

Isetan Mitsukoshi builds data-based digital services faster



三越伊勢丹ホールディングス

Software and services

Red Hat® Integration

Red Hat Fuse

Red Hat 3scale
API Management

Red Hat Decision Manager

Red Hat Consulting

Isetan Mitsukoshi Holdings, Ltd., one of the largest retail groups in Japan, recently began an initiative to modernize its core systems and deliver engaging digital services to customers with the Isetan Mitsukoshi Business Platform (MI_BPF). Built with Red Hat Integration and Red Hat Decision Manager, a business rules management (BRM) solution, MI_BPF simplified cross-team access to relevant customer, inventory, and logistics data from its core systems. As a result, the company can easily use business rules and agile development practices to deliver digital retail experiences four times faster than before.



Retail

Around **17,200** employees
48 stores

Benefits

- ▶ Quadrupled development speed of innovative digital services
- ▶ Reduced system maintenance costs by 75%
- ▶ Simplified and automated business rules management with new rules engine

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Yusuke Suzuki
Director, IM Digital Lab

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Takashi Miyakawa

Manager, ICT Platform Department,
Business Platform Group 1,
Isetan Mitsukoshi System Solutions Ltd.

Uniting data resources to support engaging digital services

Isetan Mitsukoshi Group’s history stretches back to the late 1600s, when the Mitsukoshi department store chain was founded. More than 350 years later, 80% of the group’s total sales continue to be generated by its department store business, with additional business lines focusing on credit and finance, customer management, real estate, and more.

To create new, modern customer experiences, Isetan Mitsukoshi recently began a digital transformation initiative. As with many large, established companies, however, its core IT systems operate on a variety of legacy technologies—isolating key customer, purchase, logistics, and inventory data stored in these systems. Previously, the group had created individual solutions for each system to handle data requests and retrieval, but its service portfolio will grow significantly in the near future.

Working with IM Digital Lab, its strategic IT subsidiary, Isetan Mitsukoshi decided to adopt a shared, cloud-based data infrastructure, the Isetan Mitsukoshi Business Platform (MI_BPF).

“As we grow, we saw that we would not be able to keep up with business needs or stay on budget by creating more of these custom integration tools,” said Yusuke Suzuki, Director, IM Digital Lab. “Our systems had different formats and requirements, with one supporting HTTP communication, another requiring database queries, and so on. We needed a solution that could read and connect all of these formats, so we could take advantage of our data resources to build engaging, relevant customer-facing services.”

Creating a shared data infrastructure platform with Red Hat Integration

The company chose Red Hat Fuse and Red Hat 3scale API Management, both part of Red Hat Integration to create MI_BPF. Red Hat Fuse adjusts and processes core system data into the format required for the company’s digital services. 3scale API Management lets Isetan Mitsukoshi more easily integrate its digital services with application programming interfaces (APIs) as part of the data access process and track their status.

“Red Hat Fuse was the best choice to help us support production development because it supports a variety of integration patterns, formats, and connectors,” said Mr. Suzuki. “It’s easy to use to perform testing, even for people new to the technology. It also supports cost optimization by providing scalable, distributed processing.”

Isetan Mitsukoshi is also completing a trial of Red Hat Decision Manager to support on-demand business rules creation and application. “Our goal is to create an ideal environment for agile development, where business departments can create rules that are supported by our IT systems teams,” said Mr. Suzuki. We want to support collaboration in a way that lets each team focus on their expertise and core work.”

The company has worked closely with Red Hat Consulting for technical assistance during the creation of MI_BPF. “We have received significant support in our efforts to shift development to internal teams,” said Satomi Yoshida, Senior Specialist, ICT Platform Division, Business Platform 1st Section, Isetan Mitsukoshi System Solutions Ltd. “Red Hat’s consultants have helped our staff improve their skills, in addition to providing feedback on code in development.”

Adopting an agile, integrated approach to staff and customer experiences

Quadrupled development speed of innovative digital services

Using MI_BPF to more easily access data, from product prices and inventory to customer information such as payments and deliveries, Isetan Mitsukoshi's teams can develop new features and services four times faster than before.

For example, the company introduced YourFIT365, an online shoe fitting service that makes recommendations by matching customer foot size data from 3D scans with wooden shoe model data. More than 15,000 people have used the service in just two years. Another new service, Isetan Mitsukoshi Remote Shopping, lets store staff sell products via chat and video calls.

"Collaboration with floor sales staff at our stores through an efficient, agile approach helps us develop, deliver, and maintain digital services that meet changing customer needs," said Takashi Miyakawa, Manager, ICT Platform Department, Business Platform Group 1, Isetan Mitsukoshi System Solutions Ltd.

Reduced system maintenance costs by 75%

A central, integrated platform has also helped Isetan Mitsukoshi automate routine operations and API management tasks to complete the tasks as business grows without needing additional staff. Previously, the company manually maintained a spreadsheet listing all of its APIs, with status information confirmed in interviews with individual team members. Now, 3scale API Management provides a real-time API list, with status information easily accessible through the platform user interface.

As a result, Isetan Mitsukoshi has reduced system maintenance costs by 75%. "We know the number of digital services we develop and deliver will continue to grow, but we also expect to see increasing cost efficiency from our investment in Red Hat technology, especially as we automate more processes and refocus staff time," said Mr. Miyakawa.

Optimized business rules management

Establishing a modular business rules repository during its test of Red Hat Decision Manager has helped Isetan Mitsukoshi open rules creation to non-technical staff to ensure its service is stable and easy to navigate for customers. Embedded APIs simplify configuration and business rules management (BRM), helping the company modify rules as needed to adapt to changing business demands or market conditions.

Using its new rules engine to convert and automate testing logic, Isetan Mitsukoshi anticipates ongoing improvements as production use of Decision Manager expands.

Expanding modernization efforts to new core systems

Isetan Mitsukoshi plans to continue preparing for future growth of MI_BPF by converting additional core systems to the cloud-native platform, such as customer management, payments, ordering, and logistics.

"We are looking forward to continuing our ongoing partnership with Red Hat as a long-term collaboration to guide the technical direction of our platform," said Mr. Suzuki.

About Isetan Mitsukoshi Holdings, Ltd.

Isetan Mitsukoshi Holdings is a holding company that manages the Isetan Mitsukoshi Group. Isetan Mitsukoshi Group business segments include the department store business (its primary focus), credit & finance, customer organization management, real estate and other business segments. The department store business accounts for around 80% of group sales, with 20 department stores across Japan from Hokkaido to Kyushu, and 30 overseas stores mainly in China and Southeast Asia.



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