

# HEPHAIST CO.,LTD.

## IJ GIO CHINA service used as a platform to build core systems essential for global expansion

Global expansion is a challenge every company of today is faced with. As a manufacturer of linear bearings used in industrial machinery, Hephaist Seiko (currently called HEPHAIST CO.,LTD.) expanded into China seeking a new overseas market. However, poor telecommunications networks meant that remote usage of the Japan-based production and sales management system was almost impossible from China, which seriously hindered operations. Consequently, the company implemented the IJ GIO CHINA service to relocate their system to China and was able to use a stable system and achieves independent IT operations there.



### Facing issues of communication quality in the trend of globalization

Since the company's inception over 50 years ago, Hephaist Seiko has engaged in research and development of linear motion mechanisms, and has achieved growth as an industry-leading manufacturer of linear bearings essential for industrial machinery.

The modern trend towards globalization is not an issue that a company such as Hephaist Seiko can shy away from.

"Businesses that only look at the matured Japanese market are dying away. We had to expand into the Asian market and the rest of the world," says an executive officer and administration manager of the company, Hiroyuki Sasaki.

The company established a sales subsidiary in Shanghai, China in June 2011, and subsequently established a production base for linear motion products in nearby Suzhou in July 2012, making its first moves towards global expansion.

However, the company faced an issue involving the usage of IT systems. Both of the Chinese subsidiaries were connected to the Japan-side production and sales management system through a VPN connection. However, due to the poor quality of the connection, the company suffered from frequent response delay and timeouts. "We were unable to perform daily operations at our Chinese locations. We had to email and fax data to our staffs in Japan, and they entered it into the system for us," explains Sasaki.

The more orders we got in China, the greater the amount of data that needed to be entered into the system, and it eventually grew from hundreds of entries per day to thousands. As the processing for this had to be always performed in Japan, the staff at the head office had no time to do their actual jobs. Additionally, the Chinese subsidiaries were unable to operate independently. "We wanted to build a stable operational system

### User Profile



#### HEPHAIST CO.,LTD.

Head office: 580-1, Imafuku, Kawagoe-shi, Saitama, JAPAN

Established: 1962

Capital: ¥717,490,000 (as of March 2013)

Hephaist Seiko has established a foundation to support society through its three business areas - linear motion parts, ultra-high precision manufacturing, and system product development. Through the company's command of spherical processing technologies, the possibilities of each of these expand into the areas of space development, clean energy, and medical care.

<http://www.hephaist.co.jp/>

as quickly as possible,” Sasaki reflects.

### Implementation of the IJ GIO CHINA service in order to achieve operational independence for Chinese bases

Hephaist Seiko focused its attention on the cloud service being provided in mainland China. In June 2013, the company decided to implement “IJ GIO CHINA service”, which had been provided by IJ as a cloud for companies within China.

The company looked at several options before making the decision.

One of these options was to construct and operate an on-premises production and sales management system in the Suzhou office instead of using the cloud. However, “it would have been unreasonable to make the small number of system users in China manage the system’s operations,” explains Sasaki. In addition, although there were a number of cloud providers offering services in mainland China, according to Sasaki, “When taking into consideration the support in Japanese language, operational quality, and a highly reliable security system, we felt more comfortable with services developed in China by a Japanese cloud provider.”

The company believed that the IJ GIO CHINA service was the ideal solution to completely fulfil all of these requirements.

### Total cost of ownership was reduced to less than one tenth of what it would cost for the Hephaist Seiko to construct and run servers by itself.

Construction of the production and sales management system on the IJ GIO CHINA service was completed in approximately 2 months, from June to August, 2013. Actual operation of service commenced as early as September of the same year.

IJ GIO CHINA made a great contribution to the release of the system in such a short period of time by providing a test environment similar to an actual one prior to the construction.

“Through a process of repeating various tests related to usage environment and performance, we were able to more or less determine a procedure for system migration. After that, all we had to do is to confirm small technical issues, and we were able to implement the system smoothly. Administrators in Japan were able to directly access servers on the cloud, change settings remotely, and obtain database backups. This degree of freedom was a benefit not found in other cloud services,” explains Sasaki.

Sasaki also emphasizes the effects of cost reductions.

“If we had set up servers and constructed and

operated them on our own, it would have required a huge investment in the procurement of hardware, coordination of systems between the Shanghai and Suzhou

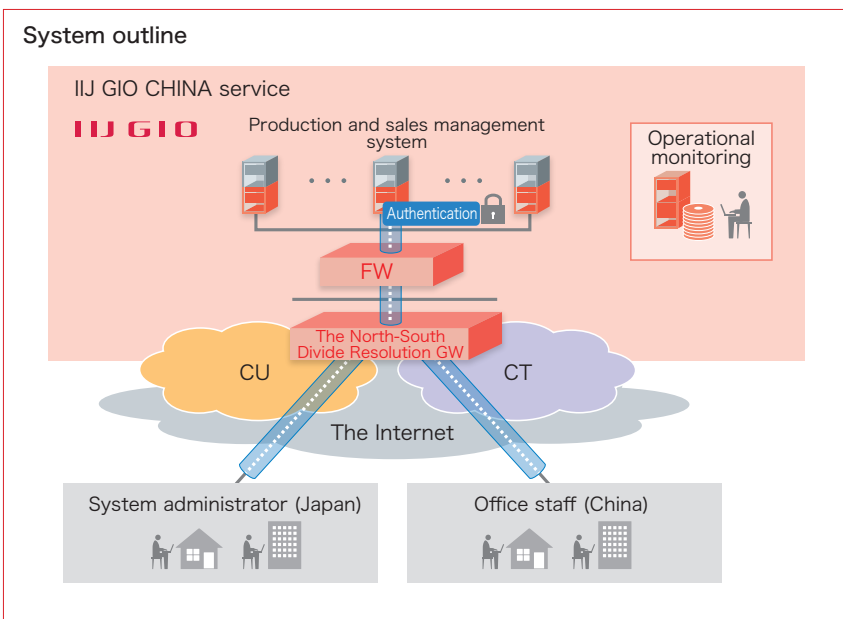
offices, and security countermeasures such as server theft prevention. We believe that use of the IJ GIO CHINA service kept the total cost of ownership of the system to roughly less than one-tenth of what it could have been,” Sasaki continues.

Now that the production and sales management system on the IJ GIO CHINA service started its operation and went through monthly closing operations on several consolidated accounts, and data is being coordinated with head office’s system without any issues.

“We no longer have complaints regarding slow communication speeds and timeouts like we previously had. Its greatest success as a core system is that users now take it for granted as a part of daily operations,” says Sasaki, reflecting on the results.

Based on this success, Hephaist Seiko has started further expanding its use of IJ GIO CHINA service.

Specifically, the company is investigating its goal to independently operate a mail server in China. “The mail server that we are currently using in China is located in Japan. By moving it to the cloud we believe that we can solve complaints raised among users about performance,” explains Sasaki. The company’s grand plan for the future is to implement a teleconferencing system which connects its locations around the world on the cloud.



\*Only company names and logos have changed in accordance with a name change taking place in July 2020.

- Service and Solution ■
- IJ GIO CHINA Service