

Mystar Engineering Corporation

JP1 Case Study

Building a New Core System that Supports an Innovative Strategy JP1 Delivers Stable Business Operation

Mystar Engineering Corporation (Mystar Engineering), which is involved in facility maintenance, semiconductor manufacturing, and personnel dispatching, has built a new core system that supports the entire group's business infrastructure. The company's objective is to improve its strategic business capabilities by creating an environment in which core data from affiliated companies is centrally managed to allow easy access to vital information. Because the new system must support important core businesses, absolute reliability is a must. This is why Mystar Solution Corporation (Mystar Solution), the company responsible for the group's IT (information technology) strategy, introduced Hitachi's JP1 integrated operation management software. JP1 has proven to be extremely useful for end-user support and stable operation of servers and networks.

USER PROFILE

Company name: Mystar Engineering Corporation
Established: June 1974
Capital: 532 million yen
Number of Employees: 576
Revenue: 6.845 billion yen (for the year ended march 2002)
URL: <http://www.mystar.co.jp/>
Business overview: General maintenance- and engineering-related outsourcing business in the fields of industrial engineering, city infrastructure engineering, and international large-scale engineering projects. The corporate philosophy: Build good homes, good companies, and a good society by taking the lead in all areas of our expertise and fulfilling our corporate mission.

Company name: Mystar Solution Corporation
Established: February 2000
Capital: 10 million yen
Business overview: Established as the entity responsible for the Mystar Group's IT strategy. Engaged in the subcontracting of system building, operation management, and software development.

PARTNER PROFILE

Company name: Yashima Denki Co., Ltd. (Authorized Hitachi Dealer)
Established: August 1946
Capital: 800 million yen
Revenue: 85 billion yen
URL: <http://www.yashimadenki.co.jp/>
Business overview: Sales of electrical equipment, industrial instruments, and system integration. Made a significant contribution to the recent system building at Mystar Group as the IT partner.

Exponential Growth through Creative Business Expansion

Mystar Engineering is involved in M&E (Maintenance & Engineering) outsourcing for business building maintenance, commercial facilities, and semiconductor manufacturing systems. The company's advanced technologies and comprehensive services have won it many customers. Mr. Hirotochi Nobuchika, Director and Manager of the Business Planning Office at Mystar Engineering, states confidently, "In the semiconductor industry in particular, it is common for companies to outsource simple work such as assembly. However, we can capitalize on our company's technical strength to subcontract even engineering work, and are proud to be the leader in the field."

The company also is known for its aggressive business expansion based on a unique corporate philosophy. For

example, to join the Myster 60 Corporation (Myster 60), one of the major companies in the group, a potential candidate must be at least 60 years old. There are many people with superior technical knowledge who are having difficulty finding employment after mandatory retirement. Myster 60 was established with the idea that the knowledge and know-how of these veteran workers should be better used. It became the first certified company in which the Osaka Small and Medium Business Investment Consultation Company invested in recognition of its social contribution.

Until recently, a corporation's maintenance division or some other affiliated company was charged with maintaining buildings and facilities. This business was often outsourced, without any attention paid to cost/benefit issues. However, with general economic conditions worsening, more companies are taking an increasingly objective approach in re-evaluating service content and costs. Mr. Nobuchika says enthusiastically, "Stiffer market competition means more opportunities for our company. We want to expand our business further, using high-quality service and reasonable prices as our weapons."

Group's Core System Completely Rebuilt

In 1999, the company initiated a project to rebuild its core system, which supports the business infrastructure of the entire group. Mr. Nobuchika explains the background: "Our company has headquarters in both Osaka and Tokyo, and more than 100 business offices in Japan. However, the systems at the headquarters and other key locations used to be operated separately, making it impossible to efficiently collect important core information in one place. We realized that the existing system would not be able to handle future business needs such as consolidated financial reporting, timely disclosure of investor relations information, and effective use of accounting information. That is why we set out to rebuild the core system."

With the previous system, for example, the Accounting Department first collected the documentation issued by individual business offices. The department then sorted the documents and entered the information into the system. This method required a long time to process work, and different employees using different processing standards also created problems. In the new system, each business office enters its own information, and the Accounting Department performs only the final check. Additionally, Myster Engineering tried to build an environment in which the accounting system could be linked with the data in the human resources system, so that both the accounting data required for financial reporting and the management accounting data necessary for determining profitability could be output accurately and quickly.

Myster Solution, responsible for planning and developing the group's IT strategy, was also in charge of system building. Mr. Ken-ichiro Suemune, Chief Clerk in the Information System Department at Myster Solution, recalls, "Even if a system has a lot of wonderful functions, it is useless if it is not user friendly. In building the new core system, one of the requirements we insisted upon was that it be easy to use, even for people unfamiliar with computerized systems."

