

An Equant Case Study

# Network Optimization Brings Sweet Smell of Success for Confectionery Giant



*Cadbury Schweppes*

 PACKETEER®

 equant<sup>SM</sup>

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A single MPLS VPN and Application Performance Analysis give Cadbury Schweppes a platform on which to build their future.

Cadbury Schweppes, one of the biggest confectionery and beverage manufacturers in the world, was getting bigger. But under the weight of mergers and acquisitions, the firm's IT infrastructure was coming under strain.

A massive change program demanded that all its European IT communications be consolidated into one single network.

A new strategy of centralized IT infrastructure and centralized IT departments would simplify this complexity and provide a means for centralized business processes hinged on SAP. Hundreds of millions of dollars would be saved in increased efficiency and decreased waste.

But before that could happen, Cadbury Schweppes' senior IT management had to understand what was happening on the network. In stepped Equant whose consultancy-driven network optimization service has helped to build a state-of-the-art communications infrastructure fit for a giant.

## Re-engineering the business

The future is sweet for Cadbury Schweppes. Or rather its sweets, chocolate, soda and hosts of other goodies. Cadbury Schweppes is one of the largest confectionery and beverage manufacturers in the world with some of the most famous brands under its umbrella including Cadbury's Dairy Milk, Creme Egg, Orangina, Dr Pepper, 7-Up and Schweppes Indian Tonic Water.

The firm's roots date back to 1783 when Jacob Schweppe perfected his process of manufacturing carbonated mineral water in Geneva, Switzerland. And in 1824 John Cadbury opened in Birmingham in the U.K. selling cocoa and chocolate. These household names merged in 1969 to form Cadbury Schweppes. The business has gone from strength to strength and now employs 54,000 people around the world, turning over in excess of US\$14.4 billion (£9 billion). In recent years Dandy, Adams, Snapple and Slush Puppie were brought into the Cadbury Schweppes family.

The constant stream of acquisitions has been accompanied by a need for the amalgamation of business processes, integration of networks and the linking of supply chains. The firm recently set out on a massive global change process to re-engineer the whole business.

"The stream of acquisitions meant that we had to integrate the networks of many businesses into our own set-up," explains Jim Mourilyan, Global Infrastructure Architect for the Cadbury Schweppes Group's IT department. "We had to do this very quickly because we were already undergoing a massive re-engineering of our existing IT architecture."

Dubbed Project PROBe – or *Programme for the realisation of benefits from e-enabled ERP* – Cadbury Schweppes was committing US\$320 million (£200 million) to build its business around SAP. In return, it expected to save at least US\$720 million (£450 million) (net present value return). In three stages, regional business units in Asia-Pacific, North America and Europe would undergo this wide-reaching change program.

Attention first turned to Europe, where the French network of business division, Orangina Schweppes, was the first to migrate to a state-of-the-art IP VPN.

What makes this network special is that both Cadbury Schweppes and Equant now know exactly what's happening on the network within Europe, the Middle East and Africa (EMEA), and have optimized it to support the new business processes using Application Performance Analysis (APA) management tools, which are based on Packeteer's application traffic management products.

## Consolidating IT resources

Cadbury Schweppes has been using SAP for more than a decade. Enterprise Resource Planning (ERP) software has been at the heart of the confectionery giant's manufacturing and distribution empire, the axis around which the business revolved. As more ERP implementations were initiated, the complexity of managing and integrating them all was stretching the various IT departments.

A new strategy of centralized IT infrastructure and centralized IT departments would simplify this complexity and provide a means for centralized business processes hinged on SAP. Hundreds of millions of dollars would be saved in increased efficiency and decreased waste, innovation and flexibility would improve, and there was even the propensity to identify diverse new revenue streams.

Project PROBe required the re-engineering of Cadbury Schweppes' whole ERP environment within the EMEA region. This meant consolidating numerous data centers into just two. All of the European networks – Orangina Schweppes in France; Dandy in Denmark, the Netherlands and Russia; and the main Cadbury Schweppes network in the U.K., Ireland, Spain and Portugal – needed to be upgraded to support a centralized IS architecture. In Birmingham in the U.K., two data centers would support the new distributed SAP for the whole of Europe. Running over such a wide area and to tens of thousands of individual users would require the design and implementation of a new network with massive scale and durability.

The project began in France.

