



Manufacturing Firm Anticipates \$2.5 Million in Cost Savings with New Software Solution

Overview

Country or Region: United States
Industry: Manufacturing – Electronic Components

Customer Profile

Stoneridge is a global designer and manufacturer of highly engineered electrical systems for the transportation industry. The company, based in Warren, Ohio, employs 5,600 people in 17 locations worldwide.

Business Situation

The organization needed to find a new integrated, online-conferencing solution for its employees. Additionally, the company sought to find a new phone system for its U.S. and Mexico operations.

Solution

Stoneridge deployed a new unified communications solution that uses the presence, instant-messaging, voice, and conferencing features in Microsoft® Office Communications Server 2007.

Benefits

- Will assist in reducing operating expenses by U.S.\$2.5 million
- Saves time
- Gives IT managers better training tools
- Greatly improves communication
- Helps transform business

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Bill Johnson, CIO, Stoneridge

Ohio-based Stoneridge is a designer and producer of highly engineered electrical systems and components that are used in automobiles, commercial trucks, and agricultural vehicles. The company’s engineers, who work throughout the world, needed better and more cost-effective tools with which to collaborate on design projects. Stoneridge also needed to replace its aging phone systems in the United States. To solve those challenges, the company deployed a solution based on Microsoft® Office Communications Server 2007. As a result, Stoneridge expects to reduce travel and long-distance phone costs by U.S. \$730,000 by 2011, while making project collaboration more efficient and productive. Stoneridge IT managers now have better tools for training, and all of the company’s employees can communicate more effectively. Overall, the company’s internal and external communication is being transformed.



Situation

Stoneridge, headquartered in Warren, Ohio, designs and makes highly engineered electrical and electronic components, modules, and systems for the transportation industry. The organization's products include electronic components, driver information systems, power distribution systems, and control devices that measure or activate specific functions within vehicles. These sophisticated products are used in automobiles, medium-duty and heavy-duty trucks, and agricultural vehicles.

Stoneridge has 17 locations around the world, with 5,600 employees working in manufacturing sites and sales offices in the United States, Mexico, Sweden, Scotland, Spain, France, Germany, and China.

Many of those employees are engineers who need to collaborate on product designs, despite the sometimes thousands of miles separating their offices. Traditionally, they relied on the company's private branch exchange (PBX) phone systems, Microsoft® Exchange Server 2007 e-mail messaging environment, and the instant-messaging functionality in Microsoft Office Live Communications Server 2005 to communicate.

However, the company lacked an integrated conferencing and collaboration solution. "Stoneridge started out as a conglomerate of individual business units, and in the early days we focused on avoiding investments in anything other than phone and e-mail technology," says John Young, IT Technical Director at Stoneridge. "Whenever we looked at Web-conferencing solutions, the cost was always too scary for us."

Because Stoneridge didn't have a conferencing solution in place, project collaboration was time-consuming and ineffective for the company's engineers. "We have engineers in Canton, Massachusetts, who work regularly

with engineers in Sweden to design and produce some of our products," explains Bill Johnson, Chief Information Officer (CIO), Stoneridge. "To collaborate, the engineers in Canton had to send large engineering schematic drawings in e-mail. Often, the files were so big that they wouldn't go through."

As a result, engineers often had to use FedEx, UPS, and other expensive overnight services to send engineering files and documents to overseas offices. "If an engineer in Europe had a recommendation for solving a product problem for the engineering team in Boston, the engineer had to ship those plans overnight," Johnson says. "Then the Boston team would review the documents, write their changes on them, and send them back to Europe. It took days for that process to happen. There was no good way to collaborate in real time."

The Stoneridge IT department, which consists of 59 employees in offices in the United States, Mexico, China, and Europe, was also hindered by the lack of conferencing technology. "We conduct a lot of IT technical presentations and training sessions, and that was difficult because we only had phone and e-mail," Young remarks. "We would send a presentation through e-mail and go over it on the phone with all the IT technicians, and hope that everyone was looking at the same slide on their computer as we talked on the phone. It was not ideal."

