

Amway Accelerates U.S. Digital Transformation with Confluent



Headquarters

Michigan, United States

Industry

Retail

Challenge

Replace a tightly coupled legacy IT architecture that slowed the delivery of new capabilities to customers and independent business owners

Solution

Use Confluent and an event-driven architecture to set data in motion and enable teams to work with greater independence

Results

- Time-to-market estimates halved
- Mainframe and message queue cost estimates cut
- De-risked adoption of a new technology paradigm

With annual sales of more than \$8 billion, Amway is the world's largest direct selling company. The company's nutrition, beauty, personal care, and home products are sold in more than 100 countries through Amway Independent Business Owners (IBOs) around the world.

To ensure that IBOs always have the information and tools they need to drive sales, Amway IT and business solutions teams place a high priority on modernizing their digital footprint and moving fast to deliver needed solutions on tight schedules. The company's legacy IT architecture, however, was not well aligned with this priority. "The need to react quickly to changes that are happening is ever present in our organization. To go fast, we need to eliminate external dependencies for our teams, because the more dependencies they have the more opportunity there is for them to be stopped or stuck in a wait state," says Brian Hart, Vice President-IT Internal Business Solutions at Amway. "Our legacy architecture—with its tight coupling and middleware—was one of those dependencies that slowed us down."

With Confluent, we have a much more flexible architecture that makes it possible for our teams to operate more independently, and that ultimately leads to greater speed across the organization. We're removing technology barriers and getting data to the teams that need it faster, and that's enabling us to take advantage of new opportunities and implement new experiences that will help our IBOs and customers.

— Brian Hart, Amway

Amway launched a modernization initiative, powered in part by data in motion with Confluent, that is enabling teams to deliver faster and with greater autonomy. "With Confluent, we have a much more flexible architecture that makes it possible for our teams to operate more independently, and that ultimately leads to greater speed across the organization," says Hart. "We're removing technology barriers and getting data to the teams that need it faster, and that's enabling us to take advantage of new opportunities and implement new experiences that will help our IBOs and customers."

The new architecture has already paid dividends at Amway on an initiative that combined two large-scale efforts running in parallel: a major omnichannel commerce implementation and a multiyear ERP program. “We were able to launch two massive projects within months of one another because of the event-driven architecture that we had established with Confluent,” says Jeff Renz, Director of IT Solution Development at Amway. “In the past, that would have been impossible because we would have had to uncouple and recouple the systems involved. In this case, we had the data from our legacy middleware systems being published to Kafka topics, so the producers and consumers were independent. That made the switch to go live relatively simple—in fact, it was a non-event.”

Business Results

- **Millions of dollars in cost overruns avoided.** “Our ability to preserve the timing of our ERP program launch saved millions of dollars in consulting and resources that would have been needed to keep our old system going,” says Beth Zuke, North America Technology Director at Amway. “We would never have been able to keep that timing if we did not have the new, flexible event-driven architecture enabled by Confluent.”
- **Continuous quality assurance on critical IBO bonuses achieved.** “For our IBOs, the calculation of sales bonuses is critically important. In the past, we’d run an hours-long batch process for that, and if any issues arose, we’d always catch them, but only at the end of the process,” says Renz. “With Confluent, the data now traverses our ecosystem in real time, so we have continuous reconciliation and continuous quality assurance on key processes.”
- **Multiple transformational projects completed.** “We’ve completed several transformational programs over the last year, and we’ve relied on our relationship with Confluent in designing the solutions,” says Zuke. “Our teams have been very complimentary of the Confluent team, whose guidance played a big part in the success of those programs.”
- **Maximized the impact of IT teams.** “Our teams are finite; we don’t have the bandwidth to support a self-managed environment,” says Renz. “We know the Confluent engineers live and breathe Kafka all day, every day. We are confident that they are taking care of our environment, so our teams can focus on our digital transformation.”

Technical Solution

The Amway event streaming journey started with pilot projects in a single market: North America. “It started with a recognition that we needed a different way to connect systems beyond the tightly coupled methods we were using,” says Hart. “We wanted to give teams that were operating those systems complete control over the data flowing between them, so we started on a small scale with some streaming projects in one market of the many that we operate in. Although it was on a small scale, the data we were moving—customer data and order data—was vital to our company. In addition to ensuring orders are fulfilled, the data is also used to calculate IBO bonuses, which is critically important.”

After beginning these pilot projects with open source Apache Kafka[®] the Amway team made the decision to bring in Confluent in preparation for production use cases. “We got going with open source Kafka, and once we started to see the benefits of an event-driven architecture, we wanted to ensure we had enterprise support as we moved forward—that’s when we engaged Confluent,” says Renz.

The ERP and omnichannel commerce programs that Amway recently completed illustrate the additional benefits that the company is seeing now that the company has progressed further in its data streaming journey. “Not only has Confluent and the event-driven architecture helped us to go faster, they have also helped us from a performance perspective,” says Zuke. “Some of the internal systems that had been slowing monthly operations are now insulated or modernized, and that’s been a significant benefit to us as well.”

Every new system that we connect with Confluent raises the value of the entire network exponentially. Not only can our teams move faster because our systems are decoupled, but we’re also getting more value out of our data because it’s moving, not waiting in a database to be processed in batch. That’s our new mindset: extracting even more value from data that’s in motion.”

– Brian Hart, Amway

Amway's cloud strategy is also playing a role in not only enabling growth but driving it. "In several cases, the cloud enabled us to scale incredibly quickly, much faster than when we had to buy physical equipment and set it up in a data center," says Hart. "By combining that scalability with our event-driven architecture, we can rapidly stand up to new experiences—for example new mobile experiences—and plug them into the data mesh we're building with Confluent."

The team will use capabilities such as [ksqlDB](#) to accelerate streaming app development and [connectors](#) to easily integrate data from legacy mainframes to modern systems.

Looking ahead, Hart expects data streaming to deliver even greater value due to the network effect. "We are also able to more easily onboard new data sources and third-party systems, which wasn't necessarily the case before. Every new system that we connect with Confluent raises the value of the entire network exponentially," he says. "Not only can our teams move faster because our systems are decoupled, but we're also getting more value out of our data because it's moving, not waiting in a database to be processed in batch. That's our new mindset: extracting even more value from data that's in motion."

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