

Novo Nordisk expects to save US\$1.4 million with an IP telephony and finance solution based on Cisco's intelligent networking

Executive Summary

Customer Name

- Novo Nordisk

Industry

- Pharmaceutical

Business Challenge

- Novo Nordisk had been tracking IP telephony – through its IT subsidiary NNIT – to calculate the optimum time to make its technology investment. Faced with the prospect of writing off its large Time Division Multiplexing (TDM)-based network, the company had previously experienced difficulty in getting the business case to stack up.

Solution

- Cisco Capital financial solution
- Migration to intelligent networking – Cisco's vision and technology strategy – to provide the core infrastructure to support Cisco Unified Communications, such as Cisco IP telephony and advanced security through Cisco Network Admission Control (NAC)

Business Results

- Expected financial savings of DKK 9 million (around US\$1.4 million) over four years
- Return on investment (ROI) within 24 months
- Improved cash flow management through the avoidance of 'double-costs'
- Protection against obsolescence with built-in technology refresh options
- Technology roadmap to provide one common global platform and the delivery of further cost savings.

Like many forward-thinking companies, Novo Nordisk understands the power of technology to transform business performance. Legacy network costs, however, had previously made it prohibitive to roll out IP telephony across all its sites in Denmark. In collaboration with technology partner TDC/NetDesign, the company was able to develop the right technical solution – based on Cisco's intelligent networking – and right financial solution – through Cisco Capital – to remove these barriers and create one of the largest single deployments of IP telephony in the Nordics.

Business Challenge

Novo Nordisk is a world leader in diabetes care and has a leading position within areas such as haemostasis management, growth hormone therapy and hormone replacement therapy. The company's products and services make a significant difference to patients, the medical professional and society. With headquarters in Denmark, the company manufactures and markets pharmaceutical products, supported by over 20,000 employees in 79 countries.

To sustain market leadership, Novo Nordisk has to continuously look for new ways to speed products to market, manage supply chains, handle key relationships more effectively and deliver greater cost effectiveness. Novo Nordisk has outsourced most of its IT operations to its subsidiary NNIT. A Technology Portfolio Management (TPM) methodology is used by NNIT to continuously assess how new technologies can support the business.

With Unified Communications firmly on the TMP radar, NNIT challenged Cisco Systems® and technology partner TDC/NetDesign to develop an IP telephony solution that would meet the company's target of return on investment (ROI) within four years.

"THE SOLUTION FROM CISCO CAPITAL HAS ENABLED US TO RAPIDLY DEPLOY NEXT-GENERATION TECHNOLOGY FOR COMPETITIVE ADVANTAGE NOW, WITHOUT COMPROMISING OUR RESPONSIBILITY TO DELIVER VALUE TO OUR STAKEHOLDERS."

Sune Andersen
 Vice President
 NNIT



Solution

The initial cost and benefit analysis looked at the total cost of ownership (TCO) of staying on the current system for four years versus the TCO of doing the project and staying on the new system for the same period. High replacement costs, however, still continued to obstruct the commercial case.

By introducing Cisco Capital, Cisco® removed these barriers to develop a creative and competitive financing solution. With a four-year leasing agreement, Novo Nordisk was able to trade in its existing PBX equipment based on a residual value in-line with the economic life of the assets. Flexible repayments, deferred for nine months, have eliminated ‘double-costs’ (having to pay for maintenance of the old system and the new implementation at the same time). The contract also has built-in refresh options to protect against obsolescence and allow Novo Nordisk to continue to ‘ride’ the technology wave.

Importantly, the financing solution removed the burden of purchasing the equipment. Sune Andersen, Vice President at NNIT says: “The solution provided by Cisco Capital has enabled us to rapidly deploy next-generation technology for competitive advantage now, without compromising our responsibility to deliver value to our stakeholders.”

Business Results

Novo Nordisk has put in place intelligent networking, leveraging its existing data network to introduce new pervasive services such as security, virtualisation, and application-awareness features that directly enhance the performance of network services and applications and, ultimately, business process.

For example, intelligent networking has enabled the company to introduce Network Admission Control (NAC) – a set of technologies and solutions based on Cisco’s Self-Defending Network that enforce security policy compliance. Network intelligence is now able to detect and automatically prevent access from ‘rogue’ users.

Moving to a Cisco Unified Communications system has provided an instant path to improved business performance. Lower TCO – achieved through network convergence, ease of use and reduced maintenance and provisioning costs – is expected to save Novo Nordisk DKK 9 million (around US\$ 1.4 million) over the next four years. Further benefits are expected from reduced complexity and system integration costs provided by the benefit of running Cisco Unified Communications system over the intelligent network.

Flexible commercial terms – offered by Cisco Capital – have helped to make all of this possible by delivering ROI within 24 months. Cash flow management is improved, as a result of not having to purchase the equipment outright or pay for both the old and new systems over the same period. The technology investment has been future-proofed with built-in refresh options.

In many ways the biggest benefits are still to come from the future opportunities that have been created.

Technology Blueprint

Intelligent networking from Cisco offers an holistic approach to managing IT, leveraging existing foundation technology with new advanced technologies to deliver many new benefits.

For example, security is built into the various network elements (such as routers, switches, wireless access points, and standalone network appliances) – as opposed to being a ‘bolt-on’ service – thereby creating a self-defending network that can systematically identify, prevent, and adapt to threats. Other benefits can include more efficient scaling, and better management and control of the

network, based on policies such as self-configuration, self-provisioning, self-defending and self-healing processes.

Representing one of the largest single installations of IP telephony in the Nordics, the network connects over 10,000 employees across Denmark and was implemented within five months by TDC/NetDesign. The project includes the addition of Cisco Catalyst 3650 Series switches in the core to upgrade 30,000 Cisco IP ports with in-line Power over Ethernet (PoE) functionality. The new platform incorporates six Cisco Unified CallManagers and over 10,000 Cisco Unified IP phones.



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