



CASE STUDY

GLOBAL CONSUMER GOODS MANUFACTURER ACHIEVES SIGNIFICANT SAVINGS AND FLEXIBILITY



PREMIER
SERVICE
PROVIDER

RED FORGE

Alliant Technologies is a Premier Service Provider for Red Forge Continuous Infrastructure Service™ (CIS™). This case study demonstrates the business, technical and operational benefits that Red Forge CIS™ delivers to global enterprises.

COMPANY OVERVIEW

- › Manufacturing industry
- › U.S. based global food conglomerate
- › >5,000 employees

FINANCIAL BENEFITS

- › First Year Savings: \$1.37M
- › 25%-34% annual TCO improvement

TECHNOLOGICAL BENEFITS

- › High performance WAN with double available bandwidth
- › Automatic technology refresh
- › Improved user experience
- › Ready to support new application rollout

THE CUSTOMER SITUATION

The Customer Background

This world-wide brand name company, together with its subsidiaries, is a Fortune 500 manufacturer and marketer of well-known convenience food products. The company was operating in five major product market segments globally at the beginning of 2013.

The Challenge

The company has experienced “growing pains” from an expansion of its Information Technology (IT) footprint due to several acquisitions and an increased use of cloud services including Microsoft 365, Sharepoint and cloud-based authentication. The company also planned to expand its use of cloud-based compute and storage services, requiring further complex integration between the existing IT infrastructure and these new virtualized capabilities. The existing, classical IT outsourcing model provided by a major vendor was no longer meeting their need for flexibility and deployment timeliness in the face of their cloud and acquisition growth challenges. Additionally, this incumbent outsourcer was unwilling to provide meaningful visibility into the true performance of the network and the applications critical to the company’s success. The company realized it needed to shift its IT department’s focus away from unplanned break/fix work into strategic information management.

With its IT infrastructure, the company had exceeded the capacity of its Wide Area Network (WAN), leading to a very inconsistent user experience. In addition to performance challenges, the unnecessarily complex WAN was labor-intensive and expensive to manage because it had been built as multiple disparate networks. The

OPERATIONAL BENEFITS

- › Focus on strategic initiatives— not on unplanned work
- › Customer co-management for greater visibility and control
- › Increased reliability and scale

"We put our clients' IT executives back in the business of focusing on their strategic challenges. We delivered on Alliant CIS's value proposition by refreshing our client's key IT infrastructure – and doubling their worldwide network capacity – all with a three-year savings of \$5M+."

*Mike Funk, President
Alliant Technologies, LLC.*

company's wired and wireless local area network (LAN) infrastructure was also nearing end of life, and was unable to support the rapid growth and advanced technology needs of the business. It was clear that the entire network would need modernization and future-proofing.

Other challenges in process, operations, and contracting also needed to be addressed. Different IT groups within the company were monitoring their systems inconsistently, and the outsourcing provider was providing minimal alerting capabilities with no reporting details. Additionally, insufficient ITIL processes were in place to mitigate this and bring the disparate groups together. In their telephony and unified collaboration (UC) platform, the company was locked into five-year contracts on obsolete equipment.

The Desired Results: IT Infrastructure as a Service

The company needed a new IT infrastructure with the ability to turn up and turn down bandwidth and features on demand. The network needed to be built in a modular, staged approach, and have the ability to change as business applications change. The provider needed to have a multi-year strategy and road map to ensure the company did not fall behind the technology curve again. To ensure future-proofing, the company wanted to shorten its IT equipment refresh cycle, which was longer than the industry average. Globally, it needed its infrastructure to be centrally managed as a single system, from one provider who could act quickly, flexibly and as a team with the company. Operationally, the provider had to use thorough IT Infrastructure Library (ITIL) processes which the company did not currently have in place. Financially, it wanted to expense the infrastructure rather than invest capital into it. On top of that, it wanted to see a lower total cost of ownership (TCO) over five years with the opportunity to reduce or realign staff.