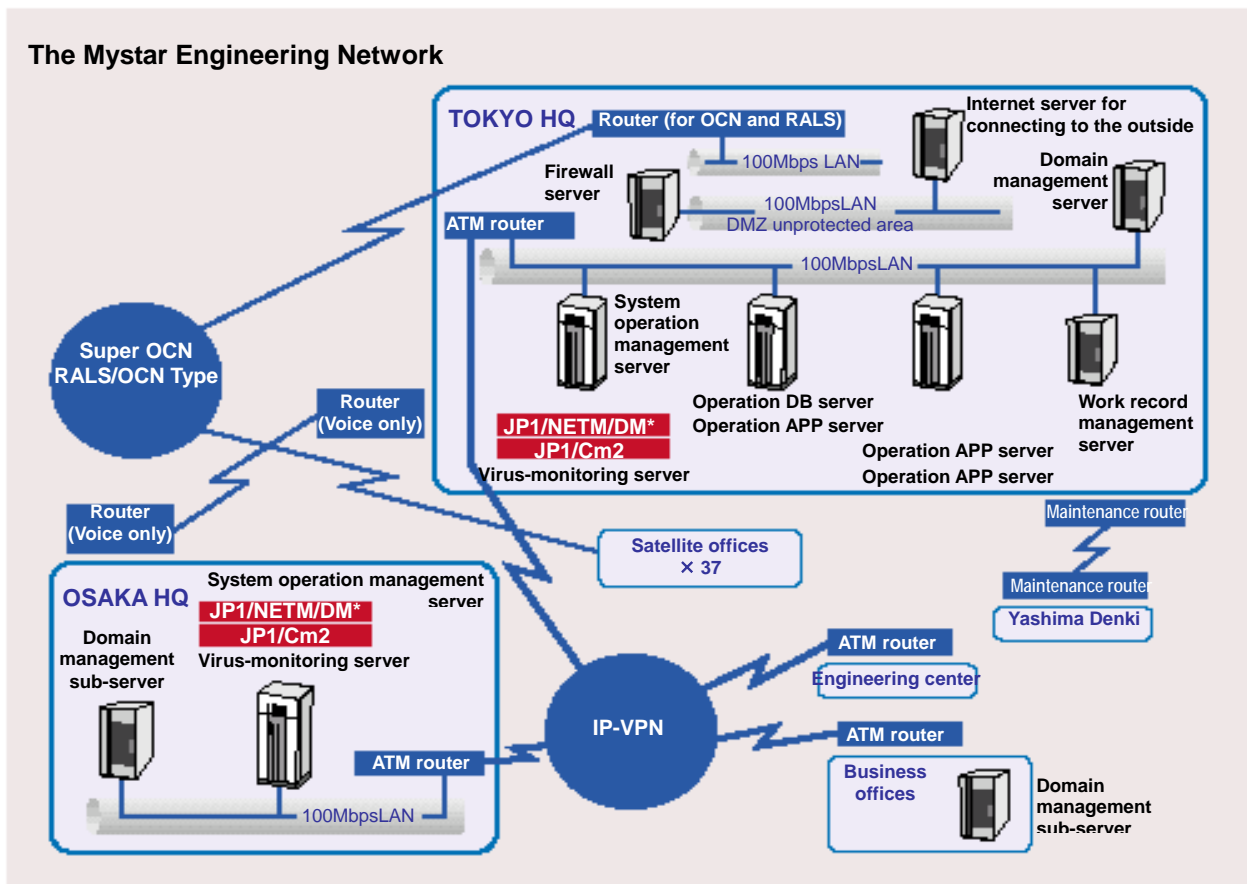
JP1's Remote Operation Facility Shines in User Support

For the new core system, the main business server was installed in the Tokyo Headquarters, and connected to the Osaka Headquarters and other key business offices via ATM. Some 40 business offices can access the core system through dial-up connections using INS 64. The experience of building such a large core system as an open system was a first for the Myster Group. Of particular concern was how to support the end users. "Because not everyone in the field had experience with personal computers or IT, we often had to begin with an explanation of the terminology involved," recalls Mr. Suemune.

Running a system efficiently with only a handful of operators necessitates high-end problem-solving tools. Myster Engineering was impressed with the remote operation facility of the JP1/NETM/DM*. The company had already introduced JP1 as the operation management software, following a recommendation by Yashima Denki Co., Ltd., a systems integration partner.

Mr. Suemune was greatly satisfied. "The JP1/NETM/DM* remote operation facility allows us to provide support while sharing the same screen with the user. There is no need to explain technical terminology, and the user can have his/her problem solved instantly. The remote operation facility was extremely effective in improving our support work."

Another program that proved effective was the JP1/NETM/DM* remote installation facility. Mr. Kazuhiro Sasaki from the Development Group of the Information System Division at Myster Solution explains: "When using an accounting system, there is some data that may have to be modified, such as the vendor master list and accounting items. Trying to distribute data like this to all of our locations via CD-ROM and installing it on site would require a tremendous amount of work. However, with the JP1/NETM/DM* remote installation facility, we were able to create an environment in which we could update the software at all of our locations with the push of a button."



Centralized Server Management Installed at Key Locations

Because the new system supports the core business activities of the entire group, it is vital that there be no downtime at all. Myster Engineering thus decided to use JP1/Cm2. It provides stable system operation by monitoring for errors in job server groups and networks. Mr. Suemune says, "Because we do not have operators who are specialists in operation management, the tools must be easy to use. In this respect, JP1 enables us to efficiently monitor system conditions using a graphic user interface, with only a handful of operators." He says that the new core system has been running well, and relatively problem free, since the start of operation.

In October 2002, the new ME Engineering Center was opened to provide a space for seminars and training sessions. The server installed here is also centrally monitored by JP1 software on the Headquarters' operation management server.

Mr. Sasaki describes the advantages of JP1: "Because we can define frequently occurring jobs as macros, even non-specialist staff can easily perform them. Introducing JP1 was really effective for job standardization. Additionally, because the JP1/NETM/DM* remote installation facility has a function for automatically compressing files, it has proven to be extremely useful for exchanging data with remote locations over communication lines with relatively small capacity."

The new core system has proven to be effective and reliable. In the near future, the company plans to build many other systems, such as a salary system, an information system, and various types of management systems. Mr. Nobuchika, who is also a director of Myster Solution, has ambitious plans: "In the future, we hope to be able to sell systems built with our group's expertise to outside companies. Of course, because supporting stable operation of the core system is also one of our responsibilities, we are relying on JP1."

* JP1/NETM/DM is the name of the Japanese version of JP1/Software Distribution.

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