



CUSTOMER SUCCESS STORY

# REHAU IMPROVES EMPLOYEE PRODUCTIVITY, COMMUNICATIONS WITH REGIONAL OFFICES AND REDUCES COMMUNICATIONS COSTS

## EXECUTIVE SUMMARY

### CUSTOMER NAME

- REHAU Pte Ltd

### INDUSTRY

- Manufacturing

### BUSINESS CHALLENGE

- Implement a new telephony system to support business growth

### NETWORK SOLUTION

- Cisco IP Telephony Solution

### BUSINESS VALUE

- Cost savings from IDD, teleconferencing and vendor maintenance fees
- Easy-to-use solution that can be managed by internal IT team
- Improved productivity on the road for travelling employees
- Great features including teleconferencing, corporate directory and caller ID

REHAU invests in Cisco IP Telephony Solution for immediate savings and puts in place a scalable solution that can grow with its business.

## BUSINESS CHALLENGE



Founded in 1948 in Rehau, Germany, REHAU has emerged as a global leader in polymer processing technologies, providing innovative design solutions and customer support services to automotive, industry, and construction throughout the world. It offers customers the best possible solution to their respective design challenges through continuous research in materials application and advanced production technologies.

Today, the REHAU Asia Pacific team in Singapore manages a network of 18 sales offices, five

manufacturing plants and one training academy located in 10 countries. Its business operations in this region uphold a track record of providing manufacturing excellence and superior technical expertise to many top-flight clients operating globally, such as Mercedes-Benz, BMW, GM, Fisher & Paykel, Xerox, Samsung, Coca-Cola, Xstrata Technology, Steelcase and Herman Miller.

Keith Gan, Head of Organization & Administration, explained REHAU’s philosophy. “REHAU is a global company that believes it is both possible and necessary to strike a balance between innovation and tradition. It is REHAU’s tradition of innovation that has largely contributed to the leadership position it enjoys in the polymer industry today. We recognize that technology is one of the important areas through which REHAU must continue to provide value added services to our customers.”

In 2004, REHAU had reached a point where its PABX system was no longer able to support its operations satisfactorily. The system had been in place for about nine years and had a maximum line capacity of 60 lines. REHAU’s regional office in Singapore had grown from 50 employees in 2003 to 65 in 2005, and was likely to grow some more.

“We had the PABX system before we even moved to this building. In the recent years, we had experienced difficulty in getting spare parts and maintenance support because of the age of the system. Part replacement and maintenance took some time, resulting in lost production time and higher maintenance cost, which posed a risk to our daily operations,” said Mr Gan.

“From an infrastructure point of view, the messy old cable system caused post-maintenance hiccups. This meant that whenever we had any maintenance done over a weekend, there would be a few phones down on Monday morning! From a user point of view, the limited features and poor speaker quality discouraged the use of teleconferencing.”

## NETWORK SOLUTION

REHAU had known for a period of time that it would need to upgrade the old PABX system. Feasibility studies were carried out to understand the internal requirements and the systems available in the market. Soon after that, potential systems that met REHAU's requirements were identified.

"There were several features we knew we definitely wanted in the new telephony system, such as multiple party teleconferencing. In addition, having a reliable and scalable phone system is absolutely critical as Singapore is the regional headquarters responsible for managing and coordinating the business across 10 countries. Given our previous experience with vendor support, it would also be a bonus to implement a system we could manage internally as much as possible," he added.

After considering various options, REHAU decided to invest in a Cisco IP Telephony Solution. The value of the final solution was approximately S\$90,000, comprising both the products and the implementation services. The implementation was completed within two months with different IP phone models being assigned to different employees depending on their job scopes.

The REHAU network is now primarily Cisco. The solution includes Cisco Internet Routers 837, 1700, 2500 and 2600; Cisco Catalyst Switches 2950 and 3560; Cisco IP Call Manager/Unity Server: Cisco MCS7800; Cisco IP Phones 7912, 7940, 7960 and 7970; Cisco IP Communicator Softphone, and Cisco ATA188 box for analog phone interface.

