

## Cisco 'Set-up And Snap-in' Solution Provides The Answer To Small German Hotel Chain's Big Plans

### Executive Summary

#### CUSTOMER NAME

- Sonnenhotels AG, Germany

#### INDUSTRY

- Leisure

#### BUSINESS CHALLENGE

- Sonnenhotels is growing fast, adding to its portfolio by buying and then turning round failed hotels. With growth came an increased need for secure communications – the challenge was meeting this need as cost-effectively as possible while making best use of scarce and expensive head office management skills

#### SOLUTION

- A corporate network built using Cisco 2811 Integrated Services Routers is carrying voice and data traffic securely over the Internet. Cisco CallManager's fixed line and wireless IP telephony solution has been fully integrated into the hotel's third party hotel management and billing and accounts systems

#### BUSINESS RESULTS

- The centralised Information and Communications Technology (ICT) model is providing the flexibility and scalability needed to meet the company's ambitious growth strategy
- Guests and staff are benefiting from multi-function IP telephony
- Operating costs are a fraction of traditional, separate telephony and data solutions

Sonnenhotels is a family-owned hotel group with big ambitions. Its growth strategy focuses on buying failed hotels and turning them round, leveraging the group's close relationships with tour operators and effective distribution channels. A converged voice and data solution from Cisco is helping Sonnenhotels to maintain control of this growing empire while keeping a tight lid on costs and improving services to guests.

#### BUSINESS CHALLENGE

Nestling in the wooded hillside of Wolfshagen, one of central Germany's most beautiful nature parks, is the Wolfshof Hotel – the somewhat unlikely home for one of the leisure industry's most innovative ICT models.

This picturesque hotel, a beauty and health centre by summer and ski resort in winter, is the headquarters of Sonnenhotels AG. Recent years have seen this family-owned business successfully pursue a growth strategy based around identifying ailing hotels in strategic locations and then turning them round. In 2003 the company comprised just six hotels; by 2005 the number had grown to 11 in Germany, with Poland targeted as a particularly attractive new market.

Underpinning the success of this strategy is the speed at which ailing hotels can be turned round. This, in turn, is dependent on good management and being able to take full advantage of Sonnenhotels' close relationship with specialist tour operators, such as 1-2-FLY. These relationships, combined with direct mail campaigns and co-operative ventures with holiday catalogue companies, mean that the company is able to quickly find guests for new hotels.

In implementing its strategy, Sonnenhotels recognised that the centre's ability to monitor and guide the growing network of



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hotels was dependent on its ICT infrastructure. Its vision was to create a distributed services model, with applications and intelligence at the centre distributed to other hotels in the group and linked over the Internet via a Digital Subscriber Line (DSL).

In 2004, a presentation on Cisco IP telephony at an exhibition was to take that vision to the next level. “When we heard Cisco’s vision of IP telephony over a converged voice and data network we realised that this was taking our own plans to the next logical step. It takes centralised IT to another level, enabling us to quickly provide advanced services to new hotels and support and monitor the day-to-day running of every hotel in the company,” explains Andreas Dörschel, Finance Director for Sonnenhotels AG.

### SOLUTION

Two factors combined to make that initial presentation so important. The first was that it coincided with the need to replace old Private Automatic Branch Exchanges (PABXs) at two hotels. The second was that the presentation was given by ISYS-Team GmbH. Not only is ISYS-Team a long-term Cisco partner and IP telephony specialist, it had also developed an Extensible Mark-up Language (XML) interface able to link the data functionality of Cisco CallManager telephony with other key hotel systems.

Using ISYS-Team’s Control-IT software, Cisco CallManager (the IP telephony solution) can interface with Sonnenhotel’s hotel management system from GUBSE AG, one of Europe’s leading software providers for the leisure industry, and a by ISYS-Team implemented a billing and accounting system from Aurenz GmbH, another major software system provider.

The three applications are run from Sonnenhotels’ service centre, which is connected to the Internet via DSL. Individual hotels link to the centre over the Internet via DSL and are able to run these applications as if they were sited locally.

As IP telephony is rolled out to a hotel, the hotel’s existing voice cabling infrastructure is being used to support IP telephony through the use of Cisco Long Reach Ethernet. Cisco-based Wireless Local Area Networks (WLANs) are also being established to provide managers and other highly mobile workers such as caretakers with wireless IP telephony throughout the hotel.

**“MOVING TO A SINGLE NETWORK WITH IP TELEPHONY IS CRITICAL IN SUPPORTING OUR PLANS TO GROW THE GROUP AND TO CONTINUALLY IMPROVE SERVICES TO OUR GUESTS. WE CHOSE A CISCO SOLUTION BECAUSE OF THE COMPANY’S REPUTATION AS THE LEADER IN IP TELEPHONY AND WE HAVE NOT BEEN DISAPPOINTED.”**

**Andreas Dörschel, Finance Director, Sonnenhotels AG**

The solution was first installed at the service centre and in one hotel early in 2005 and took just one week to install at each site. Importantly the solution avoided the installation delays often associated with leased lines and the need to re-cable hotels. Having developed this ‘set-up and snap-in model’, the other hotels are connected over the Internet with 11 also moving to IP telephony (thereby avoiding the installation delays often associated with leased lines).

