



A Consortium Approach to an IPT Transformation

By Renee Wijnen Caruthers

When BearingPoint decided to move to an IPT environment, it enlisted the co-opetition of a slew of vendors.

When BearingPoint began its split from KPMG in 2001, it was faced with the task of creating a new network independent from its former parent that would incorporate 43 acquisitions and create a seamless infrastructure covering 18,000 seats, deployed through 155 offices, in 23 countries, and spanning five continents. It was a formidable challenge, but also a tremendous opportunity.

Many companies, when faced with the task of replacing infrastructure, approach the problem component by component, working with specific solution vendors. But the team at BearingPoint, perhaps because consulting was already the backbone of the company, decided to look at the situation as a chance not just to rebuild, but to reengineer.

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“What I tried to convey was the strategic initiative of installing an IPT environment rather than purely a telephony-for-telephony environment separate from KPMG,” said Chas White, former executive vice president and corporate CTO of BearingPoint. “We did our strategic planning and determined that we needed to do something with telephony that would move us forward and help us get ahead of the competition with the application integration and convergence aspects as drivers for the initiative.”

Once the decision was made to go with Internet protocol telephony, the first task was to convince the firm’s executive team and investment committee that the economics of the move would be worthwhile.

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The team ended up turning to its own financial services practice, which had developed a model for analyzing the total cost of ownership of voice over Internet protocol for financial services firms. This model was run against BearingPoint’s own figures. The team tried to create a clear picture of how costs would compare to a telephony-to-telephony swap out.

The team won board approval to move forward. But as it prepared to develop a project plan, it became clear in talking to vendors that while each player was comfortable with what its role should be, most did not have a good handle on how the overall project would move forward. That’s when the BearingPoint IPT Consortium was born.

“We went to key players and said, ‘We would like you to come to meetings for this project, but leave your sales bags outside the door and act like we are one entity with one common purpose,’ ” said White. “With so much ‘co-opetition’ among different participants, the environment would be a bit of a challenge, but what I offered was that if everyone would play nicely together and operate under the premise that this is not technology for technology, but technology as a solution enabler for a business problem, I would share all the collateral material, and go out as a rep and say, ‘I’m a CTO, let me tell you how this experience went, warts and all.’”

Not only were vendors asked to collaborate, they were asked to work out service level agreements among them, so that each

vendor’s area of responsibility for the new system would be clearly demarcated. The arrangement worked well enough that the consortium is essentially still in effect, with several of the partners continuing to approach prospective clients in unison to demonstrate how other projects could be co-managed among them.

“Most of the companies were extremely excited and understood that while they might not get the same amount of BearingPoint market share, it was an opportunity to be part of a large project that would accelerate change and improve efficiency and productivity,” said Lisa LaBonville, general manager and vice president, Focus 100 Program, Orange Business Services, a new single provider of Equant’s international IP communication and IT services, France Telecom’s enterprise communications services and Orange’s mobile solutions for businesses.

Key components of the BearingPoint solution included an MPLS-based, managed IP VPN global wide-area network provided by the former Equant, now Orange Business Services; dispatchable install, move, add, and change support also provided globally by Orange Business Services; a Microsoft Active Directory-enabled Cisco IPT system with significant applications convergence; cross-cluster extension mobility around the globe provided by Metreos (which just announced its acquisition by Cisco this week); a single staging site accommodating two conversions a week provided by Northrop Grumman; hoteling technology from AgilQuest; and CallManager and Unity Messaging services, which provide call processing technology from Cisco Systems.

Among the benefits that emerged from the new architecture was a true cross-cluster extension mobility, which meant employees can go anywhere in the world and have the phone they sit in front of appear as if it’s their phone back home, with their own voicemail and personal settings. Due to the partnership between vendors, an AgilQuest tool for hoteling, or providing alternative office tools to traveling employees, was co-located with regional Cisco CallManagers. As a result, BearingPoint was able to manage hoteling, or alternative officing, with three servers, eliminating the cost of having to manage it through hundreds of servers dedicated to specific offices around the world.

Another functionality enhancement came in the form of personalization. The phone has taken the form of a network device, and by pressing one button, users can check stocks, weather reports,



or airline reservations. A human factors engineering study prior to deployment had revealed that administrative assistants tend to be the most resistant to change when it comes to technology used every day, so several job aids were developed, such as mouse pads with instructional inserts and a desktop-based user's guide. In addition, morning reports on key performance metrics are sent directly to the phones of key interested parties. Morning report recipients can also use the phone system to drill down in morning reports to investigate exceptions.

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"It's an opportunity to deliver key reports to a target audience in a less-congested space than e-mail or IM," said White.

While functionality enhancements like these were among the business drivers, the business case for the project focused on hard dollar savings. In the cost area, there have been clear results. By taking out redundancies and increasing the density of convergence, the new system has contributed to reducing the annual IT budget by more than \$60 million over a five-year period, from \$158 million to approximately \$90 million. BearingPoint also reduced telephone costs by approximately \$5 million year-over-year as a result of the North American portion of the adoption; reduced IT spend to less than 3.8 percent of gross revenue; and reduced WAN and telephony

costs while improving service levels. The firm has figured the total cost of ownership of the new system to be 38 percent lower than a new PBX architecture. That includes 27 percent lower support costs, five percent lower total bandwidth costs, and eight-times lower maintenance and repair costs. Other possible benefits that are harder to quantify include staff productivity increases due to the availability of advanced features, and life cycle benefits such as easier addition of new sites, consolidated directory and dial plan administration, and lower-cost upgrades.

Overall lessons learned were that MPLS IP-VPN is an enterprise-ready transport technology, and that managed IP-VPN can result in real cost reductions.

"It has been a real collaborative effort. I could define a business problem for the consortium, discuss possible configurations with the vendors, and come away with the appropriate enabling technology solution. Northrop might suggest staging alternatives, Cisco would provide input on their IPT solution's ability to display personalized data, and Equant [now Orange Business Services] might suggest how to prioritize data and move it from one place on the network to another; all the players would put in their pieces in the context of a collaborative solution," said White. "BearingPoint's greenfield mentality and 'maintain the brain and outsource the brawn' approach were facilitated by the extent to which the consortium members worked together. We defined the best practices and worked with the appropriate enabling technologies." A measure of how this strategy has reshaped the IT department is that when the initiative began there was zero outsourcing, and now outsourcing represents 51 percent of the IT budget, White says.

Meanwhile, the IPT Consortium remains in place, not only to continue to service the BearingPoint project, but to work with other clients to create similarly comprehensive solutions with comparable results. The challenge is convincing others to take a similar holistic view.

"It's possible that because of the way companies allocate budget, many companies focus on replacing a small piece of technology here or there. The more beneficial approach to advance technology is by seeking the business value and then achieving it through the appropriate set of enabling technologies. It's hard because many see the benefits as intangible until completion," LaBonville said. □