Related to all those collaboration challenges was an even larger issue: money. "When multiple employees in different locations needed to talk about a project, they had to dial in to a conference bridge, which charged us for each person, by the minute," Johnson says. "Those costs really added up, especially when many of those calls exceeded an hour in duration." And in addition to the FedEx shipping costs, Stoneridge was spending a considerable amount of money on travel. "For

critical projects, engineers would sometimes fly to a different global site, and that was also very costly," he says.

Stoneridge also needed to address the fact that its PBX systems in the United States and Mexico were aging rapidly. "They were old, and a good number of them did not have a maintenance plan," says Johnson. "All we could do was hope they did not cause us any operational issues."

Because it needed to address its conferencing and cost challenges, Stoneridge began to search for a cost-effective, integrated voice and communications solution in August 2008.

Solution

When Stoneridge started searching for new technology, the company knew it wanted a unified communications solution from the beginning. "We looked at various solutions," Young says. "There weren't a lot of robust unified communications solutions available, and we knew we needed something that would support us across the United States and Mexico." Stoneridge then turned its attention to Microsoft Office Communications Server 2007, a solution that features built-in presence capabilities, instant-messaging functionality, and voice over IP (VoIP).

The company was especially interested in the technology's integrated audio-conferencing and video-conferencing features. "We had a lot of Microsoft technology already in place that we were happy with, and we had a very favorable experience with Office Live Communications Server 2005," says Young. "And when we compared the hardware costs of other solutions to the Microsoft solutions, there was no comparison. Office Communications Server 2007 was going to be much more cost-effective."

In September 2008, Stoneridge began implementing the instant-messaging, presence, and conferencing features of Office Communications Server 2007 to more than 2,000 employees. In December 2008, the organization began implementing Office Communications Server 2007 R2, which contains enhanced audio-conferencing and desktop-sharing capabilities. In early 2009, Stoneridge started to implement the enterprisewide voice features in Office Communications Server 2007 R2 to its users in the United States. The company received assistance with configuring some of the system's voice functionality from technology partner CDW.

In Europe, Stoneridge has started to integrate the voice features of Office Communications Server 2007 into its Cisco PBX phone system. Now, when a user in the United States places a call to the European office through the Office Communications Server 2007 client, the European user receives the call on his or her desk phone and computer in Office Communicator 2007 simultaneously.

In January 2009, Stoneridge also started to deploy Microsoft Exchange Server 2007 Unified Messaging to two offices in the United States. In addition, the company has purchased Microsoft RoundTable™ communications devices. Because these conference phones have an integrated, 360-degree camera, Stoneridge can use them to hold highly interactive, Web-based conferences at many of its locations throughout the world.

With the new solution, Stoneridge employees can use the presence features in Office Communicator 2007 to view the status of colleagues with whom they need to communicate. Depending on the colleagues' availability, employees can then reach out to those colleagues through e-mail, instant message, or phone. Stoneridge employees also now have multimedia conferencing

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capabilities, integrated into Office Communications Server 2007. It is now easy for engineers to conduct project collaboration meetings online.

Benefits

Stoneridge has been able to reduce travel, express mailing, and long-distance costs since implementing Microsoft Office Communications Server 2007. The company is also reducing the amount of time its engineers spend on collaboration. Finally, IT employees at Stoneridge can more easily train other workers, and all of the organization's employees can communicate and collaborate better than before. The solution ultimately helps the company conduct business more effectively.

Will Assist in Reducing Operating Expenses by U.S.\$2.5 Million

Because of the conferencing capabilities provided by the new Stoneridge solution, Stoneridge engineers have been able to reduce the travel and mailing costs related to important project discussions. “So far, we have seen a 70 percent decrease in long-distance phone costs here in our headquarters,” Johnson says. “Instead of calling another employee in Europe, someone in this office simply needs to click the person's name in Office Communicator 2007 and have a conversation over the network. We have a plan to reduce overall IT operating expenses by \$2.5 million by mid-2011—and Office Communications Server 2007 will play a major role in our efforts to achieve that level of cost savings. We anticipate that approximately \$230,000 of the savings will come from decreased long-distance costs, and more than \$500,000 will come from travel reductions.”

