

WIRED!

WORLD LEADER IN CONNECTION TECHNOLOGY FOR COMMUNICATIONS NETWORKS IS HOOKED ON CISCO IP TELEPHONY

FOUNDED BY GUSTAV KRONE IN GERMANY IN 1928, KRONE IS A LEADING GLOBAL NETWORK CABLE AND CONNECTIVITY PRODUCTS MANUFACTURER.

The company produces a complete line of copper and fibre-based cabling systems and connectivity products for voice and data networks. KRONE's global reach extends to 30 sites located in more than 140 countries worldwide.

KRONE, a private company, has an annual turnover of more than \$60 million and the Australian division has more than 300 employees in six states and a factory based on the Central Coast in New South Wales.

THE CHALLENGE

IN EARLY 2002, THE SUPPLIER OF KRONE'S NINE YEAR OLD PABX SYSTEM INFORMED THEIR AUSTRALIAN IT MANAGER, ROBERT MILNE, THAT THEY COULD NO LONGER SUPPORT, SERVICE OR PROVIDE SPARE PARTS FOR THE AGEING SYSTEM, RECOMMENDING ITS REPLACEMENT WITH THE LATEST PABX SYSTEM.

Robert Milne wasn't convinced that an updated PABX was the answer, so he investigated the alternatives, including IP telephony.

He comments: "The PABX phone system was proving to be expensive. Because our head office is located on the Central Coast, phone calls to our office and our many customers in Sydney were being charged at long distance rates. Our offices in other states could not be connected to one system, each requiring its own separate PABX, which in turn had to be maintained."

The PABX decision coincided with the impending upgrade of KRONE's infrastructure from a 10Mbps un-segmented single collision domain network to a 100Mbps switched network. Robert Milne knew that by investing in a Cisco converged network he could leverage IP telephony as well as a range of other IP applications.

Favouring this option, Milne decided to conduct a Cisco IP Telephony pilot. He explains: "I chose the Cisco solution because it was an established and stable technology, backed by a proven world class service and support program." Cisco was the only vendor that could show an end to end Quality of Service solution, right from the desktop."

Milne initially installed a converged network featuring the Cisco Catalyst 4000 series switch, Cisco CallManager and ten Cisco IP handsets including one on Managing Director Craig Jones' desk. Given that he was the business decision maker, Milne thought he should have a thorough understanding of the solution and its business benefits before committing to a company wide deployment.

Craig Jones comments: "The reduction in toll costs played a big part in my initial interest in IP telephony, however what really impressed me was the quality of service and the new features of the IP handsets.

"I was concerned whether the Cisco solution could prioritise telephony over data bandwidth and ensure that there would be no packet dropout leading to poor voice quality during calls. This was proved from the moment the first Cisco IP handset was plugged in. In fact, we discovered that the quality of service is far superior to that of traditional PABX systems, which picks up background noise and can distort sounds."



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THE SOLUTION

AFTER A SUCCESSFUL THREE MONTH PILOT, KRONE MANAGEMENT DECIDED TO IMPLEMENT THE CISCO IP TELEPHONY ROLLOUT, WHICH INCLUDED THE CISCO CALLMANAGER, CISCO UNITY MESSAGING AND MORE THAN 150 HANDSETS AT THE CENTRAL COAST HEAD OFFICE AND A FURTHER TWENTY DIVIDED AMONGST THE BRANCH OFFICES.

The Cisco CallManager is central to KRONE's IP telephony solution. CallManager is a software-based call-processing application which provides a range of telephony features and functions such as unified messaging, multimedia conferencing, collaborative contact centres and interactive multimedia response systems.

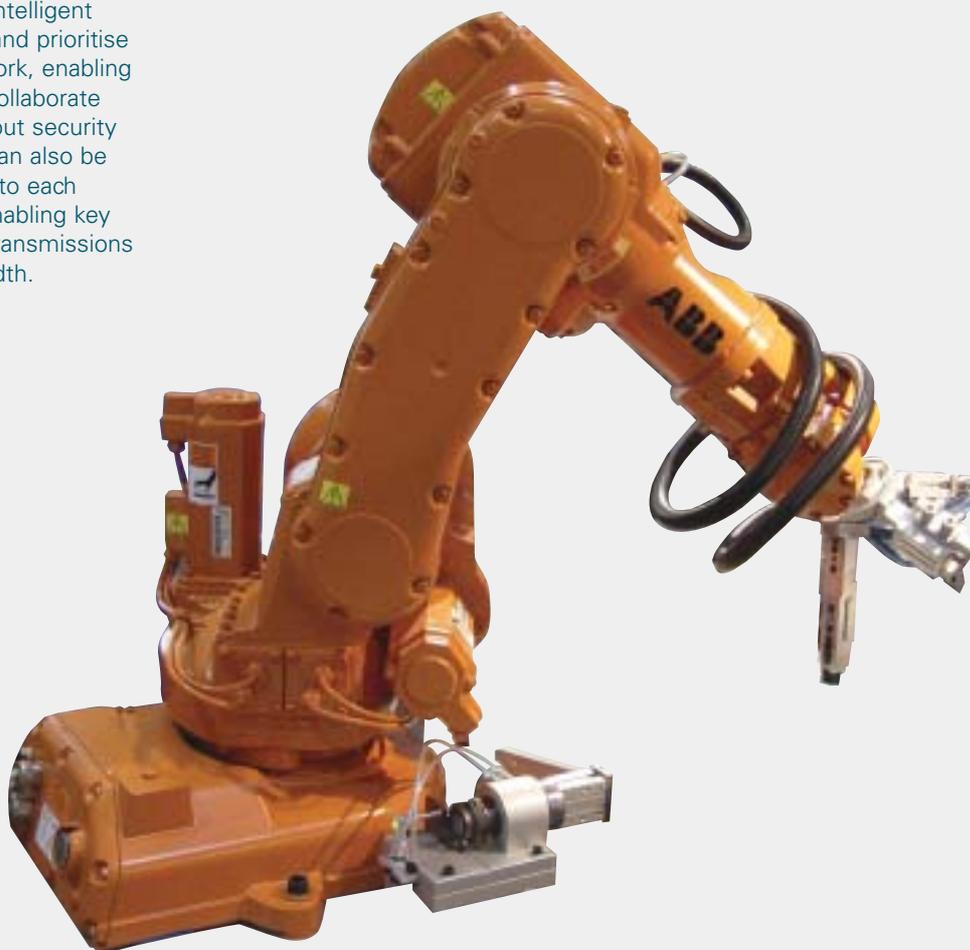
Robert Milne selected a combination of Cisco IP handsets including the 7910 and the 7940 and 7960, which have large pixel-based LCD displays providing features such as date and time, calling party name, calling party number and number dialled. The display also provides feature and line status, speaker (hands free) and headset features and a mute button.