Key to the success of the IT solution has been the use of the Cisco 2811 Integrated Services Router. ISYS-Team's Chief Executive Officer, Dr. Andreas Barsch, explains: "Minimising the total cost of ownership has been critical to the ICT model Sonnenhotels wanted to develop. The ISR router offers industry leading price/performance and the ability to support a number of services using the same device. As well as IP telephony, the router can manage multiple Virtual Private Networks and enterprise class firewall functionality – features that can be turned on when needed simply via a software upgrade."

## **BUSINESS RESULTS**

Moving to a single network with IP telephony is critical in supporting our plans to grow the group and to continually improve services to our guests. We chose a Cisco solution because of the company's reputation as the leader in IP telephony and we have not been disappointed. People are amazed when they discover that they are speaking over the Internet," says Andreas Dörschel.

As well as being able to provide newly acquired hotels with the group's suite of centralised services – and the tried and tested management processes they support – the model has brought significant savings in capital and operating expense. Key savings have accrued from avoiding the cost of expensive leased lines to create a corporate network by using the Internet, which has also enabled calls between hotels to benefit from toll-bypass by not using the Public Switched Telephone Network (PSTN).

Like many medium-sized businesses, Sonnenhotels does not have its own in-house ICT team, preferring to outsource day-to-day support to third parties. The range of functions provided by the Cisco ISR router, and the centralised model it makes possible, greatly simplifies network management and maintenance.

The price/performance of the Cisco ISR router has also helped to keep the total cost of ownership to a minimum, adding to the reduced maintenance and on-going support costs of running both voice and data over the same, converged infrastructure. The centralised services model also means that the cost of each application is effectively leveraged across all sites, as opposed to a traditional model where each hotel, for example, would need its own PABX. The solution was made even more attractive with a five-year leasing deal from Cisco Capital.

By recommending the use of Cisco Long Reach Ethernet, ISYS-Team was able to help Sonnenhotels maximise its legacy investment in traditional voice cabling. IP telephony typically runs over a structured cabling infrastructure, designed to carry both data and voice. Using Long Reach Ethernet overcame this problem, enabling IP telephony to use existing cabling.

The new solution is bringing significant benefits to the company, its staff and guests. "From a management perspective," explains Andreas Dörschel, "we can now see exactly when a particular guest has visited us, how they paid their bills, what sorts of services they like, what snacks and drinks they prefer. This offers exciting opportunities for us to create brand differentiation through more personalised customer service."

The integration of the hotel management and accounting systems with Cisco CallManager is also helping to smooth the day-to-day running of the hotels. For example, cleaners use the data display and entry facilities of IP phones to let the hotel's main service desk know when a room is ready, thereby increasing customer service as well as overall efficiency.

The flexibility of the IP phones to act as data terminals is already being used, with the guest 'wake-up' call system in rooms comprising an XML software application running on the phones. The same functionality could, in the future, enable customers to directly access databases, for example to view and even order food and refreshments from menus.

This ability to provide a complete, centralised communication system for data and voice over a DSL WAN has not, however, compromised Sonnenhotels' ability to act flexibly and in a highly personalised way. For example, although all incoming telephone calls route through the centralised Cisco CallManager solution, the Cisco 2811 Integrated Service Routers also support direct connection to the PSTN which can be used for specific marketing campaigns, with calls routed directly to a hotel.

Personalisation, married to the efficiency of the centralised model, is likely to be taken a step further with the introduction of Cisco IP Call Centre Express. A pilot is already exploring how the solution will enable Sonnenhotels to create a virtual call centre in the future, with calls managed in the most effective and appropriate way possible.

"ICT has become a strategic asset for us and a means for us to act quickly in the marketplace and to take advantage of new opportunities as they emerge," explains Andreas Dörschel. Asked to comment on the role of the Cisco ISR routers he says: "The ISR routers are at the centre of our solutions roadmap. It is a reliable, secure and flexible solution that simplifies our overall infrastructure by providing so many facilities in one box. Importantly, as our requirements change we can switch on new features. It is proving to be a flexible and cost-effective platform which can grow as we grow, and enable us to introduce new services to our customers, such as in-room Internet access, in a way that builds on our original investment."

### **TECHNOLOGY BLUEPRINT**

Cisco CallManager 4 running on two clustered Cisco 7825 Media Convergence Servers provides IP telephony from the service centre. A Cisco ISR supports a 2Mbps DSL connection to the Internet and two E1 circuits for breakout to the PSTN. A Cisco Catalyst 3560 Switch links to the two and also connects the solution to the hotel management system, and its billing and accounting application, using ISYS-Teams Control-IT software interface.

The exact configuration at each hotel varies but is based on a Cisco ISR 2811 with a voice bundle, supporting Survivable Remote Site Telephony (SRST) which provides automatic routing directly to the PSTN if the link to the central Cisco CallManager goes down.

A Cisco Catalyst 2950 Switch is used to distribute service throughout the hotel using Cisco Long Reach Ethernet. Some hotels also benefit from WLANs, typically based on between 15 and 20 Cisco Aironet 1230 AG Access Points providing service to around 60 to 120 rooms.

The Cisco IP Phone 7912 is most commonly found in guests rooms, but Cisco IP Phones 7940 and 7905 are also installed. Staff at a hotel reception use the fully-featured Cisco IP Phone 7960, while more mobile employees enjoy the freedom to roam offered by the Cisco Wireless Phone 7920.



Corporate Headquarters  
 Cisco Systems, Inc.  
 170 West Tasman Drive  
 San Jose, CA 95134-1706  
 USA  
[www.cisco.com](http://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](http://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](http://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](http://www.cisco.com)  
 Tel: +65 6317 7777  
 Fax: +65 6317 7799

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