Madar slashes IT costs with managed services

Case study

Building materials manufacturer and supplier Madar Holding has announced that it has made considerable savings on IT costs since switching to hosted services provided by eHosting DataFort (eHDF).

Madar, the international arm of the Saudi Al-Fozan Group, has operations across the region, and wanted to unify its IT infrastructure into a single structure while retaining the flexibility to serve its expanding business.

The company partnered with eHDF, and utilises a secure data centre environment, provided by the managed services company, to host critical business applications including their ERP systems, communications and security infrastructure.

Through using a managed service, Madar has been able to consolidate its previously diverse IT environment, and redirect resources to focus on key business areas such as strategic planning and customer service.

Yasser Zeineldin, CEO of eHDF, said: "eHDF has clearly understood Madar Holding's vision and specifically designed and altered solutions to meet its unique data centre requirements. Through providing a specialised, best-in-class suite of managed services including security, high speed bandwidth connectivity and 24/7 support, eHDF has assisted Madar to maintain its focus on service, quality and value to both customers and shareholders."

Hussein Ali, head of IT infrastructure, Madar, added: "Madar Holding has been able to expand its business despite the economic crisis and benefitted largely from eHDF's end to end solutions. We have, in fact, achieved a high return on investment from this project."

CEO Elop has previously said Nokia is standing on a "burning platform"

Nokia axes 4,000 more workers

Mobility

Smartphone giant Nokia says it will move parts of it manufacturing capabilities to the Far East in a move that will result in 4,000 job losses.

Following a review of manufacturing facilities in Hungary, Mexico and Finland, the company will be shifting device assembly to factories in Asia. The mentioned locations will still be used for "smartphone product customisation".

"Shifting device assembly to Asia is targeted at improving our time to market. By working more closely with our suppliers, we believe that we will be able to introduce innovations into the market more quickly and ultimately be more competitive," commented Niklas Savander, Nokia executive vice president, markets, in a statement. "We recognise the planned changes are difficult for our employees and we are committed to supporting our personnel and their local communities during the transition."

The statementsaid the reduction in headcount will be implemented this year.

Nokia is in the process of attempting to halt a decline which has seen its share of the smartphone market plummet from 46.9% in 2009 to 22% by the end of 2011, according to Gartner statistics. Most of this share has been conceded to Apple's iPhone and devices based on Google's Android platform, which between them have gobbled up a large share of the market in the past two years.

In an effort to counter this slump, Nokia in early 2011 appointed former Microsoft executive Stephen Elop as CEO. Elop, the first non-Finn to guide the company, shortly after his appointment uncloaked plans to abandon Nokia's long-time platform Symbian in favour of Microsoft's Windows Phone 7 operating system. The first smartphone based on this platform, Lumia, was released in late 2011.

Nokia's latest strategy has not been without its casualties. Prior to today's restructuring announcement, the company had already lopped 7,000 staff off the payroll, although 3,000 of these were outsourced to Accenture.

Facebook scores $1.20 profit per user

Social networking

Social networking giant Facebook recorded $1 billion in profit on revenues totalling $3.7 billion last year, according to an IPO document received by the US Securities and Exchange Commission (SEC) yesterday.

Based on the site's user base of 850 million, this means that Facebook scored approximately $1.20 in profit per user in 2011.

The company makes about 85% of its cash through targeted online advertising and the rest through online micro-payments for games and other services.

The IPO filing, which aims to raise at least $5 billion, disclosed that Facebook has ramped up the amount it spends on research and development from $144 million in 2010 to $388 million in 2011.

However, the document showed that between the start of 2009 and the end of 2011 Facebook's profit margin slipped. In 2009, it stood at 29.5% of overall revenue, but by the close of last year it had fallen to 26.9%.

Facebook posted revenues of $777 million and $1.97 billion in 2009 and 2010, respectively.

The document also shed light on the company's attempts to enter the Chinese market, which is home to nearly 500 million internet users.

Access to Facebook in the country is currently restricted by China's government.