

North American food manufacturer upgrades network for business growth

This producer of poultry, meat, and plant-based meat substitutes is one of the largest in North America, employing more than 10,000 people and achieving annual sales over \$3.5 billion. The company sells to consumers under ten trusted brands and supplies private-label products to retailers and food service companies.

Escalating demands of IT maintenance

With sales growing rapidly, the company is expanding both by building new manufacturing facilities and by increasing the capacity of existing ones. These facilities use a shared SAP enterprise resource planning (ERP) system to manage all aspects of their operations, overseen by senior leaders in the corporate headquarters.

As the company grew, so did the workload on its SAP systems, requiring the IT team to tune the existing infrastructure for better performance and to add new hardware and software. The mounting workload was placing a significant strain on the company's relatively small internal IT teams.

The network had grown by 66% over three years while the IT operating budget had remained static. Many Cisco devices in service were approaching end-of-life. The 12 specialists on the network team were focused on managing the network to meet changing business needs, and did not have time or expertise to efficiently maintain the underlying software and hardware. Trying to manage many different devices from different generations became overwhelming. A strategic plan for the next 3-year operating cycle tasked the team with transforming and modernizing the network to improve operational efficiency and uptime, with the goal of delivering measurable cost savings.

Results

- 25%+ savings on Cisco licensing through Enterprise Agreement
- Co-termination of multiple software contracts, increasing efficiency of license management
- Financial predictability during growth with Cisco true-forward billing
- Reduced administrative overhead through outsourcing of non-core work



Optimizing software licenses to prepare for better infrastructure

The company selected Kyndryl based on its success with a previous project and for proven expertise on similar networking projects for other clients. Kyndryl also had a strategic alliance with Cisco, the company's preferred infrastructure vendor.

Kyndryl worked with Cisco to analyze the costs of renewing the company's existing Cisco Unified Communications Manager licenses and compared them with adopting a Cisco Unified Communications Enterprise Agreement (EA).

The EA is a three- or five-year agreement that provides enterprise-wide coverage of software and services enrollments for an easier software and services management experience. Designed to be easy to buy, consume and manage, the EA offers lower costs, improved visibility, and enhanced flexibility.

Kyndryl's analysis revealed that the company could save at least 25% over a three-year contract for each software product that it moved to the EA. As an added benefit, the EA essentially transforms software licensing from an annual capital expense to an operational expenditure model that offers predictable spend even as the software landscape grows and evolves.

The company could also move its wireless licenses to EA, achieving the same 25% reduction in costs over the three-year contract. Sold on those benefits, the company commissioned Kyndryl to handle its migration to the EA model and to provide training on the use and administration of the EA through Cisco's EA Workspace and Smart Software Manager tools. As part of the license migration, Kyndryl would help the company to manage its licenses so that they all terminate on the same date, making ongoing management much simpler. Finally, Kyndryl would manage the low-level administration of its Cisco networking devices, freeing up internal staff to focus on serving the business.

Updating emergency services

Prior to the decision to adopt Cisco EA, the company had already been working with Kyndryl to help add emergency responder capabilities to its existing network. The goal was to ensure that the IP-based voice network would route emergency calls from company facilities to the appropriate Public Safety Answering Point (PSAP) for the caller's location, and that the PSAP could identify the caller's location.

Kyndryl helped re-activate the company's Cisco Unified Communications Manager IM & Presence Service cluster, upgrading the software from version 11 to version 12. The Kyndryl team also activated and configured Enhanced 911 services through Cisco Jabber over the Cisco DNA Center wireless infrastructure.

Throughout the implementation, Kyndryl worked to minimize disruption and ensure on-time delivery. The team had full visibility of each stage in the project, and the company's project sponsor reported a very good experience overall.



Augmenting internal capabilities

Success with the emergency response system proved the transition team's expertise with the Cisco technology and made Kyndryl the obvious partner for managing and maintain the company's network more broadly.

Kyndryl's managed services cover updates or upgrades to Cisco devices, freeing up the company's internal team to focus on business-related issue such as supporting the launch of new applications or the opening of new manufacturing facilities.

Predictability during change

The ongoing engagement with Kyndryl has delivered both financial and operational benefits to their client. Beyond the 25% savings in software licensing with each product it moves to the Cisco EA, the company enjoys easier and more efficient software management, with greater visibility for less risk of shortcomings in license coverage.

Through Cisco True-Forward billing, Kyndryl also helped the company benefit from financial predictability even as its usage grows. Conventional technology licenses usually include a "true-up" arrangement that requires the customer to estimate their likely usage based on a vendor-specified parameter, typically the number of devices or users, or the number of compute cores. The vendor uses this information to calculate the appropriate license fee. At this point, an annual date is agreed for the vendor to measure the actual usage during the year, and any additional usage beyond the original agreement attracts both an additional retrospective fee covering the relevant period, and an increase in the next annual fee.

By contrast, Cisco True-Forward allows customers to grow or extend their license usage during the year without paying an additional charge for the usage up to the annual review date. Any surcharge applies only from the contract renewal date onwards.

The company realized immediate cost savings when purchasing new equipment, because the software portion of the product falls under the EA. This frees up funds for investment in other areas of the infrastructure.

A more efficient future through trusted partnership

Now that the company has successfully modernized its network and refreshed all its Cisco equipment, it is now looking at the possibilities of a consumption-based model for its IT infrastructure. The first step will be to migrate to a new on-premises data center. Kyndryl is offering two different proposals: a model in which the food producer will own the hardware and Kyndryl will provide managed services on top, and a model in which Kyndryl will provide a full data-center-as-a-service model.

Based on the success of this engagement, the company is also using Kyndryl technical resources to augment internal teams in other areas of the business such as network security and offshore application development.



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