



Farming Co-op Moves to Microsoft Lync Server from Mitel, Reduces PBX Cost by 50 Percent

Overview

Country or Region: United States

Industry: Agriculture

Customer Profile

Organic Valley Family of Farms is a cooperative of 1,636 organic farmers and one of the nation's leading organic brands. It employs 550 people.

Business Situation

The cooperative wanted to expand its Mitel private branch exchange (PBX) phone system, but it found the functionality limited and the cost prohibitive.

Solution

Organic Valley adopted a Microsoft Unified Communications solution based on technologies that include Microsoft Lync Server 2010, which provides cost-effective, feature-rich PBX functionality.

Benefits

- Delivers long-term scalability, reduces IT risk
- Reduces cost by 50 percent, doubles functionality
- Speeds provisioning from three days to one minute
- Reduces deployment time by 75 percent

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Curt Parr, IT Technical Services Manager, Organic Valley Family of Farms

The typical farmer knows more about turnips than telephony, so when the Organic Valley Family of Farms needed expertise in the latter, it had a challenge. The 1,636-member cooperative was faced with the prospect of expanding its Mitel private branch exchange (PBX) to unaffordable lengths to support the cooperative's continued growth. With the help of solution provider Project Leadership Associates, Organic Valley adopted a Microsoft Unified Communications solution with PBX functionality. The results: Organic Valley has the long-term scalability it sought at half the cost of the traditional PBX. In addition, the cooperative gains twice the functionality while reducing system deployment time by 75 percent and employee provisioning time from three days to one minute.

Situation

Organic Valley Family of Farms is based in La Farge, Wisconsin. The 1,636-member cooperative has become one of the largest organic brands in the nation, offering milk, cheese, juice, eggs, spreads, produce, and soy, as well as meat labeled under the sister brand, Organic Prairie. Since it was founded 23 years ago, the cooperative has seen average annual revenue growth of 22 percent, and it anticipates future growth on a similar scale.

Farmers have to plan carefully to keep their fields and dairies productive and growing. The people who manage the cooperative must plan for its growth just as carefully. By 2010, Organic Valley stood at a crossroads. Did it have the business infrastructure in place to support its continued expansion, or would it suffer the managerial equivalent of field erosion, outstripping that infrastructure and causing the enterprise to slow or even stop its upward course?

The cooperative undertook a major exercise to plan its next seven years. Some elements of its technology infrastructure presented planning obstacles. For example, preparing to expand the Mitel-based phone system would be challenging and time-consuming, requiring the cooperative to work with its telecommunications carrier to count phone lines and measure simultaneous call volume, record voltage, and track other measurements that were outside the core expertise of its IT staff. "I'm a computer infrastructure person," says Curt Parr, IT Technical Services Manager for Organic Valley. "Maintaining and expanding a phone system that was completely separate from the rest of our infrastructure didn't make sense."

Organic Valley had already dedicated one and a half staff members to manage the Mitel private branch exchange (PBX) phone

system. Expanding the system from 550 seats to 2,500 seats over seven years would require Organic Valley to more than double its staff, to three and a half full-time positions. It would also require major increases in licensing costs. "How much more would the PBX cost in seven years? I didn't even want to contemplate the number," says Parr.

Additionally, expanding the existing PBX wouldn't have addressed other core communications needs. Organic Valley employees didn't only need expanded phone service; they needed contemporary communications capabilities, including instant messaging and presence, conferencing, and software-based enterprise voice capabilities. These capabilities were standard or becoming standard in much of the rest of the economy, and they would be needed to boost productivity and effectiveness and to ward off competition. Some employees adopted commercial instant messaging services—such as Windows Live Messenger—that were never intended to provide a consistent view across the organization or meet corporate messaging requirements.

Organic Valley needed a major expansion in its PBX, but it had to achieve that expansion—and a broader expansion in communications capabilities—while keeping costs low.

Solution

To help it move to a new communications infrastructure, Organic Valley turned to Project Leadership Associates, a member of the Microsoft Partner Network with multiple gold competencies. Project Leadership began with technology recommendations and subsequently supported Organic Valley with architecture and implementation planning.

