



**Hewlett Packard
Enterprise**



Building trust and value with hybrid cloud

Co-op has simplified and modernized its IT environment, realizing impressive cost savings that it can now pass on to customers and members

Co-operative Group in the UK wanted operational simplicity to better serve the needs of members and customers and to continue helping its local communities. By adopting a hybrid cloud, the group has increased its operational efficiency and reduced costs, saving more than \$490,000 per year in energy bills. This is enabling Co-op to provide better value products and services to its customers and members while empowering staff to pursue more challenging roles and acquire new skills.

Streamlining operations to be more cost-effective

Co-operative Group (Co-op) is dedicated to empowering local communities across the United Kingdom. Owned by over 5 million members, the group has a strong social purpose besides a commercial one, offering a range of services such as funeral care, insurance, legal assistance, and food—with more than 2500 food stores across the country. But as it expanded over the years, its business and IT environments became overly complex. Its IT teams required different sets of tools, skills, and processes to support various business units and workloads while maintaining two proprietary data centers.

Although functional, this setup was costly and inefficient. Co-op sought a more streamlined and cost-effective approach to operating so it could better serve the needs of its members and communities.

“We needed operational simplicity,” explains Scott Robertson, Co-op’s Principal Enterprise Architect—Foundation Technologies. “That was the biggest goal we were after.”



Industry: Cooperative

Country: United Kingdom

Vision

Achieve operational efficiency to better serve the needs of members and communities

Strategy

Consolidate and modernize data center resources by adopting a hybrid cloud platform

Outcomes

- Offers better pricing to members and customers and improves stock availability in stores
- Reduces rack footprint by 80%, saving costs and improving space utilization
- Cuts energy bills by more than \$490,000 a year, and supports the group’s sustainability goals
- Accelerates task completion 24x and increases staff’s productivity and job satisfaction

The group decided to consolidate its IT resources by moving workloads and applications to Microsoft Azure cloud services. Knowing that not all its workloads were suitable for cloud hosting, Co-op opted for a hybrid strategy. “Instead of redoing our Hyper-V estate,” says Robertson, “we thought, ‘why don’t we consolidate it down onto a hyperconverged platform?’ These things are lightning-quick and have fast, abundant local storage.”

Working with Hewlett Packard Enterprise and IT firm SCC, Co-op implemented Azure Stack HCI (hyperconverged infrastructure) on HPE ProLiant servers, enabling it to migrate more than 500 applications to the hybrid cloud platform and ensure business continuity. The move has increased the group’s operational efficiency and reduced operating costs, resulting in more cost-effective services for members and customers while also motivating staff to take on new roles and acquire new skills.

Cloud-like capabilities help overcome constraints

After years of dealing with constraints in its IT environment, Co-op welcomed the opportunity to simplify its IT operations and accelerate deployment through hybrid cloud adoption. The group worked closely with SCC and HPE to make sure the chosen solution would effectively contribute to its objective of reducing complexity.

“Our deployment patterns were matched to how our environment was set up. And how that environment grew was constrained by how our infrastructure worked for the previous 15 to 20 years,” shares Robertson. “So, the dynamic nature of the cloud was really compelling because we’d been stuck in the cycle of buying hardware, depreciating it over five years, and doing a massive reinvestment in another five years.”

While Co-op couldn’t lift and shift all its services to Azure as some of them needed to be on premises, it found Azure Stack HCI too compelling to overlook. The group is now one of the largest users of the infrastructure in the UK.

“It’s a brilliant halfway house,” says Robertson. “It’s still virtualized and running in your own data centers. If you have data sovereignty issues, or you don’t want to put your data in a public cloud, it can still be close to other workloads, and you can still manage it using the same tools you use for your public cloud.”

“For me, that’s the most compelling reason for an enterprise to go and pick it—it allows you to operate on-prem workloads in a cloud-like way, in your own data centers.”



Ultimately, Co-op’s vision of operating for a fairer world is underpinned by what we do as an organization, which in turn is delivered by our people using the technology that we provide to make that difference. The more robust and available the technology, the greater chance of success we give to our colleagues to create a positive impact.”