What's more, Stoneridge engineers no longer need to travel abroad as much. “We recently conducted an annual global board meeting completely online, using Office

Communications Server 2007 and Microsoft RoundTable,” Johnson says. “We were able to have a five-hour meeting for 10 people located all over the globe, without any travel. We saved approximately \$35,000 on that meeting alone.”

Saves Time

The new solution has helped both Stoneridge engineers and IT employees save time during their daily work. Rather than mailing comprehensive engineering diagrams to European engineers, the company's U.S. engineers can conduct online meetings using Microsoft Office Live Meeting, which is integrated into Office Communications Server 2007. “Now, engineers can look at the exact same files and make changes to those files in real time,” says Young. “With Office Communications Server 2007, engineers in the United States and Europe can accomplish in minutes and hours what used to take days and weeks.”

For IT managers, daily tasks like troubleshooting take much less time than before. “We recently had a major service interruption to our enterprise resource planning environments in the United States and Mexico,” reports Young. “Using presence awareness in Office Communicator 2007, I was able to quickly locate the people in our company with the right skill set for the situation, click their names, and instantly add them to a conference. I got 12 people onto a call within 30 seconds.”

Gives IT Managers Better Training Tools

Stoneridge IT employees now have much better training tools, which means they can train Stoneridge employees more easily and more effectively than before. “Because of the audio- and video-conferencing functionality in Office Communications Server 2007, my job as an IT manager is easier,” says Young. “I can have interactive, Web-based meetings

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and can quickly walk other employees through a series of training slides.”

Such features are also helping Stoneridge IT managers implement new technology faster and easier. “Right now, we are deploying Microsoft Exchange Server 2007 enterprise-wide,” says Young. “Office Communications Server 2007 helps simplify the process. I can have an online conference with the other IT employees and can share screen shots and other slides that explain how to do the deployment.”

Greatly Improves Communication

Employees at Stoneridge now have greatly improved communication tools. Using Office Communications Server 2007, they can use a combination of voice, instant messaging, and presence to quickly, easily determine the most appropriate way of communicating with other employees. They can also quickly turn an instant-messaging session into an online conference or conference call. “Using the presence features in Office Communicator 2007, I can now see what my team is doing at all times,” says Young. “I can see who is traveling or who is at their computer, and then I can instantly decide how best to contact someone based on their availability.”

As a result, global staff meetings and presentations are becoming more effective and efficient for Stoneridge. “We have 59 IT employees all over the world, and we can have more communication than ever before. I can provide our CIO updates online, and we can conduct Q and A sessions, all through Office Communications Server 2007,” Young says. “One of our senior leaders—someone who traditionally did not place a priority on buying new IT technology—recently purchased a RoundTable system for his headquarters as well as each of his operating locations so that his team could communicate easier with him and each other.”

Helps Transform Business

Ultimately, Office Communications Server 2007 is helping to transform how Stoneridge does business, both internally and externally. “Office Communications Server 2007 helps us feel more like a unified company, as opposed to a group of separate entities,” remarks Young. “The communication barriers we faced before are all gone now. Previously, in order to contact someone, I needed to try to find their extension and then call them. Now, I just need to know their name, and I can contact them immediately through Office Communicator 2007.”

In customer-facing situations, too, Stoneridge is able to communicate more effectively using the Federation feature of Office Communications Server 2007. Most other solutions of the unified messaging type that Stoneridge considered lacked this Federation feature. “If a vendor calls me with a question about an invoice payment, all I need to do is type into Office Communicator 2007 the name of the account person for that vendor and invite that account person into the conversation, and we can all solve the problem together,” states Young. “We can provide better customer service with the help of this solution.”

Ultimately, Office Communications Server 2007 gives Stoneridge the cost-effective, communication-transforming solution it was seeking when it first started looking at new integrated voice and communications technologies. “With Office Communications Server 2007, we now have the integrated communications environment we were looking for,” says Young. “It is proving to be the right solution for our business.”

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

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For more information about Stoneridge products and services, visit the Web site at: www.stoneridge.com

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