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What Organic Valley needed, the cooperative and the consultancy decided, was a unified communications architecture—one that didn't stop with telephony but that spanned all major forms of communications, including email, instant messaging and presence, conferencing and collaboration, and that delivered them in a centralized, integrated, easy-to-use way that would boost adoption and productivity. Because of its existing investment in Mitel, Organic Valley investigated that company's unified communications offering but found it insufficient.

“Mitel had the components for unified communications,” says Parr. “But they were stand-alone, not parts of a larger, integrated platform. And we didn't see a strong roadmap for unified communications going forward.”

However, Organic Valley did see that roadmap in Microsoft Unified Communications. Project Leadership had a close working partnership with Microsoft that it could use in service toward the cooperative. And Organic Valley already had invested in a related technology, Microsoft Exchange Server 2010. The cooperative could use the email system as the foundation for the unified messaging capability—a single inbox for email, voicemail, and faxes—that it wanted as part of its larger unified communications architecture.

On the other hand, Organic Valley had already implemented a small pilot project with Microsoft Office Communications Server 2007 R2, which was, at the time, the core of the Microsoft Unified Communications offering. However, the company had found that the software

didn't provide the sweep of PBX functionality that it sought.

Since that pilot project, however, Microsoft had released Microsoft Lync Server 2010, the successor to Office Communications Server, which has more advanced PBX functionality. As a result, Organic Valley and Project Leadership explored the potential of a Microsoft Unified Communications infrastructure based on Lync Server and including Microsoft SharePoint Server 2010 and Exchange Server.

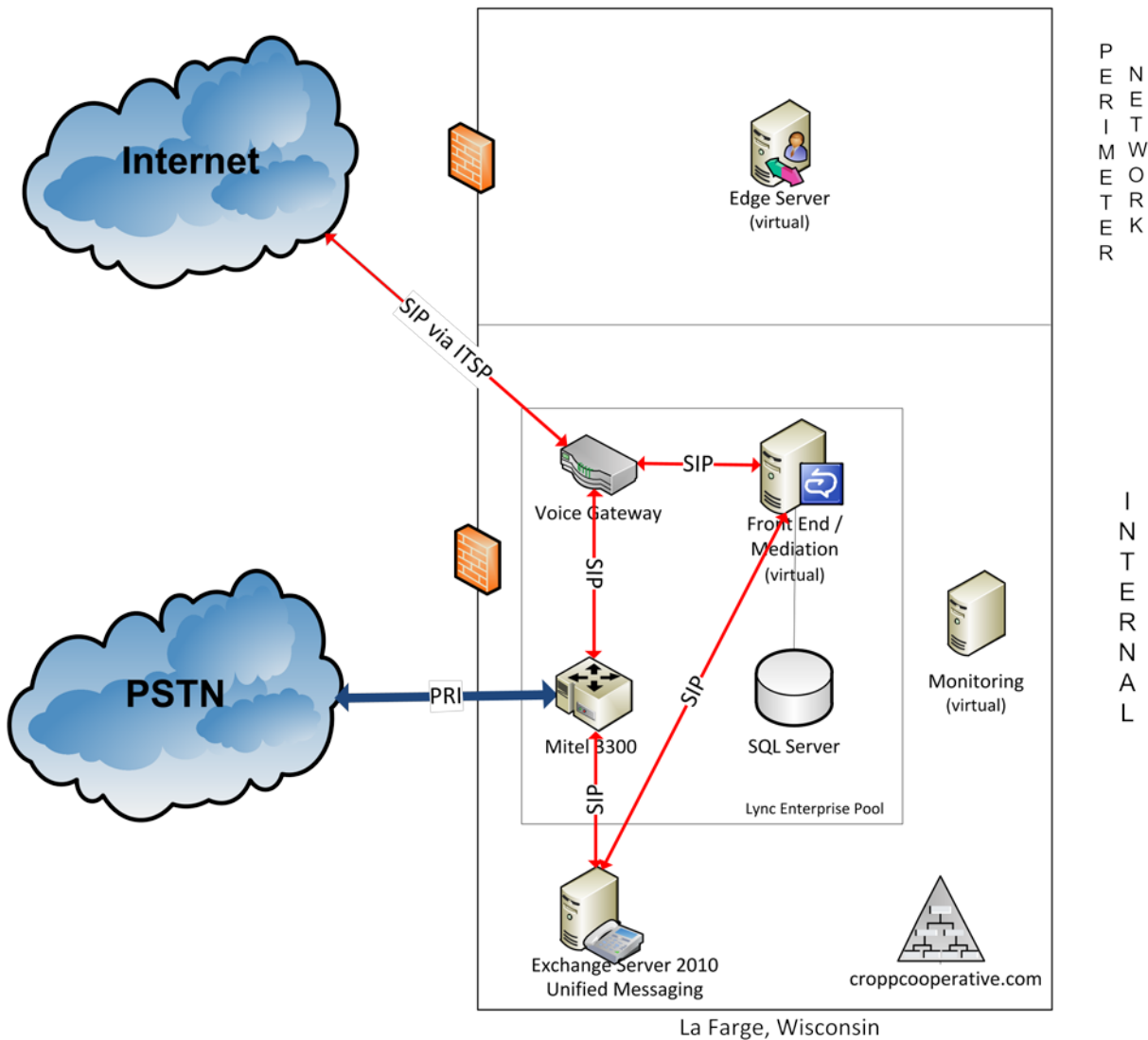
Parr and his colleagues liked what they saw in Microsoft Unified Communications: broader functionality, ease of management and use, and reduced cost when compared to the cooperative's existing infrastructure. They staged a pilot of the technology in late 2010. The 12-week pilot covered 29 workers in the cooperative's primary distribution facility. This time, the pilot was a success. “Upon completion, 95 percent of the pilot users surveyed felt that Lync Server was a viable replacement for our traditional PBX,” says Parr.

