

# Diageo says **cheers** to IP Telephony

## Case Study

**Diageo is the world's leading premium drinks company, responsible for well-known brands such as Guinness, Smirnoff and Baileys.**

Its predominance in the industry is partly due to a history of mergers and acquisitions. Having consolidated its position in the drinks industry by disposing of all non-core businesses such as Pillsbury and Burger King, Diageo decided that it could better exploit its brands and work more efficiently by creating a single identity.

### **One company under one banner**

When the company decided to set up a new joint head office at Park Royal in West London and rationalise its other offices, Diageo saw this as a perfect opportunity to give the company a new integrated image. Its 'Way of Working' initiative, launched in 2002, looked into every aspect of the company, from its technology and business processes to the design of the offices themselves.

One thing that became very clear was that Diageo's communications infrastructure needed to be updated: it was running a traditional private voice network, but the different companies that it had acquired were running different PBXs (Private Branch Exchanges); even though they had been linked together, the full features of each PBX could not be exploited across the entire company.



Diageo has a long-standing relationship with Cisco: its other head office, Henrietta Place in Central London, was one of the first implementations of Catalyst switches in the UK in 1996. It was also one of the biggest Catalyst installations at the time. Furthermore, Diageo's worldwide Wide Area Network (WAN) and 95 per cent of its Local Area Networks (LANs) run on Cisco equipment. Diageo knew that it had to replace its PBXs with a single system to leverage their investment, and Martin Bennett, the Group Infrastructure Architect, commissioned a study of available telephony products, with particular focus on IP Telephony.



## It's part of the **broader** Diageo communications strategy to deploy IP telephony wherever appropriate, particularly for **new and redeveloped offices**.

### A wholesale change

Following this study, Bennett decided that Cisco's AVVID (Architecture for Voice, Video and Integrated Data) solution provided the scalability and functionality that Diageo required. He explains: "Most of the other options were based on a PBX at the core, and I couldn't see the point of that. If we were going to make a change, it should be a wholesale change."

He was also aware that Cisco's IP telephony offering was sufficiently mature, having been widely and successfully deployed over a number of years. Bennett continues: "During the selection process, we considered most of the vendors in the IP telephony arena. We chose the Cisco solution because it provided the best fit with the Diageo business, and the scalability we required." Furthermore, implementing a converged AVVID solution would actually prove to be more cost effective than installing new PBXs across the company.

The implementation was a highly significant project for both Diageo and Cisco – it would provide Diageo with all the benefits of IP Telephony, while for Cisco it represented one of the largest IP telephony installations ever seen in EMEA.

One important factor for Diageo was a need for 'user mobility'. One of the consequences of its rationalisation was the closure of two offices – one in Central London and the other in Harlow, Essex. Some employees would no longer have fixed desks: by allowing hot-desking and working from home, Diageo was able to 'over-subscribe' its Henrietta Place office by 30 per cent enabling it to achieve significant real estate savings enabled by 'extension mobility'. This is the ability for employees to transfer their phone number to whatever desk they were currently occupying. The solution also allowed employees access to Diageo's global company directory, which

contains each employee's job title, location and all relevant phone numbers.

Cisco's Internet Business Solutions Group (IBSG) discussed the opportunities that would be available to Diageo once its IP network was in place. These included the benefits of Workforce Optimisation, where costs can be reduced, employees empowered and productivity can be increased by migrating business processes such as HR onto corporate intranets and taking advantage of web-based tools.

Diageo was able to combine Workforce Optimisation with its own 'Way of Working' initiative, which enabled it to migrate a number of its business applications.

### The Cisco solution

Cisco installed the new IP network between Diageo's joint head offices in Henrietta Place and Park Royal. Each office houses 1,000 users and Cisco provided nearly 2,000 Cisco 7960G IP handsets, as well as nine Cisco 7935 IP conference phones and 90 Cisco 7914 IP phone expansion modules. Call processing on the new network is handled by Cisco CallManager, which is running on six Cisco 7835-1266 Media Convergence Servers and links the Henrietta Place and Park Royal head offices. Cisco also provided a number of applications to allow Diageo to take full advantage of IP Telephony: unified messaging is served by Cisco Unity, while Cisco Personal Assistant offers increased productivity.

Cisco IP Contact Centre has also been installed for 50 agents at Park Royal. Cisco's partner, Arc Solutions, has provided its Arc Operator Attendant Console to act as a virtual switchboard. Diageo's existing CRM application, Siebel Version 4, has been fully integrated with the IP Contact Centre.



# Diageo was able to **'over-subscribe'** its Henrietta Place office by 30 per cent with significant real estate savings enabled by **'extension mobility'**

## The benefits of AVVID

Since the deployment, Diageo has enjoyed considerable benefits. As well as the real estate savings that hot-desking and extension mobility have provided, the integration of AVVID with Diageo's CRM application means that caller details are immediately available to operators in its Park Royal Contact Centre. Diageo estimates that this alone represents a saving of nearly 30 seconds per call – a considerable saving given that the call centre receives around 1,000 calls a day. It also allows operators to specifically target callers with relevant promotions, since all customer information is there on the screen

The implementation has achieved its aim of fostering the idea of Diageo as a single company. All employees have access to the global company directory, and the ease of use of the IP Phones means that employees are more willing to use all of the functionality which is available to them.

It has also enabled the company to be far more agile in restructuring its business. When its Harlow office was closed, a number of employees were moved to a satellite office in Bishop's Stortford in Hertfordshire. Prior to AVVID, this would have required expensive and time-consuming recabling and reprogramming of the PBXs; with IP Telephony, it was simply a matter of connecting the IP Phones to the LAN.

## Next steps

Diageo will continue to implement IP Telephony as standard. As Bennett explains: "It's part of the broader Diageo communications strategy to deploy IP telephony wherever appropriate, particularly for new and redeveloped offices." The intention is to roll out IP Telephony to all of Diageo's 35,000 ports worldwide in the long term. This will be especially valuable for some of the company's more remote

sites such as the distilleries in the Scottish Highlands. It also intends to deploy wireless Telephony where appropriate.

"IP Telephony has already delivered significant business benefits in the way we work – from brand management and marketing, to working from home and our call centre operations. Our long term objective is to achieve full data and voice convergence and we are already looking at various options including upgrading to a MPLS (Multi-Protocol Label Switching) WAN which will enable us to apply Quality of Service across an any-to-any network infrastructure. This would be another major step forward towards full convergence," says Bennett.

## ROI Highlights

- Diageo Global Telephone Directory available from all IP handsets: increased productivity and the integration of the company under one banner.
- Closure of one Central London office with commensurate real estate savings; this was due to 30 per cent over-subscription in the Central London head office via extension mobility and hot-desking.
- Increased employee efficiency due to the implementation of Workplace Optimisation strategies and practices.
- Immediate connection of the Bishop's Stortford satellite office to the IP network.
- Savings of 30 seconds on each of the 1,000 calls received per day by the Park Royal contact centre due to integration with Diageo's Siebel CRM application.
- The ability to target specific customers with relevant information.





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