



A Cisco Capital operating lease gives Emirates Group a future-proof infrastructure with bottom-line benefits

Executive Summary

Customer Name

- Emirates Group

Industry

- Airline and travel services

Business Challenge

- Emirates Group needed to optimise its network performance with higher availability, increased scalability and reduced costs
- At the same time it needed to develop a convergence roadmap, to support multimedia applications and deliver further competitive advantage

Network Solution

- Cisco Catalyst 6500 Series Switches were installed in the organisation's twin data centres under a Cisco Capital operating lease with in-built technology refresh
- Cisco Customer Advocacy offered support and an ongoing service and maintenance contract

Business Value

- The Cisco Capital operating lease has improved the bottom line and is providing better control of operating expenditure
- The organisation is future proofed against network obsolescence, with the flexibility under the lease for technology upgrades at zero cost
- Carrier-class 'five-nines' availability, further assured by Cisco CA Advanced Services, is maximising network uptime on a platform that will enable Emirates Group to move to IP Telephony and other multimedia applications

Emirates Group's business is taking off and data traffic is soaring at a rate of some 50 per cent annually. A network review highlighted serious challenges but Cisco Catalyst 6500 Series Switches – secured through a Cisco Capital operating lease – resolved these issues. The package included technology refreshes, which would help stabilise both operational and capital expenditure. Now mission-critical data delivery is guaranteed, and the infrastructure offers support for multimedia services such as Voice over IP.

Business Challenge

Emirates Group is one of the world's fastest growing airline and travel businesses. It delivered record profits of \$708 million on revenues of \$5.2 billion in the financial year ending April 2005. The business has two main entities: the Emirates airline itself, and Dnata – one of the largest travel organisations in the Middle East.

The Group's ATM-based network is vital to its business and has an enormous workload, transporting day-to-day reservations and bookings data from more than 80 of the airline's offices worldwide, and from flight booking agents in every corner of the globe. In addition, the infrastructure has to handle traffic from its Dnata subsidiary's offices around the region. At the same time it forms a platform for business-critical CRM and finance applications.

In 2004 a strategic network review revealed scalability and performance challenges ahead. The existing seven-year-old core routing technology at Emirates Group's main and standby data

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 SVP of IT
 Emirates Group

centres in Dubai – the most critical part of the organisation’s infrastructure – had come to the end of its life.

Network Solution

As part of the review, Emirates created a strategic infrastructure plan that took account of its business needs within a five-year timeframe. Joshua Koshy, SVP of IT for Emirates Group, explains: “Emirates Group’s business is presently growing at about 20 to 25 per cent per annum. However, data traffic is growing at practically double that rate. We not only needed a more scalable network but also one that was future proof and multimedia capable.”

In terms of multimedia, the group had committed itself to implementing VoIP by the end of 2005 in order to realise cost savings and take advantage of advanced IP Telephony applications. Emirates Group turned to Cisco Systems, a partner in meeting the group’s networking needs for over five years.

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Because of the criticality of the data centres Cisco’s Customer Advocacy (CA) group was invited to offer advice on design and implementation. At a series of meetings commencing in October 2004, a topology was developed that would use four Cisco Catalyst 6500 Series Switches – two in each data centre – to form the network’s backbone and deliver carrier-class ‘five-nines’ availability.

But there was more to Emirates’ requirements than that. “We had some very specific needs in mind,” says Joshua Koshy. “We did not want to take the risk of being stuck with obsolescent equipment, and were looking for the option of being able to swap out items as technology continued to advance.”

Cisco Capital, the finance and leasing division of Cisco Systems, had the answer. A five-year operating lease (with a possible three-year extension) was negotiated for the Cisco equipment. Under the contract, by the end of year four, more than half of the switching technology could be ‘swapped out’ at zero cost. Emirates was impressed with the approach.

Joshua Koshy says: “I must credit Cisco Capital for its speed and flexibility in negotiating the agreement. Its people listened carefully and came up with a finance package that exactly matched our needs.”

In the past, Emirates had purchased its networking equipment on an ad hoc basis. However, the agreement over the switches marked a turning point. Not only had the company bought against a strategic infrastructure plan but also it had committed to a way forward based upon Cisco Capital leasing. A Master Rental Agreement (MRA) laid down the terms and conditions for subsequent deals, with the refresh option as a central feature. The MRA created the financial platform for an infrastructure that would be supported permanently by cutting-edge technology.



Emirates had managed its network in-house up to this point although its engineers had turned to Cisco Systems’ experts on occasion. “We found that, although we didn’t have a contract with Cisco, it had always responded sympathetically to our queries. It showed a company that was very much in tune with its customers needs,” recalls Joshua Koshy.

However with network complexity increasing, and advanced business applications calling upon scarce skills in Emirates Group, Cisco CA was invited to put forward a custom support contract. The three-year Master Services Agreement (MSA) for CA Advanced Services included SMARTnet, Focused Technical Support (FTS) and Network Security Architecture Review (NSAR) services.

SMARTnet would provide 24*7 access to the Cisco Technical Assistance Centre (TAC) with Cisco engineers on tap to rapidly resolve any network problems. FTS meant that world-class Cisco engineers, with intimate knowledge of the group’s operations and network infrastructure, were on hand for expert design consultancy. And NSAR continued the work of Emirates Group’s strategic infrastructure plan, delivering a report that studied network security and assessed the infrastructure against Cisco best practice.

Business Value

With the MSA and the MRA in place, the Cisco Catalyst 6500 Series Switches were installed in May 2005 with VoIP implementation scheduled for the end of the year. Emirates Group now has certainty over its core routing technology for the long-term: not only will the Cisco Catalyst 6500 Series Switches guarantee multimedia data delivery today but – because of the zero incremental cost refresh option – the network will continue to do so in the future.

This, in turn, will help stabilise IT expenditure moving forward. Despite the fact that there are major accounting differences in the Middle East – corporation tax is non-existent, so having equipment

off balance sheet is no advantage – Emirates Group’s bottom line has been improved by leasing rather than buying. Joshua Koshy explains: “When you work out the numbers on a purchase versus an operating lease, it is a very viable financial option. You get the use of the cash for other purposes and your forward operational costs are stabilised by the refresh option.”

Finally, Emirates is now better able to leverage its network reliability. The combination of industry-leading technology and the assurance through Cisco CA that the infrastructure will always perform at maximum efficiency is key. Joshua Koshy concludes: “Our new strategic relationship with Cisco Systems has given me the confidence that I will be able to comfortably exceed our service level agreements – and provide Emirates Group with a secure, resilient and future-proof network.”

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Technology Blueprint

Emirates is installing four Cisco Catalyst 6500 Series Switches at its two data centres in Dubai, as its core network components. Cisco Catalyst 6500 Series Switches provide scalable, intelligent, multi-layer switching performance for enterprise and service provider networks. They deliver maximum network uptime with carrier-class 99.999 per cent availability.

Reflecting the needs of modern day companies such as Emirates Group, the switches can handle data speeds of hundreds of millions of packets per second (Mpps), and support voice, video, and data applications. In-built Quality of Service (QoS) functionality ensures that business-critical applications and/or time sensitive data will always take precedence over more mundane traffic.

The Cisco switching technology supports multiple interfaces and packet forwarding engines. In addition, it provides industry-leading security and enables customers to standardise on a single platform that addresses all network requirements. The switches are capable of supporting 10/100/1000Mbps Ethernet ports that deliver standards-based IEEE 802.3af compliant Power over Ethernet (PoE). This enables Gigabit enabled workstations to take advantage of higher bandwidth connections at the edge of the network for greater performance and productivity.



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