

# CASE STUDY

LOYALTY NZ

TECHNOLOGY  
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## Background

Loyalty NZ is a marketing, loyalty and data analytics consulting firm who, for the last two and half decades, has specialised in using data to help NZ businesses discover more about their customers so they can build long-lasting and meaningful relationships with them.

Loyalty NZ's two brands – Flybuys and Lab360 – allow them to incorporate NZ's favourite loyalty programme with the richest customer dataset in the country, all under one roof.

## Industry

Marketing Consulting – Data Analytics & Customer Loyalty

## IT Environment

VMware Cloud, AWS, Zscaler (ZPA)

## Solution

Cloud Migration – VMware Cloud on AWS

## Results

Decommissioned two large legacy data centres

Reduced technical debt & operational costs

Single cloud platform built for future innovation

## VMware Cloud Migration

### The Opportunity

After 25 years of enabling New Zealand businesses to understand their customers better, Loyalty NZ's infrastructure had naturally evolved into a complex blend of native cloud services and legacy on-prem data centres. Having begun to leverage cloud services in 2019, Loyalty NZ's hybrid approach of combining cloud platforms with ageing legacy technology was creating significant operational complexity and technical debt. With its infrastructure negatively impacting operational efficiency and customer experience, as well as lacking comprehensive recovery capability against natural disasters, Loyalty NZ understood that a large-scale modernisation project was required to future-proof its business.

The projected cost of upgrading the underlying technology in its data centres was nothing short of eye-watering, so Loyalty NZ set out to continue its cloud transformation journey by retiring its legacy on-premise infrastructure entirely.

### The Solution

As Loyalty NZ was seeking to migrate away from large data centres and streamline and enhance their existing cloud services whilst ensuring its core systems continued to be stable, secure and accessible, this project represented a significant risk. To address this, we began with comprehensive consultation and deliberation to find a solution that would meet Loyalty NZ's requirements and simultaneously de-risk them.

Although Loyalty NZ had already begun to use cloud services, their dependency on their existing network meant that we had to find a solution that was somewhere between the two. We landed on a transformation roadmap that would see Loyalty NZ migrate away from their data centres to VMware Cloud (VMC) and, once de-risked, eventually move to native AWS with a full modernisation programme. VMC was selected as it did not require rebuilding Loyalty NZ's architecture which meant that we could use a lift-and-shift approach enabling Loyalty NZ to utilise its existing network, significantly reducing risk in the process. VMC was also well established in AWS and had a disaster recovery product, VMCDR, that would work out of the box.

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## Loyalty NZ's Strategic Benefits

- ✓ Reduced technical debt & operational costs
- ✓ Single cloud platform
- ✓ Retirement of legacy on-prem infrastructure
- ✓ Improved security posture
- ✓ Enhanced member experience
- ✓ Improved application performance
- ✓ Enhanced Disaster recovery capability
- ✓ Streamlined IT footprint
- ✓ High-degree of internal confidence
- ✓ Platform for future innovation

## VMware Cloud Migration

### The Results

Despite the country entering a nationwide lockdown and preventing our teams from meeting in person, Loyalty NZ trusted our solution and our approach. As a result, we successfully migrated 42 servers to VMC within 16 weeks, which led to the decommissioning of Loyalty NZ's two legacy data centres as planned and without delay.

The retiring of Loyalty NZ's legacy tech and the streamlining of their cloud services led to significant increases in operational efficiency, greater systems and platforms availability, and reduced technical debt. With the removal of ageing infrastructure, we were able to reduce the average volume of priority one faults to zero. Additionally, as Loyalty NZ's core infrastructure is now in the cloud, they can roll out future innovation and experimentation with speed and agility that was previously unachievable.

Although improving the performance of its infrastructure was a key objective, Loyalty NZ was on a journey of transformation and it needed to build confidence with key decision-makers to achieve its long-term vision. The delivery of this project has enabled Loyalty NZ's technology team to build confidence with their executives and board, resulting in further approval for continued technological innovation, with their full modernisation programme underway.

“Working closely with The Instillery, we were able to develop an innovative approach to the migration using VMC that shaved months and tens of thousands of dollars off the project. The relationship we have with The Instillery meant we were able to take risks on the new technology to enable this. It only worked because of the deep level of trust and understanding between our organisations, knowing that we would both have to learn along the way. The project was completely successful, finished on time and under budget.

*Brian Ferris* Chief Data, Analytics & Technology Officer Loyalty NZ