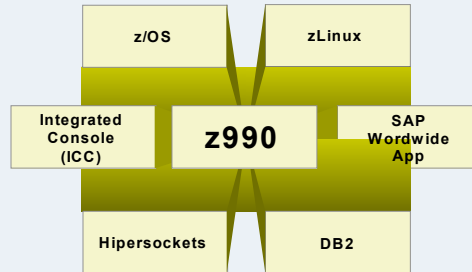


- **Reduced Network Costs 80%**
- **Reduced Head Count**
Lights out Operations
- **Reduced Maintenance costs**
- **Reduced Systems Software cost**
- **Reduced Complexity of Systems**
- **Reduced Disaster Recovery cost**
- **Increased Focus on Business Processes**
- **Increased I.T. Alignment of the Business**

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Technology Vision.....

- **One** hardware platform, **One** database, and **One** business system
#



- **Hardware Platform** - z-Series, z/OS, z-Linux, HiperSockets
- **Database** - z-DB2 for z-Series
- **Business System** - SAP Business Suite

Baldor Team Players



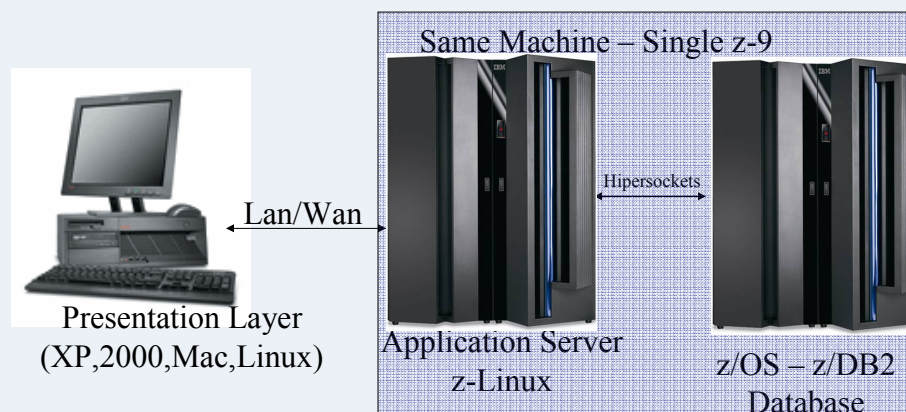
System Skills

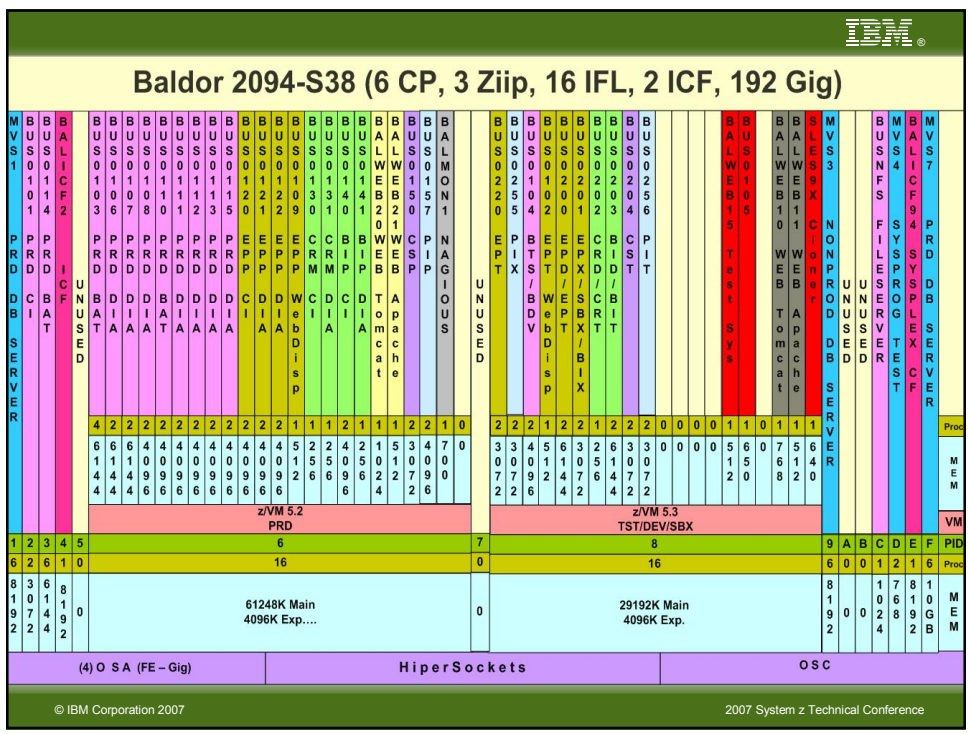
- **MVS and z/VM Systems Programmer (2 People)**
 > Responsible for MVS and z/VM Environments
- **AIX/Linux Programmer / Admin (2 People)**
 > Responsible for SAP Environment, AIX Servers and zLinux images
- **DB2 Administrator (2 People)**
 > Responsible for Database

