SUCCESS STORY

AGILENT SAVES MILLIONS ANNUALLY BY MOVING TO CISCO MEETINGPLACE

Agilent Technologies Inc. began evaluating IP trunking solutions as a way to lower voice transport costs almost from the day it spun off into a separate company from Hewlett-Packard in 1999. After the company determined that conferencing traffic accounted for most of its internal voice transport volume, identifying it as an area ripe for significant cost savings, Agilent teamed with Latitude Communications—now Cisco Systems®—to develop a voice over IP (VoIP) solution that could handle conferencing traffic. In 2003, Phase I of its global data and voice makeover, a VoIP trunking solution based on Cisco® MeetingPlace, was completed.

Cisco MeetingPlace provides a fully integrated rich-media conferencing solution, including Web and voice conferencing capabilities. Residing "on network"—behind the firewall on internal voice and data networks—Cisco MeetingPlace offers unmatched security, reliability, scalability, application integration, and cost-efficiency. Offering significant cost savings over traditional service bureau solutions, Cisco MeetingPlace—part of the Cisco IP Communications system—takes advantage of existing corporate data (IP) and public switched telephone network (PSTN) voice networks to greatly reduce or eliminate transport tolls and recurring conferencing charges.

Cisco IP Communications is a complete enterprise-class system that securely and smoothly integrates voice, video, and other collaborative applications into intelligent network communications solutions. Cisco IP Communications solutions—including IP telephony, unified messaging, voice messaging, rich-media conferencing, and customer contact solutions—take full advantage of all the power, resilience, and flexibility of an organization's IP network. These solutions also boast an "inherent intelligence" that helps enable organizations to solve problems, conduct transactions, and complete tasks more automatically.

CHALLENGING ECONOMIC CLIMATE ENHANCES VOIP APPEAL

Agilent's attention to VoIP telephony was born out of necessity. The economic slump in the technology sector hit hard in 2000, shrinking the company's business and then its workforce by a third. As the company sought ways to cut costs and boost efficiencies, members of the senior management team focused their attention on the huge negative cash flow each month that was created by the organization's international voice transport system.

In 2002, they issued a request for proposal for a VoIP system. It appeared the right technologies had arrived on the scene at the right time, combining to produce a very attractive return on investment (ROI) for Agilent's global business—one that could save the company millions of U.S. dollars each year.

FINDING THE SAVINGS

In early 2003, Agilent formed a multinational task force to evaluate how to reduce voice transport costs between Agilent's North American facilities and customers and those in its Asia Pacific and EMEA (Europe, Middle East, and Africa) regions.

Network engineer Pete Kimball was a key U.S.-based task force member. "We needed a VoIP solution that could conform to a range of project rules," says Kimball. "Principally, it had to be confined to the company's WAN and it absolutely had to provide an immediate and significant return on investment." To identify specific areas where Agilent could save the most money the fastest, the task force first engaged in several rounds of intensive and extensive brainstorming, followed by some major operational analyses.

"We knew that our current voice network traffic was costing us several million dollars each year," Kimball says. "And, of that, we could save more than 50 percent just by using Cisco MeetingPlace. We determined VoIP could shave even more off that figure."

THE BEST PARTNER, THE BEST SOLUTION

Once Agilent determined that moving its conferencing traffic was the key to saving money with VoIP, the company began looking for a partner with expertise in delivering conferencing solutions in IP environments. Cisco MeetingPlace IP voice-processing and call-control functionality interoperates with the latest IP processing systems, such as Cisco CallManager, as well as with traditional public-switched telephone networks (PSTNs). Converged IP networks deliver cost savings and help enable advanced applications that PSTN and private branch exchange (PBX) networks alone cannot match.

"Naturally, the task force really scrubbed the vendors and their offerings," says Kimball. "We put the best technologies through their paces and also considered the types and quality of support services available, whether the solution could be extended to cover work-at-home applications, and how quickly we could get it all into production."

First Agilent scrutinized the technical merits of each potential VoIP solution. "We evaluated centralized versus distributed designs, determined the potential for lost packets and round-trip delays, and considered the various compression choices," says Kimball. "We used our own Agilent Labs, certainly one of the best-equipped and most capable research organizations anywhere, to run much of the testing. From a technical perspective, Cisco MeetingPlace IP was the hands-down winner."

Just as important as the technical superiority that Cisco VoIP offers was the commitment of its people and management, as well as a suite of managed services that made it easy for Agilent to grow the system over time.

Agilent assesses its potential partners according to seven characteristics: technology, quality, responsiveness, delivery, cost, environment, and business. "Essentially, we need to know if our partners have got the goods: Is their solution is robust? Will our concerns be addressed quickly? Can we get what we want at the time and price we want it? Does their culture and business sense fit with our own?" says Kimball. "Again, Cisco came out on top."

WHAT'S NEXT?

Currently, Agilent's Phase I net savings are meeting their ROI internal targets. And the savings have just begun. Agilent launched Phase II of its plan in the second half of 2003. The company is replacing its Voice over Frame Relay (VoFR) network segments with VoIP, deploying hybrid connections (VoIP and TDM [time-division multiplexing] segments) to its non-hub sites, migrating to Cisco MeetingPlace-native IP connections, and integrating thousands of home offices into the VoIP network.

Corporate Headquarters
Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134-1706
USA
www.cisco.com
Tel: 408 526-4000
800 553-NETS (6387)
Fax: 408 526-4100

European Headquarters
Cisco Systems International BV
Haarlerbergpark
Haarlerbergweg 13-19
1101 CH Amsterdam
The Netherlands
www-europe.cisco.com
Tel: 31 0 20 357 1000
Fax: 31 0 20 357 1100

Americas Headquarters
Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134-1706
USA
www.cisco.com
Tel: 408 526-7660
Fax: 408 527-0883

Asia Pacific Headquarters
Cisco Systems, Inc.
168 Robinson Road
#28-01 Capital Tower
Singapore 068912
www.cisco.com
Tel: +65 6317 7777
Fax: +65 6317 7799

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Argentina • Australia • Austria • Belgium • Brazil • Bulgaria • Canada • Chile • China PRC • Colombia • Costa Rica
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