PRICELESS

MAJOR EDS MELBOURNE OFFICE REDUCES TCO BY 17.5% OVER 5 YEARS WITH IP TELEPHONY

FOUNDED IN 1962, EDS IS THE LEADING GLOBAL SERVICES COMPANY, PROVIDING STRATEGY, IMPLEMENTATION AND HOSTING FOR CLIENTS MANAGING THE BUSINESS AND TECHNOLOGY COMPLEXITIES OF THE DIGITAL ECONOMY.

EDS brings together the world's best technologies to address critical client business imperatives. It helps clients eliminate boundaries, collaborate in new ways, establish their customers' trust and continuously seek improvement. EDS, with its management consulting subsidiary, A.T. Kearney, serves the world's leading companies and governments in 60 countries. Headquartered in Plano, Texas, EDS employs about 138,000 people in 60 countries and has more than 35,000 customers worldwide.

In 2001 the company posted revenues of US$21.5 billion.

In Australia, EDS has offices in Sydney, Melbourne, Adelaide, Canberra and Brisbane. Its major Australian clients include Commonwealth Bank of Australia, the South Australian Government, the Australian Taxation Office, Australian Customs Service, Telstra, Westpac Banking Corporation and the Bank of Queensland.

THE CHALLENGE

AS A RESULT OF WINNING A MAJOR OUTSOURCING CONTRACT, EDS SET UP OFFICE IN A FIFTEEN-STOREY BLOCK IN MELBOURNE.

Their first considerations for the new building were the network and the phone system. With an ageing infrastructure a complete refit of the data network was required. As a result, Martin Vella, EDS Service Offering Manager, was keen to examine the business potential of IP telephony technology. With an eye to maximising Return On Investment (ROI), he established a number of evaluation criteria including: a cost effective, flexible infrastructure that would scale to meet their future requirements; advanced telephony functions with voicemail; and an extremely robust, secure solution that would minimise downtime and meet EDS' global security requirements.

Already familiar with Cisco's Architecture for Voice, Video and Integrated Data (AVVID), Vella needed little convincing with regards to the benefits of a converged network.

He comments: "EDS was keen to look for an opportunity to deploy a solution in line with our Intelligent Network Foundation (INF) global Service Offering for a converged architecture. INF encompasses assessment, design, implementation and lifecycle management and provides a secure, high availability network infrastructure for wired and wireless platforms, supporting the convergence of voice, video and data.

"I knew that EDS's INF using Cisco's AVVID platform would provide EDS with a good long-term ROI because as well as the immediate benefits of IP telephony and Unity Voicemail, we'd be able to leverage emerging technologies, such as IP video, as and when we needed to, by virtue of having the infrastructure in place."

What Vella did need to prove to a price-conscious management was that an IP telephony solution was cost effective.

So he compared PABX solutions from two different vendors against Cisco IP Telephony.

He explains: "Cost modelling was extensive, and took into account one-off implementation, support and maintenance costs.

"The Cisco IP Telephony solution was chosen based on several key cost benefits. Firstly, total cost of ownership was 17.5% cheaper than the nearest PABX solution and the IP voicemail solution was also 12% less."

Secondly, one of the hidden costs of PABX is the high cost of relocations. When existing staff are relocated in the building, their handsets need to be programmed and connected by a PABX technician. In addition to this, there is inevitably a delay while this is organised which also costs EDS loss of productivity while the staff member waits for connection. With IP telephony, no reprogramming is required. Staff simply pick up their handsets and re-connect them at the new desk, providing considerable ongoing savings.

THE SOLUTION

THE INF NETWORK USING THE CISCO AVVID PLATFORM WAS ROLLED OUT IN OCTOBER 2001. THE NETWORK COMPONENTS INCLUDE CISCO CATALYST 6000 LAN SWITCHES WITH 24-PORT POWERED 10/100 ETHERNET BLADES, CISCO CATALYST 8-PORT E1 HIGH DENSITY GATEWAY MODULES WITH DSPS AND CISCO VG200 GATEWAY.