On that basis, Organic Valley decided to deploy the Microsoft Unified Communications solution for production use. Project Leadership supported Organic Valley with an architecture design review and guidance on implementation. Organic Valley deployed the solution with minimal additions to its existing infrastructure, the first of which being a voice gateway to exchange voice calls with a third-party session initiation protocol (SIP) trunking service provider. The second addition is two servers running Lync Server 2010: one front-end or mediation server and one monitoring server. Organic Valley plans to deploy a third server—in this case, an edge server—to add internal/external conferencing capability to the solution. Microsoft SQL Server 2008 R2 hosts the solution's database. (See Figure 1.)

Meantime, the Microsoft solution coexists with the Mitel system, which continues to send and receive calls through the public service telephone network (PSTN). SIP lines enable that coexistence while Organic Valley migrates employees from Mitel to Lync Server.

Organic Valley currently has 30 employees

using Lync Server enterprise voice capabilities and plans to migrate an additional 300 employees from Mitel to Lync Server by the end of 2011. The cooperative is using Lync Server for voice features such as answer, forward, transfer, hold, divert, release, and park. For collaboration and conferencing, Organic Valley is taking advantage of Lync Server to share presentations, applications, and



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desktops; whiteboard new concepts and plans; and poll virtual meeting participants. For closer connections with their colleagues, Organic Valley employees use a new activity feed to see updates from contacts when they change statuses, pictures, titles, or office locations.

Because Organic Valley integrated Lync Server with its Active Directory Domain Services infrastructure, its employees can identify and contact colleagues easily whenever questions or new needs arise. They can see the presence statuses of those colleagues and then initiate instant message sessions, voice calls, or conferences, and they can initiate these communications through the Lync Server contact card as well as through SharePoint Server and Microsoft Office 2010 programs. They can also move from one form of communication to another—for example, from an instant message exchange to a voice call or conference—as they wish.

Benefits

By moving from its Mitel PBX to Microsoft Unified Communications with enterprise voice PBX capability, Organic Valley gains more functionality, easier management, faster deployment, and long-term scalability while reducing risk and cost. .

Delivers Long-Term Scalability, Reduces IT Risk

Organic Valley wanted an enterprise voice solution—and a broader unified communications solution—that would scale as the cooperative continues to grow. The company has fulfilled these needs with Microsoft Unified Communications, according to Parr.