– **Scott Robertson**, Principal Enterprise Architect—Foundation Technologies, Co-operative Group



Ensuring business continuity and simplifying management

Co-op has successfully migrated around 550 workloads, making sure they continued to support business operations. Many of these workloads are central to the group's businesses and need to be on and running 24x7.

Now it's much easier to operate these workloads from Co-op's two new co-location data centers, as it has a single platform to manage everything across cloud and on-premises infrastructures. Enabled by Azure Arc, the Azure hyperconverged platform allows IT teams to monitor and manage hosts and virtual machines within the Azure portal.

"You have all your security services and alerts in the same bucket," says Robertson. "All your data ingestion and all your visibility—for both your physical and cloud estates—can be done in the same place. That's quite powerful. Why would we not do that?"



We are in the UK, and energy prices here are not cheap at the moment, so those are massive savings for us. It is money that can be reinvested in much more customer-visible parts of the organization, such as technology for the stores and branches."

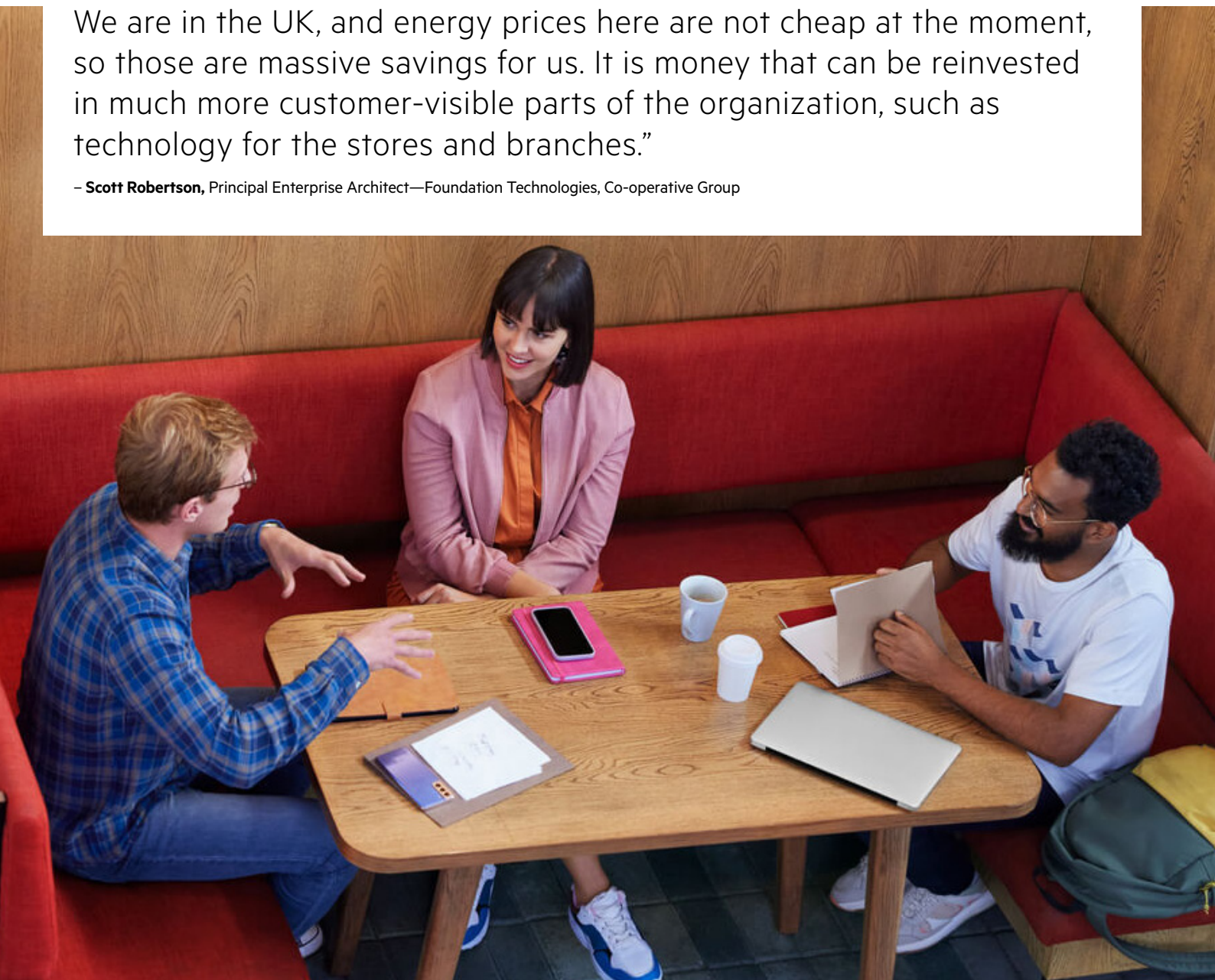
– **Scott Robertson**, Principal Enterprise Architect—Foundation Technologies, Co-operative Group