**"With the Cisco IP Telephony Solution in place, we are avoiding a lot of these IDD and teleconferencing charges as the voice traffic is travelling over our data network. The productive time of our employees has increased, even for those on the road. As we add more offices to the IP telephony platform, the savings will increase proportionately."**

- Keith Gan, Head of Organization & Administration, REHAU Pte Ltd

## BUSINESS VALUE

The Cisco IP Telephony Solution brought with it immediate benefits, from improved management to a reduction in IDD and teleconferencing costs.

### Getting the returns on investment

REHAU had been paying their previous vendor S\$4,000 per year to provide ongoing support. While this was not a huge amount, the main dissatisfaction came from the time taken for the vendor to come to address any problem. Mr Gan said, "Telecommunications management has improved tremendously with the Cisco IP Telephony system in place. Not only do we save on the S\$4,000 per year, we also can manage the user-friendly system in-house with our existing IT team. We can assign new phone lines to new or relocated employees ourselves and on the spot. The time saving benefits are the real value to us."



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He added that while they have yet to do a formal study on the returns on investment, savings from overseas and teleconferencing costs are expected to help recoup a portion of the initial costs. IDD and teleconferencing costs are significant expenditure in REHAU because of its regional office status. As in any businesses, the cost of Internet connection for checking email when an employee travels abroad contributed a large percentage to the Company's telecommunications expenditure.

Mr Gan is using the Cisco IP Communicator Softphone on his laptop. His first experience with it on the road was a recent business trip to Sydney. "I called a colleague in the Singapore office from our Sydney office. The voice quality was so good that he thought I was in Singapore! What made it even more fantastic was that it was considered an internal call from my office extension and therefore essentially free. It enabled me to attend a meeting in Singapore while on the road, so work continues to get done without my physical presence."



REHAU used to subscribe to local telecommunications service provider's teleconferencing facility which was charged at S\$1 per minute per call per party. This meant that a one-hour four-party call would cost them S\$180 (not including the cost incurred by the initiator caller). Utilizing the new Cisco IP Telephony Solution, REHAU employees can now set up teleconferences themselves without having to involve external service providers.

"With the Cisco IP Telephony Solution in place, we are avoiding a lot of these IDD and teleconferencing charges as the voice traffic is travelling over our data network. The productive time of our employees has increased, even for those on the road. As we add more offices to the IP telephony platform, the savings will increase proportionately," said Mr Gan.

Chee Boon Leong, an IT Specialist at REHAU who was involved in scoping, implementing and maintaining the IP telephony solution, is an avid supporter. "The server room is much easier to manage now as three Cisco pieces of IP Phone equipment have replaced the previous bulky PABX system. Now we don't have to run separate network infrastructures for voice and data as they are now converged into one single network. Overall it's cleaner and neater. Since Cisco IP Phones can run on in-line power over the Ethernet (PoE), there is just a single LAN cable per IP Phone to handle."

### **Easy-to-use features**

Mr Chee added, "The Cisco IP Telephony Solution makes my job a lot easier. I can support my users from anywhere -- whether it's at home in Singapore or from our regional offices abroad and it's totally transparent to them. We have found the Cisco solution very user-friendly and I have yet to receive a single complaint from my users since we implemented this IP Phone system about six months ago."

The most popular features are caller ID, corporate directory and teleconferencing, which can support up to four parties. The NextLab Smart Applications system allows users to book taxis, read the news and check out the weather all from their Cisco IP Phone. For managers and secretaries, there is a shared line feature that automatically transfers the call to the secretary after a specified number of rings. For frequent callers, they can call the mainline and get transferred directly to the person they wish to speak to if they know extension.

## NEXT STEPS

REHAU will place orders for additional Cisco IP Communicator Softphones for its staff who travel frequently. Mr Gan added that video conferencing would be the next step to improve the existing teleconferencing feature.

“As the Company expects to grow both in Singapore and regionally, the scalability of the Cisco solution was an important factor. We aren’t looking at just short-term returns. It is important to us to have a solution that can grow with our operations. Today, only the regional office in Singapore is using the Cisco solution, but we expect to extend it to other offices in future.

“However, from the system implementation point of view, we must ensure that we fully understand the system and thoroughly test it over a period of time before extending the service to our other offices. In the near future, we are likely to introduce the solution to REHAU offices in countries like Australia and China where the telecommunications infrastructure is relatively developed.”

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To find out more about REHAU Pte Ltd, go to: [www.rehau.com.sg](http://www.rehau.com.sg)



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