Based on the capacity planning that Organic Valley and Project Leadership conducted on Lync Server 2010 and related Microsoft technologies, the two companies

expect the solution to continue to support the cooperative at annual growth rates of up to 22 percent over the next seven years. That would take Organic Valley from its current sales level—somewhat over U.S.\$500 million in annual revenues—to about \$2.5 billion.

One aspect of scalability is supporting a growing user population, which, Parr says, can be achieved by the solution now in place. The Organic Valley workforce currently numbers about 550 and is projected to grow to 2,500 over the next seven years. Microsoft Unified Communications, he says, will support that increase.

“With Microsoft Unified Communications, we have a roadmap for our technology direction,” says Parr. “We know what our communications infrastructure will look like over the next seven years. We know it will support our continued growth. We know it will be a contributor to that growth, rather than a cost of doing business. That takes a tremendous amount of uncertainty and risk out of our technology decisions.”

Reduces Cost by 50 Percent, Doubles Functionality

The scalability that Organic Valley gets with Microsoft Unified Communications is not only a technological benefit; it is also an economic benefit. The cooperative can afford to scale out its number of users because its costs with Microsoft are so much lower than they were with Mitel.

Parr estimates that the cooperative paid \$400 for the licenses and telephone desk set it needed in order to add each new employee to the Mitel PBX. The Microsoft voice client access license (CAL) costs just \$100 per user, and existing licenses were expanded to include the voice CAL without additional charge. To that \$100, Organic

Valley adds another \$100 per user for a high-quality headset. Putting an additional employee on the Microsoft PBX solution costs half as much as Organic Valley had been spending through Mitel PBX. The more that Organic Valley grows over the next few years, the greater the savings, when compared with the cost of staying with its traditional PBX.

"We're cutting our costs in half by moving from Mitel to Microsoft," says Parr. "And for that, we're getting a high-powered PBX that's comparable to anything on the market. In fact, we're not just getting our PBX for half the cost of a traditional PBX—with Microsoft, we're getting twice the functionality at half the cost."

Reduces Provisioning Time from Three Days to One Minute

Licensing isn't the only cost that shrinks due to the migration from Mitel to Microsoft. Parr also sees major reductions in management and maintenance requirements. Because Lync Server is a consistent part of the cooperative's larger application architecture, it can be managed as part of that architecture, rather than as a distinctly different telecommunications system. That saves Organic Valley the 133-percent increase in staffing cost for the expanded PBX.

Parr also sees productivity gains—and additional savings—in the greater ease with which his staff can add, delete, or change employee accounts in the PBX system. It previously took an average of three days to create each new account in the Mitel PBX, as work orders were passed from one department to another, phone numbers were assigned, and equipment was installed. With Microsoft Unified Communications, that process time shrinks to one minute.

"With Lync Server, we virtually eliminate the time that we spend setting up phone accounts and the time that new employees wait for those accounts," says Parr. "That helps to make our people productive from day one."

Another aspect of streamlining the account provisioning process is reducing the opportunities for failure, a measure that's highly significant for Organic Valley, which follows Six Sigma management principles for reducing errors. With Lync Server replacing the Mitel PBX, Organic Valley is able to reduce those opportunities for failure from 35 to 3—a reduction of 91 percent that further boosts productivity by eliminating much of the need to trace and correct errors in provisioning.

Reduces Deployment Time by 75 Percent

Beginning in December 2010, Organic Valley brought the PBX capability online in just six weeks using Lync Server 2010. In contrast, deploying traditional PBX capability in a new facility can take up to six months as a T1 line is laid, dial plans are established, and equipment is ordered and installed.

The faster deployment time did more than contribute to reduced costs for Organic Valley, according to Parr. "People were really impressed by the speed and agility with which we brought up the PBX capability using Lync Server," says Parr. "That level of agility created a new level of expectations for IT. We now know—and expect—that when we want to open a new facility, IT will be right there with the PBX functionality—and more—to support it."

**Farm trend information based on United States Department of Agriculture data at www.usda.gov/factbook/chapter3.htm, as reported on the Organic Valley website.*

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