*“When we talked about this originally with Orangina Schweppes, we explained that it couldn't be done without a technology refresh,” explained Rik Robarts, Equant's lead Solutions Consultant on the Cadbury Schweppes account.*

*“An old or inappropriate network in EMEA shouldn't be the reason for something as important as Project PROBe to fail. Cadbury Schweppes needed a network with features like different classes of service so that applications like SAP could be prioritized over less important ones. They needed a customized network optimization solution from Equant based on MPLS IP VPN technology.”*

The problem was that with mergers, the regional Cadbury Schweppes IT department within EMEA was unsure of what was being run on the various local and wide area networks within the different business divisions or how the applications would interact with each other if brought together on a single platform. So the first step was to understand what was happening on their network. The results would prove not only that the network needed to be IP-based, but that Project PROBe could be rolled out throughout Europe over one single virtual network.

## Network design

Cadbury Schweppes' initial requirement was to build an MPLS IP VPN infrastructure to connect 19 sites in France including all of the administration, manufacturing and distribution locations for the Orangina Schweppes division. Experiences from this would feed into the provision of a new network for the U.K./Iberia and Eastern Europe. The winning bidder for the final two networks would be responsible for integrating them with the newly refreshed French network so that virtually every site in the European empire would have fast access to its primary data center and business continuity centers in Birmingham in the U.K., creating one giant pan-European IP VPN infrastructure.

Designing the network required more than simply dropping known applications into classes of prioritization. It also required a communications solutions provider who understood all of the applications used over the network and how they performed, the minimum bandwidth or latency they could tolerate, which applications were performing badly and those that shouldn't be on the network at all.

More than anything else, however, Cadbury Schweppes needed a communications solutions partner who understood just how important this network was to the company's future success.

The adoption of the customized network solution from Equant was Cadbury Schweppes EMEA IT business unit's response to support a group-wide change management program that, combined with the other two regions, would target US\$720 million (£450 million) in savings by 2007. At the heart of this project was the re-engineering of the business around a centralized SAP platform. The EMEA regional network to support this global change needed to be durable, reliable and flexible. There was a need for regular analysis of the network's own performance, combined with the dynamics of the inter-relationships between the applications running across it. This was critical to enable understanding of the impact on both direct costs, such as network access expenditures and indirect costs, such as how sub-optimal performance of a SAP or Citrix implementation might affect the new business processes.

## Application Performance Analysis

Equant is the leader in communications solutions for multinational corporations with its MPLS-based IP VPN network offering at the core. With its extensive IP VPN experience, the addition of the unique network monitoring tool, APA, or Application Performance Analysis, was the key deciding factor in the award of this contract.

Application Performance Analysis is a consulting service that gives IT managers comprehensive visibility and analysis of the traffic traversing their wide area networks and enables better understanding of its impact on the performance of applications. The service is enabled by the traffic discovery, classification, analysis and reporting capabilities of Packeteer's® PacketShaper system. The result is a finely tuned, application-intelligent infrastructure that responds to the different requirements of users on the network.

Applications could subsequently be assigned classes of service, and the classes themselves could be allocated suitable proportions of available bandwidth. But APA offered more than that – it helped the Cadbury Schweppes EMEA IT team to support the Orangina Schweppes business unit by identifying where too little bandwidth had been provisioned and where there was more than was needed.

*“We wanted to know that we had provisioned enough bandwidth for all the French locations, or that we were not paying for much more than we actually needed,” explains Jim Mourilyan. The APA management tools were central to providing this reassurance.*

*“Before we ran APA, we had an idea of about 90% of the applications on the network, but not how they were used or how they would work together,” continues Mourilyan. “For example, before we set up prioritization, we thought that out of the Paris office, SAP would be using most of the bandwidth, but we found that it wasn't. Lotus Notes was using up to 80% of the available bandwidth and could be affecting how SAP was working.”*

*“Understandably, finance and economics played a core role in building the business case for Application Performance Analysis. Cadbury Schweppes needed to protect the massive investment in SAP, and the management information provided by APA could deliver that protection. However, the cultural benefits were a pleasant ‘surprise’ for both Equant and Cadbury Schweppes.*

*“Although intangible they were nevertheless an important factor in enabling Cadbury Schweppes to integrate acquisitions across geographical and cultural borders within their EMEA region. APA assisted in the repositioning of the EMEA IT communications team's role as ‘service provider’ to those local businesses, since they were seen to be offering something back to the business, rather than running the risk of being seen as a cost. I'd like to think that APA not only increased the value of the Equant solution to Cadbury Schweppes, but that it also increased the value of Cadbury Schweppes' own central IT and communications teams across their businesses,” said Duncan Adamson, Equant Account Manager.*

## Winning in new markets

Following the successful implementation of the French network and a Northern and Eastern European network for the Dandy gum business unit, Cadbury Schweppes invited tenders for the larger U.K./Iberia network that would link an additional 70 sites in the U.K., Ireland, Portugal and Spain on an MPLS IP VPN. It was also seeking proposals for networking seven sites in Eastern Europe. In choosing a communications solutions partner, it was incorporating experiences from the French project. Learning from these experiences, Cadbury Schweppes wanted the solutions provider for the U.K./Iberia contract to be able to audit and monitor applications on the network in addition to providing a first rate, flexible IP VPN, as Equant had already done.

