

Riga Natie

Substantial cost savings with Cisco IP telephony



“THE INITIAL INVESTMENT IN IP TELEPHONY IS DEFINITELY NOT HIGHER THAT WITH OTHER TELEPHONE SYSTEMS. SINCE IT CONSIDERABLY LOWERS THE COST OF USE WHILE INCREASING THE EASE OF USE, I THINK WE MADE A VERY PROFITABLE DECISION.”

Johan Cailliez, *Financial and Informatics Director, Riga Natie*

RIGA NATIE

is an Antwerp-based port enterprise that handles and stores goods for import and export and deals with customs formalities. The company was created in 1870, when it started to import wood from the Baltic region, and it takes its name from the Latvian capital. Since the 1960s, the company has greatly diversified its activities as well as continuously investing in storage space and equipment. Currently, Riga Natie is a wide-ranging all-round port enterprise with more than 300,000 m² of storage capacity, one-quarter of which is reserved for wood. All its activities can be followed on the Internet and the company has had an ISO 9002 certificate since 1995.

Because of the steady growth of the company, the telephone exchange was no longer meeting its requirements. Although the previous system had been bought six years previously with a view to growth, it appeared that expansion was no longer possible. The manufacturer had not provided a backward compatibility and Riga Natie was forced to invest in an entirely new system. That is why Riga Natie chose Cisco's IP telephony.

EXECUTIVE SUMMARY

Background

The Antwerp-based Riga Natie is a wide-ranging all-round port enterprise that has over 300,000 m² of storage capacity. Some departments move location fairly often because of short-term concessions in the port. All the company's activities can be followed on the Internet and the business has had an ISO 9002 certificate since 1995.

Challenge

In 1995, Riga Natie bought a new telephone exchange. However, the steady growth of the company meant that in 2001 the system was already failing to meet its needs. So the company decided to invest in a new system that could handle the expansion.

Solution

Riga Natie had a Cisco IP telephony system installed. One Cisco CallManager replaced five conventional telephone centres and now serves 45 Cisco 7960 and 7910 telephone sets at various locations.

Results

Riga Natie now has a cost-effective and easy to manage integrated telephone system. The connection with the public network was reduced to just one link. In contrast to the past, it is now fairly easy to move staff members or even entire departments to a new location.

Catalyst switches guarantee Quality of Service

Riga Natie's new telephone system is based on IP (Internet Protocol) and transmits speech traffic over the company's computer network. CSS Telecom installed an IP telephone exchange, the Cisco CallManager, and 45 Cisco IP 7960 and 7910 telephone sets.

If you want to phone over the computer network, you must be able to guarantee a good Quality of Service (QoS). There needs to be enough bandwidth available to phone. All the speech packets have to be transmitted fast and in the right order over the network, if two callers are going to understand each other easily. So Riga Natie upgraded its network: the previous Ethernet hubs were replaced with six Catalyst switches from the 2900 series. These switches also provide power to the IP telephones through the network cable. Since they use this 'in-line power', there is no need for separate sockets for the telephone sets.

A telephone exchange for five locations

Although the company is spread over five locations, one Cisco CallManager is sufficient to manage all conversations and telephone functions; something that is not

possible with a conventional telephone exchange or Voice-over-IP. It is made possible by the IP telephone equipment from Cisco because all telephone traffic and its control is converted into data packages that run over the computer network. One Cisco telephone exchange can be placed anywhere on the network to manage up to 2,500 users at, in principle, as many locations.

Johan Cailliez, Financial and Informatics Director at Riga Natie: “The initial investment in equipment and the installation for IP telephony is definitely not higher when compared to other telephone equipment. Since it considerably lowers the cost of use while increasing the ease of use, I think we made a very profitable decision. Also our staff members and customers are happy – we have already received various positive comments on the improved speech quality.”

Fifty per cent saving on telephone bills

Riga Natie is saving mainly on telephone lines and maintenance. The 52 analogue telephone lines that the company leased were replaced with one PRI (Primary Rate Interface, a set of 30+1 ISDN lines), which brings a saving of over fifty per cent on the subscription charges. Moreover, the costs of internal telephoning are eliminated. Internal calls between different sites no longer run over the public phone system, so now they are free.

The cost of the maintenance contract is also considerably lower. Now that both data and telephone traffic run over the same network, an internal manager can support the IP telephone exchange. Thanks to a handy web interface you can reconfigure most functions of the exchange easily and quickly. Also, extensions are much cheaper. In the past, the telephone supplier had to come to connect a new set. With the new system, you only need a 10-minute internal configuration.

Some departments of Riga Natie regularly move location because of short-term concessions in the port, so IP telephony offers an additional advantage. It is much easier to move because you do not have to dismantle a telephone exchange each time. Johan Cailliez: “Also, sometimes our staff move to a different department for a longer period. Now they just take their telephone sets along and connect them into the network in their



new workplace. That's all – our network manager doesn't even have to reprogram anything.”

Video through the network too?

Riga Natie is also considering integrating videoconferencing in the future. Johan Cailliez: “As a port enterprise, we have a lot of international contacts. To maintain these contacts, we will consider whether in the medium term videoconferencing is a good alternative to expensive, tiring and time-consuming business trips.”

So it is clear that IP telephony is not just the reserve of technology freaks. Each Belgian company, and we are definitely thinking of our many small- and medium-sized enterprises (SMEs), can obtain in house this new and cheap way of telephoning. Cisco's IP telephony is a mature technology that is being further developed to meet all the additional wishes of customers.



Corporate Headquarters
Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134-1706
USA
www.cisco.com
Tel: 408 526-4000
800 553-NETS (6387)
Fax: 408 526-4100

European Headquarters
Cisco Systems Europe
11, Rue Camille Desmoulins
92782 Issy Les Moulineaux
Cedex 9
France
www.cisco.com
Tel: +33 1 58 04 60 00
Fax: +33 1 58 04 61 00

Americas Headquarters
Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134-1706
USA
www.cisco.com
Tel: 408 526-7660
Fax: 408 527-0883

Asia Pacific Headquarters
Cisco Systems Australia, Pty., Ltd
Level 17, 99 Walker Street
North Sydney
NSW 2059 Australia
www.cisco.com
Tel: +61 2 8448 7100
Fax: +61 2 9957 4350

Cisco Systems has more than 190 offices in the following countries. Addresses, phone numbers, and fax numbers are listed on the [Cisco.com Website at www.cisco.com/go/offices](http://www.cisco.com/go/offices).

Argentina • Australia • Austria • Belgium • Brazil • Canada • Chile • China • Colombia • Costa Rica • Croatia • Czech Republic • Denmark • Dubai, UAE
Finland • France • Germany • Greece • Hong Kong • Hungary • India • Indonesia • Ireland • Israel • Italy • Japan • Korea • Luxembourg • Malaysia
Mexico • The Netherlands • New Zealand • Norway • Peru • Philippines • Poland • Portugal • Puerto Rico • Romania • Russia • Saudi Arabia • Singapore
Slovakia • Slovenia • South Africa • Spain • Sweden • Switzerland • Taiwan • Thailand • Turkey • Ukraine • United Kingdom • United States • Venezuela