THE SOLUTION

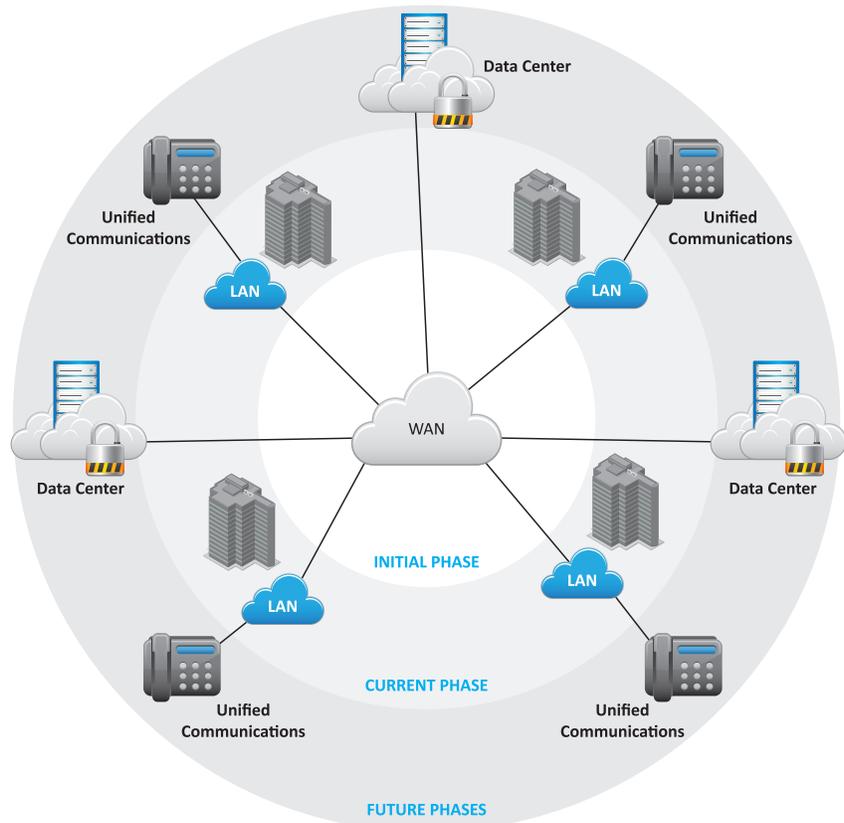
The Approach

Alliant's Continuous Infrastructure Service (CIS) is the solution of choice for the company's requirements. It addresses the company's current needs as well as providing the flexibility and future-proofing needed to migrate more of its IT into cloud and virtualized services. CIS provides IT infrastructure as a utility service, delivered on the company's premises, with the ability to scale up or down to changing needs. CIS is built on a reference architecture that is updated every two years and provides a strategic IT infrastructure road map that stays up to date with the industry. The reference architecture allows the infrastructure to build out modularly, at different stages, but as a single, consistent system. The reference architecture is also pre-tested, which prevents down-time and upgrade surprises and has pre-built configuration templates for on-demand service changes. The four-year "evergreen" CIS refresh cycle ensures the deployed infrastructure not only keeps up with industry innovation, but turns over well before manufacturer end-of-support and ahead of the 5-7 year industry norm. Alliant CIS delivers central management based on well-defined ITIL processes, but unlike traditional managed services, outsourcing and out-tasking, CIS also allows for configuration flexibility and co-management by the company. Financially, the company is able to expense CIS, which avoids the capital budget cycle, and is also realizing significant improvements in TCO.

simplified billing and single source solution. Additionally, employees throughout the organization benefited from the advanced capabilities now available as a result of the integrated WAN and IP PBX services.