This supports IP telephony and seamless migration to unified messaging and IP video applications, when required.

In keeping with EDS standards, the network offers robust security by maintaining the IP telephones on separate VLANs from the data network. The network is also highly reliable and fault-tolerant thanks to the Dual Catalyst 6000 core switches, which offer fail-over elements, as well as redundant Publisher/Subscriber CallManagers.

With the converged network in place, EDS immediately commenced a pilot trial for IP telephony and IP voicemail, which involved deploying 30 Cisco IP handsets to a selected range of EDS staff.

Vella recalls: "The trial went very smoothly with very few hiccups. Staff were very positive. They were delighted by the new technology and pleasantly surprised by the quality of speech.

"We provided web based staff training for individual handset types and produced our own 'how to' guide for voicemail usage, all of which have been well received. After the six-week trial, we had no hesitation in rolling out approximately 800 IP handsets. We have provided a range of Cisco 7960, 7940 and 7910/SW IP handsets to all staff over a 4 day period."

Staff are now confident in the system and Vella is already looking at how he can further leverage the converged network.

"I'd like to exploit the XML capability of the handsets further with some more advanced messaging," he says, "and introduce other enhancements, such as video, based on the functional requirements of staff."

THE RESULT

AS A RESULT OF THEIR INF NETWORK USING CISCO AVVID PLATFORM, EDS HAS SEEN BOTTOM LINE IMPROVEMENTS THAT HAVE DRAWN THE ATTENTION OF EDS WORLDWIDE WITH A NUMBER OF REGIONAL OFFICES NOW INVESTIGATING THEIR OWN CONVERGED COMMUNICATIONS SOLUTIONS.

These include impressive total cost savings over five years of approximately 17.5% for IP telephony and 12% for voicemail compared to a traditional PABX/voicemail solution. Vella points out that the cost reductions for phone relocations (moves/adds/changes) have not been factored into these numbers. These are estimated at approximately $120 per site visit to re-program and move a PABX phone and an hourly figure according to staff remuneration for downtime while waiting for this to occur.

These considerable cost savings put EDS in a position to be more competitive by lowering the costs for their service delivery and enabling them to deliver higher productivity.

THE PARTNERSHIPS

AS A STRATEGIC ALLIANCE PARTNER OF EDS, CISCO HAS BEEN INVOLVED IN THE DEPLOYMENT OF MANY OF AUSTRALIA'S MOST ADVANCED GLOBAL NETWORKS.

The two companies focus on managed services and successful operation of the network to ensure customers obtain the expected cost savings and advanced capabilities.

When it came to rolling out a solution for EDS in Melbourne, the staff co-operated very closely. Bruce Munro, Channel Account Manager, Cisco comments: "Teamwork between the two organisations was impressive, including planning and implementation assistance which led to a very smooth installation and very satisfied end users. EDS certainly went the extra mile to see this solution deployed as a high profile example of the capabilities and faith in the Global Strategic Alliance."

Martin Vella was equally happy with the Cisco partnership. "When you are implementing leading edge solutions, such as IP telephony, and, as in my case, you are the first site in a large global corporation to do so, it is essential that the solution delivers on its promises. Cisco's AVVID and IP Telephony solutions have already proven themselves with the ROI that they have delivered and I anticipate further benefits to EDS and our clients down the track as we leverage the potential of this technology."

"THE CISCO IP TELEPHONY SOLUTION WAS CHOSEN BASED ON SEVERAL KEY COST BENEFITS. FIRSTLY, TOTAL COST OF OWNERSHIP WAS 17.5% CHEAPER THAN THE NEAREST PABX SOLUTION AND THE IP VOICEMAIL SOLUTION WAS ALSO 12% LESS."

MARTIN VELLA, SERVICE OFFERING MANAGER, EDS

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