KRONE also installed the Cisco Catalyst 4000 series switch. These intelligent switches are able to verify and prioritise data packets across a network, enabling staff to communicate and collaborate without having to worry about security or traffic congestion. They can also be used to allocate bandwidth to each user across the network, enabling key communications and data transmissions to have appropriate bandwidth.

For voicemail, KRONE installed a Unity Messaging System. Unified messaging means that all types of messages can be managed from the same inbox.

Cisco Unity works in conjunction with an embedded Exchange server to collect and store all voice, fax and e-mail messages in one logical message store. Staff can then access voice, fax and e-mail messages on their computers, through a touchtone phone or over the Internet.

CISCO UNITY WORKS IN CONJUNCTION WITH AN EMBEDDED EXCHANGE SERVER TO COLLECT AND STORE ALL MESSAGES



THE RESULT

WITH THE HEAD OFFICE CONNECTED TO THE SYDNEY AND BRISBANE BRANCH OFFICES VIA A SWITCHED NETWORK, KRONE'S OPERATIONAL COSTS ARE SIGNIFICANTLY LOWER.

When staff phone the branch offices, calls are free and calls to customers in Sydney or Brisbane are the price of a local call, because they are routed via the branch offices to a Sydney or Brisbane local PTSN hub. When the Melbourne office is connected to the network in mid-2003, calls to more than 70 per cent of KRONE's customers will be charged at the local toll rate.

Managing Director, Craig Jones comments: "Since the installation of the Cisco IP Telephony solution, we have saved more than \$50,000 in long distance telephone charges alone. There have been no issues, the system just works and the clarity of calls is better than the old PABX system."

KRONE has also enjoyed a number of other benefits and operational cost savings they hadn't anticipated.

Security has also been strengthened, which was a key priority.

"Prior to the installation of the converged network, each remote office had its own server with inadequate security and virus protection in place. Now all the servers are secured behind the company's firewall centralised on the Central Coast and the data is highly secure."

Before the converged network was implemented, teleconferencing was an expensive necessity only possible through a third-party hosted teleconferencing company. Cisco CallManager includes a built-in conferencing capability, making it both cost-effective and easy to set up and host conference calls. Using this has led to a saving of more than \$30,000 in conference calls to date.

Another benefit is the voicemail facility that enables staff to connect to retrieve their email via the Internet, as either speech or text. This makes it easy to stay in touch when they are away from the office.

"THE SYSTEM IS FULLY INTEGRATED WITH MICROSOFT EXCHANGE SERVER WHICH PROVIDES US WITH A SECURE MESSAGING AND COLLABORATION SERVER, ALLOWING US TO COMMUNICATE MORE EFFECTIVELY - TO ALL OUR LOCATIONS."

ROBERT MILNE, IT MANAGER, KRONE AUSTRALIA.

Another saving has been in the time and costs of adding, moving or changing telephones for staff. "The Cisco CallManager enables us to administer and manage our own phone system quickly and easily.

Each Cisco handset is uniquely configured so it's just a question of plugging it into the network and it's ready to use. If staff move to a new location, the phone retains its extension and can be used immediately without having to be repatched."



THE PARTNERSHIPS

WITH A PROUD TRADITION FOR BEING INNOVATORS IN THE NETWORK INFRASTRUCTURE INDUSTRY KRONE RECOGNISED THAT TO ACHIEVE A SUCCESSFUL CONVERGED NETWORK THEY NEEDED TO PARTNER WITH A COMPANY THAT SHARED THEIR COMMITMENT TO QUALITY AND INNOVATION.

"I knew Cisco Systems has a significant investment in converged networking and a track record for making things work," said Milne.

"This and the personal involvement offered to me by Cisco was just outstanding.

"Our Managing Director kept an eye on the pilot and wanted a direct cost comparison between the old PABX and the new IP telephony systems.

By being so cost-effective and easy for us to manage, maintain and scale, I was easily able to prove the ROI of the Cisco solution, which has been impressive."



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