CIS BUILD OUT PHASES

- INITIAL PHASE: WAN Modernization
- CURRENT PHASE: Wired and Wireless LAN Modernization
- FUTURE PHASES: Data Center and Unified Communications Updates



Initial Phase

INITIAL PHASE BENEFITS

- Replaced five (5) disparate and undersized WANs with a high performance, integrated global network
- Doubled available bandwidth
- Funded upgraded WAN from savings achieved by reduced expenses
- Reduced administration staff from 8 to 4
- Realized \$1.37M savings in the 1st year
- Improved deployment time from 2 months to 2 weeks

The company initially engaged Alliant to provide a Technical Consultative Engagement (TCE) that created a three to five year strategy for the IT infrastructure. This identified the current and future business priorities, a set of critical IT needs and optimization opportunities, and then delivered a phased IT reference architecture for use across the company. Because the company's most pressing need was to fix and future-proof their WAN, that network platform was the first infrastructure brought into CIS, starting in January of 2013. Alliant designed a private WAN based on AT&T Virtual Private Network (AVPN) to replace the existing five (5) disparate WANs with a single global network, providing more features, doubling available bandwidth and allowing a complete technology refresh with state-of-the-art Cisco WAN equipment. This WAN is covered by the full suite of CIS services, including SmartWare (expensed "evergreen" equipment), Remote Monitoring and Management (RMM), Engineering Response (ER), and Proactive Configuration Management (PCM). This phase reduced the company's expenses such that it could purchase the complete upgraded network and cut administrative staff from eight (8) staff to four (4) while saving \$1.37M in the first year. This phase also improved infrastructure deployment time from an eight week turnaround to two weeks.

Current Phase

CURRENT PHASE BENEFITS

- Reduction in annual operations budget by 40%

The company had Alliant redesign its many LANS (wired and wireless) and is now in the process of migrating them to CIS. Additionally it plans to hand off management of local servers, Active Directory and IP addresses. This phase is currently in early deployment and is expected to be complete by the end of 2015. CIS for the LAN equipment is projected to reduce the company's yearly operations budget for these activities by 40 percent.

FUTURE PHASE BENEFITS

- Improve readiness for virtualization
- Upgrade Unified Communications with advanced capabilities

Future Phases

The company can address their challenges with their current UC provider through the Alliant UC CIS platform. The current five-year contract does not keep pace with industry technology, nor does it provide the company the flexibility it wants. Because of the current contracts, this migration could start in 2014, but may take five years to complete.

The company also plans to move its data centers to CIS and to add enterprise monitoring and proactive configuration for various applications such as Exchange, SAP, Citrix and databases. The CIS platform will significantly improve the company's readiness for cloud and virtualization as well as prepare the company to use intelligence around its applications to drive infrastructure improvements.

SIGNIFICANT OUTCOMES

- Reduced risk
- Deployment time reduced from two months to two weeks
- Reduced TCO by well over \$1.37M/year
- Strategic technology roadmap

THE RESULTS

Significant Outcomes

With CIS, the company has significantly reduced its technology, operations and finance risk, and is reaping the benefits of this IT Infrastructure as a Service approach. By implementing CIS, the company realized significant improvements in its flexibility and its ability to deploy new equipment in a timely manner — reducing turnaround times from approximately two months to two weeks. CIS provides IT infrastructure as a utility on the customer's premises, and is purchased "as a service" allowing the company control the spending with their OPEX budget instead of going through the capital budget cycle. Additionally, the company was able to reinvest four people from IT operations into more strategic parts of their business and reduce their TCO by well over \$1.37M per year. Further, the company was able to disentangle itself from an under-performing traditional outsourcing vendor, while receiving better reporting as well as a single monitoring window on the status of their IT infrastructure. Also, as a result of the Alliant TCE, the company now has a strategic roadmap for IT infrastructure development and a pre-engineered reference architecture.