Cadbury Schweppes was very impressed with the output of the APA analysis and how it had helped the bottom line. It was clear that APA more than justified its own cost by saving money on over-provisioning of bandwidth. And this was incomparable to the effect it had on helping to keep applications performing properly.

Equant was awarded the two remaining contracts against stiff competition, particularly in the U.K. from Cadbury Schweppes' incumbent supplier.

"Application Performance Analysis (APA) was a key service offering that helped differentiate Equant from its competitors and win them the contract," explains Jim Mourilyan. "It has subsequently been invaluable in helping us to understand our own network. We're constantly re-evaluating which priorities applications should be allocated."

This continuous re-evaluation of the relative prioritization and allocation of applications to classes of service is underpinned by a joint Cadbury Schweppes/Equant approach, led by the Equant Professional Services consultants and the requisite members of the client team.

Over the 70 sites in the U.K./Ireland/Iberia, 18 Packeteer® PacketShapers were installed in key locations, adding to the seven units in France and three in Eastern Europe. The industry-leading MPLS IP VPN network solution that now runs over the three regions can support prioritized application traffic such as SAP and Citrix, while applications that are less sensitive to time delays – and prone to taking up all of the available bandwidth – can be assigned a lower network priority.

## Moving to the next level

Application monitoring with Packeteer's application traffic management services has been a great success for Cadbury Schweppes and was critical in the success of its massive change program, Project PROBe. SAP is now running throughout Europe from two data centers in Birmingham in the U.K. – a primary site and a business continuity center. Applications of all kinds are performing well and supporting the business re-engineering process.

But just because the initial network integration and SAP roll-out has been a success doesn't mean that the Packeteer® PacketShapers are now redundant. Indeed, far from it.

"We've found the quarterly reports very useful, helping the communications department to engage with colleagues in the various business units," explains Jim Mourilyan. "It's a catalyst for better communication between us all. Now we sit down and talk through network management issues when we couldn't before."

As well as providing a discussion forum for dialogue between Equant and Cadbury Schweppes and their own internal departments, APA supports the continued development of Cadbury Schweppes' IT ambitions and monitors the latest rogue application.

"It really helped us to pick things up that no one really expected to see. Our business units assured us there were no real 'rogue' applications in use, but when we showed them the APA results, they could see with their own eyes that unapproved applications were being used," argues Mourilyan. "Keeping on top of this stuff is an ongoing process."

Application Performance Analysis is also helping the firm to save money.

"The attraction of keeping the Packeteer® PacketShapers is obvious," says Mourilyan. "They're going to save us provisioning more bandwidth as we grow."

Cadbury Schweppes is not presently running any real-time applications over the network. But all that could change should the company want to explore applications such as voice over IP and video communications/streaming. But rather than having to upgrade every access network, the PacketShapers® could be used to compress the application traffic.

"APA is a very cost-effective, value-added service," adds Steve Burkin, one of Equant's Solutions Consultants. "It optimizes business performance and can also save on bandwidth costs by making sure you only have what you need. And with compression thrown in, too, it's quite compelling. A 'chatty' application like SAP can be made two to three times more efficient with compression."

With the three European networks now integrated within a single MPLS IP VPN, and the Application Performance Analysis policing the network, Cadbury Schweppes has a platform on which to build the company's future. The new network supports the business re-engineering process, Project PROBe, which in turn helps save millions of dollars and infuses Cadbury Schweppes with greater flexibility and agility.

## **Equant – a truly global company for today's world**

Working with a truly global communications solutions company like Equant enables organizations to draw upon the resources and skills base of an established communications solutions provider. Equant's unique global management structure means that simplicity, control and cost reduction are at the forefront of every developed and customized solution. Additionally, Equant's commitment to a total business communications approach and lifecycle support ensures that customers can expect to do more with less.

### **About Equant**

Equant, a France Telecom subsidiary, combines its network expertise, including network reach in 220 countries and territories and local support in approximately 165 countries, with expanded service capabilities to provide global, integrated and customized communications services which enable its customers' key business processes.

For more information on how Equant can help your business to optimize cost-effective and reliable networking and communications solutions worldwide, visit our web site:

**[www.equant.com](http://www.equant.com)**.

For more information on Packeteer, visit:

**[www.packeteer.com](http://www.packeteer.com)**.

For more information on Cadbury Schweppes, visit:

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