Environment

- Z9-EC 2094-708 Model S38
- z/OS 1.8 z/VM 5.3
- DB2 Version 8 Starting V9 migration
- SLES 9 SP 2 and SLES 10
- Disk DS8100 and 2105-800

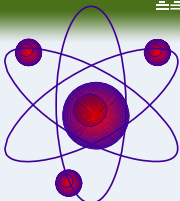
SAP 3 Tier Client Server Architecture





IBM

Sizing



- 4300 Users
- Average of 1 million Transactions a Day
- Average of 1,350 Scheduled Batch Jobs a Day (SAP & z/OS)
- End User Average Response Time of Less than 1 Second
- SAP Database Size is 1.5 Terabyte
- 30 Terabytes of DS8000 Storage
- Two z/DB2 Data Sharing images
- 40 z/Linux images

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Standardization is the key

- **SAP for all applications worldwide**
- **1 Central location for all applications**
- **1 Server (z-9) for all applications**
Utilizing z-Linux, z/OS, and z/DB2

New Business Function Enabled

- **Multi-Currency**
- **Multi-Language**
German & Spanish
- **10 Day Lead Time**
- **Traffic Management**
- **Better Reporting**
- **Inter-Company**
- **Bar Coding**
- **E.D.I.**
- **Auto Fax**
- **Auto Email**
- **Sarbanes/Oxley Compliance**
- **EURO Support**
- **UPS Worldship**
- **Cust/Supplier Connect**
- **Paperless**
- **Digital Signature**
- **Reduced Warranty**
- **Global Integration**
- **Ease of Reporting**
- **BaldorVIP**
- **Internet Ordering**
- **24 x 7**
- **99.99999% Availability**

Chairman's/CEO's Comments

- **Mark Shackelford and his crew back in Information Services have done a great job! Our systems are really good... We really have a great system of information. And what does that do for us? It helps us take better care of the customer. It helps us be the best in the eyes of the customer. And it helps every one of us to be more productive.**

Excerpt from 2005 Shareholders Meeting



AUGUST 15, 2005 ([COMPUTERWORLD](#)) - Baldor Electric Co. and Welch Foods Inc. have much in common. Both are growing, midsize companies with similar-size IT departments. Each uses packaged ERP applications and is run by IT managers who want complete alignment with the business. But when it comes to the hardware running these systems, the companies are polar opposites.

Fort Smith, Ark.-based Baldor has consolidated its hardware to an IBM z990 running Linux that hosts its SAP ERP applications. The company, which makes electric motors, moved off IBM pSeries servers running AIX and is planning to switch applications on its Intel servers to applications that run on the mainframe, including moving a Windows-based mail server to Lotus Domino.

<http://www.computerworld.com/printthis/2005/0,4814,103916,00.html>



Baldor upgrades its Big Iron

By Luke Meredith, News Writer
16 Aug 2005 | Search390.com

There was a time not so long ago when Baldor Electric IS director Mark Shackelford saw the price tag on a standard Windows box and thought to himself, "Now that's the way to go."

But total cost of ownership doesn't end with the figure at the bottom of the hardware receipt. So Shackelford took a step back, thought about how much system downtime cost his company -- about \$100,000 per hour -- and decided that the most cost-effective solution for Baldor, a global designer and manufacturer of industrial electric motors and generators based in Fort Smith, Ark., was to stick with the one platform he knew it could always count on -- the mainframe.

http://search390.techtarget.com/originalContent/0,289142,sid10_gc1115895,00.html



Mark Shackelford

Things not to worry about.....

- **Increasing Power and Air Conditioning Requirements**
- **Always provisioning new server hardware**
- **Keeping track of server backups/tapes**
- **Providing 100% availability**
- **Providing response time less than 1 second**
- **Hiring a staff of people to take care of multitudes of servers**
- **Underutilization of servers**
- **Increased raised floor space**
- **Capacity on Demand**
- **Increasing Complexity**
- **High Total Cost of Ownership**
- **Disaster Recovery Costs and Complexities**

Summary

- **Information is key to business innovation**
- **Standardization with greater flexibility and reduced complexity**
- **Employee Productivity**
- **Risk and Reward**
- **Empowering of People**
- **No more silo's of information**
- **Information in tune with business needs**
- **To be the best.....**

Questions?