SAVINGS FROM CIS™

- WAN operations staff reduced from 8 to 4
- WAN support costs reduced 39%
- WAN TCO reduced by 27%
- LAN operations reduced by 40%

Financial Returns

Prior to migrating to CIS, the company had a set of disparate WANs that were complex and labor-intensive to manage. It also looked as if it would have to add another 25% to the TCO to modernize the WAN. However, using CIS for the WAN allowed it to reduce the number of people involved in WAN management from eight to four and dropped the cost of WAN support by 39%. Further, it was able to completely modernize its WAN equipment and, even including that in the cost, still saw a decrease of overall WAN TCO of 17% initially, improving to 27% in out years, instead of an increase. That represents a 52% improvement on the initial TCO expectation.

The company currently has begun LAN modernization with CIS, and expects to be complete by the end of 2015. At completion the operations budget of the company dedicated to managing the LAN will have decreased by 40%.

The company has the potential to add Unified Communications, Data Center and application monitoring CIS. The company projects an operational savings of 30-50% from the Data Center depending on what it chooses to maintain in direct control.

With Alliant as a long-term partner, assuring superior IT performance, the company is saving from operations and reinvesting strategically. In 2016, the total improvement to the company's TCO will be between 29% and 34%.

ANNUAL TCO IMPACT

- Affected by timing of when the savings are realized
- TCO calculated on a larger base ownership cost as new phases are completed
- 2013 savings: 31%
- 2014 savings: 25%
- 2015 savings: 27%
- 2016 savings: 29-34%

| | 2013 | 2014 | 2015 | 2016 |
|---------------------------|------------|------------|------------|---------------|
| WAN Support Decrease | 39% | 39% | 39% | 39% |
| WAN Cost Decrease | 17% | 27% | 27% | 27% |
| LAN Support Cost Decrease | 0% | 20% | 40% | 40% |
| DC Support Cost Decrease | 0% | 0% | 13% | 30-50% |
| TCO Decrease | 31% | 25% | 27% | 29-34% |

KEY TECHNOLOGICAL BENEFITS

- High performance, integrated global Wide Area Network (WAN)
- Ready to support new application rollout
- Improved user experience with advanced, multi-tiered quality of service (QOS)
- Automatic technology refresh cycles
- Positioned to deliver on the future of SDN

Technological Benefits

A primary benefit for the company was a complete overhaul of its WAN infrastructure, eliminating underperforming, regionalized WANs and building a single high performance, integrated global network. Alliant provisioned high speed Ethernet connections to the company's sites, sized to support the roll out of new applications in the enterprise. Advanced multi-tiered end-to-end quality of service (QOS) was also deployed to prioritize traffic, resulting in a significant user experience improvement as well as improving visibility into the network's performance. With this new WAN solution, the company also upgraded to Alliant's pre-tested reference architecture which incorporates best-of-breed equipment and services from Cisco, AT&T and other Alliant technology partners.

The company infrastructure is now positioned to deliver the future of IT today. The fully migrated CIS network will be capable of running Software-Defined Networking (SDN) processes, end-to-end. SDN is a significant new industry capability that allows application intelligence to communicate needs that are acted on to improve the performance of the network on-demand for mission critical applications. A fully built out Alliant CIS customer will be uniquely positioned to manage application demands all the way through their own network and out to Alliant managed cloud environments.

KEY OPERATIONAL BENEFITS

- Focus on strategic initiatives—and not on unplanned work
- Powered by best practice ITIL processes
- Co-managed to deliver customer control and visibility
- Increased reliability and scale

Operational Benefits

The company now takes advantage of one of the major strengths of CIS, which is operational excellence, powered by best practice ITIL processes. Many IT departments, like the one at this company, struggle to provide thorough ITIL processes for themselves. The company now has a transparent view of its own network status and can co-manage the IT infrastructure – a unique CIS capability. Because of that, the company has already been able to redirect the efforts of IT team members from unplanned break/fix work into strategic information management and information systems projects. Additionally, the company is taking advantage of big improvements in deployment time for new IT infrastructure as well as seeing more stability in their IT environment. Both of these advantages are due to the use of pre-tested and pre-configured CIs from the reference architecture that comes with CIS.