Increased availability of goods for sale

By having a simplified tech stack, Co-op has improved stock availability. "This is because changes are easier to carry out and with greater success, resulting in increased system uptime and more stock availability in stores," explains Robertson.

He adds that the technology enables Co-op to achieve outcomes such as better pricing, reduced waste, and increased membership, as long as it is "performing as it needs to."

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Impressive cost reductions and energy savings

The cost benefits have been remarkable and even surprising for Co-op. By moving workloads to Azure Stack HCI, the group has reduced its reliance on storage area network (SAN), lowering its total cost of ownership. Robertson and his colleagues have welcomed this change, as it has simplified their previously complex SAN environment.

Even more notably, the group now only requires two racks per data center, down from 10. This optimizes space utilization while improving operational efficiency. “Because we moved to a new HCI stack, we’ve been able to downsize by running some of our workloads on only one core, instead of four in the past,” adds Robertson.

This data center consolidation and modernization—including the group’s shift away from blade servers to an HCI stack—is delivering energy savings of approximately £400,000 (\$491,100) a year. These are significant reductions for Co-op given rising electricity costs and has helped move the group closer to achieving net zero emissions by 2040.

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“And anything that we can do to make our operations more sustainable has got to be a good thing. It’s frankly baffling how different and good these new platforms are.”

Co-op’s hyperconverged platform runs on HPE ProLiant DL380 Servers, which have been optimized and validated with Azure Stack HCI operating system, delivering reliable performance, high availability, and robust security.

Improved staff morale and skills

With its new hybrid cloud environment, Co-op is empowering IT staff to develop new skills and take on more challenging roles and projects. This encourages them to contribute more to their organization while boosting their morale and increasing work satisfaction.



Two-to-three-day tasks have become two-to-three-hour tasks, and that suddenly gives people 20 hours of extra brainpower. They can then start to think about service improvements because, for a long time, they didn’t have the time and bandwidth to do so.”

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With extra time on their hands, staff have opportunities to retrain.

“Our leadership is very heavily invested in making sure everybody gets the chance to use their skills in a different way through retraining,” adds Robertson.

Options include staff taking part in an IT boot camp, where they can immerse themselves in new skills and technology. “They can then start to think about service improvements because, for a long time, they didn’t have the time and bandwidth to do so.”

Robertson believes it’s important to let people explore beyond their usual responsibilities and is glad that the new platform is enabling Co-op’s IT staff to do exactly that. “It helps people to enjoy what they’re doing. They end up advocating for change, for better ways of doing things.”

Persisting with the benefits of hybrid cloud

As Co-op’s cloud readiness evolves, it intends to keep its Azure Stack HCI to support important on-premises workloads. “Our use of the platform will continue to be what it is right now because there’s real benefit in continuing to host those workloads,” says Robertson.

“We will persist with that hybrid nature. We will harmonize as much as we think is necessary. That’s probably what our end state would look like in the next two to three years.”

Robertson expects HPE to continue to be an important part of this journey. HPE has been a long-time partner of Co-op, providing the group with a range of infrastructure solutions and supporting its transformation over the years. Additionally, HPE Services will provide support for Co-op’s Azure hyperconverged platform.

“We’ve been pretty much an HPE shop for some considerable time now for various reasons, including the fact that the infrastructure works well. The relationship we’ve got with HPE has always been good and they’ve always supported us in deploying technology and in managing it.”



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