



Microsoft Online Services Customer Solution Case Study



Coca-Cola Enterprises Tackles Competition with Microsoft Online Services

Overview

Country or Region: Worldwide
Industry: Consumer Goods, Retail

Customer Profile

Coca-Cola Enterprises (CCE) is the world's largest marketer, producer, and distributor of non-alcoholic beverages, which they deliver with the industry's most effective marketplace execution.

Business Situation

CCE's increasing competition was resulting in declining revenues. This required company executives to launch a new strategic direction, mandating a platform to communicate and engage with all employees.

Solution

Microsoft deployed a hosted worldwide intranet, messaging and collaboration tools which are accessible to all employees from any device, enabling employees to boost productivity and time with customers.

Benefits

- Productivity & Customer Focus
- Companywide Intranet
- IT Transformation
- Effective Remote Teams
- Deskless Worker Access

“Coca-Cola Enterprises needed to simplify its communication and collaboration technologies to provide better business value to our employees. Microsoft Online gave us the technology to do so and exceeded our expectations.”

John Key, Assistant Director of Communication and Collaboration Technologies, CCE

Coca-Cola Enterprises (CCE) employs approximately 72,000 people in 431 facilities around the globe. Much of their workforce is mobile with 55,000 vehicles and 2.4 million coolers, vending machines, and beverage dispensers. With increasing competition in the marketplace, CCE needed a more effective way to collaborate with their employees, to increase their productivity, to enable better flow of information, and to create more time for sales persons to engage with customers. Their worldwide presence required employees and executives to spend numerous hours on the road every week, travelling to internal meetings. Microsoft Online Services technologies enable CCE to save travel expenses through online meeting tools and collaboration platforms that span time zones and geographies.



"We continue to face economic pressures in all territories, making our work to enhance margins, grow profit...and improve efficiency and effectiveness vitally important."

John Brock, Chairman and CEO, CCE



Situation

Coca-Cola Enterprises (NYSE: "CCE") is the world's largest marketer, producer, and distributor of Coca-Cola products. Coca-Cola Enterprises' growing product portfolio includes the world's greatest brands and beverages which they deliver with the industry's most effective marketplace execution. Today, they serve 419 million consumers throughout North America, Belgium, France, Great Britain, Luxembourg, Monaco, and the Netherlands. They employ approximately 72,000 people and operate more than 431 facilities, 55,000 vehicles, and 2.4 million coolers, vending machines, and beverage dispensers.

The Business Challenge

After Coca-Cola Enterprises Chairman and CEO John F. Brock joined the company in 2006, he worked with CCE's Executive Leadership Team and Board of Directors to create a global operating framework that required a cultural change to be embraced by all employees. In his 2007 letter to shareholders, Brock wrote about the new strategy and the impact CCE employees had on it: "Throughout the year, our people performed with determination and commitment, embracing change and clearly demonstrating their leadership and winning attitude. In addition, their effort is contributing to the successful implementation of a restructuring that is increasing our focus on our customers, improving our ability to execute in the field day-to-day, and enhancing the effectiveness of our operations."

Coca-Cola Enterprises faced strong competition from other beverage companies and needed a way to work more effectively with their customers and partners. This required innovation and a new way of doing business within the corporation. In 2008 CCE acknowledged their current communication platforms were no longer enabling the

innovation and collaboration required to take them to the next level to compete in an increasingly demanding economic environment.

Communicate with all Employees: CCE required a centralized platform for leadership to communicate the company's initiatives. Their messaging was based mainly around e-mail, which was unable to reach their largely mobile workforce. Brock and CIO Esat Sezer agreed that to evolve the company culture to improve customer relationships at CCE, the leadership team needed the ability to communicate with all CCE employees, especially those managing day to day operations in the field. Most of the diverse CCE personnel work in a distributed manner. Employees in manufacturing facilities had limited access to the corporate network. The mobile employees of their delivery fleet who are on the front line with the customers, making sales and positioning the CCE products in store environments, also lacked convenient access to company e-mail and content. Additionally, CCE needed a way to drive action and information to all employees in their business by role. Current infrastructure did not allow for this, making it difficult to find appropriate content in a timely manner.

Better Collaboration Between Work Teams:

Efforts to solve key business challenges across the organization were sometimes fractured and disjointed without effective collaboration tools. The IT department, led by Sezer, was tasked to provide a companywide intranet, as well as a way for self-managed team sites to be created to foster collaboration and integration across business units. The company had relied largely on e-mail-based communication for years.

IT Challenge

Diverse PCs, Vendors, and Solutions: Coca-Cola Enterprises had multiple platforms with



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multiple integration points which IT was responsible to maintain and understand. IT was also expected to be the experts on all of these platforms and successfully manage the infrastructure. CCE faced high administrative overhead managing non-strategic aspects of IT. With an organization as established and diverse as CCE, the IT department found it was managing as many vendors as solutions. When the new CIO asked the IT team to rationalize the infrastructure they focused on simplification and consolidation while providing a platform that was robust enough to continue to meet the unique requirements of the business.

Transform IT and Trim Costs: The IT team set out to help transform the company culture and transform their function to enhance their focus on business strategy. They required a solution that would address these areas as well as standardize the infrastructure and trim costs. In the past, CCE's IT department had largely been a support-focused organization. The group needed to improve their interface with the business organizations and understand how to better partner with them. Sezer challenged them to change their approach and create value added activities within IT, which would aid the business units in solving strategic business issues. At the same time IT needed to trim costs and more efficiently manage the infrastructure.

John Key, CCE Assistant Director of Communication and Collaboration Technologies, said, "If you looked at our legacy e-mail platform, we had more than 50 e-mail servers. Managing that type of situation required a lot of overhead. There were patches, upgrades, support, and services for all of those 50 different environments. It was costly and there was no way for our IT department to focus on value-added opportunities."

Deliver a Unified Collaborative Workspace and Corporate Intranet:

Taking on a new project like building a corporate intranet was exciting, yet daunting, as IT resources were engaged on many other initiatives as part of their transformation journey. IT considered leveraging partners to address their messaging needs and wanted to expand this to include the development of their corporate intranet. Both solutions needed to support mobile devices to reach employees in manufacturing facilities and the field.

Solution

With many legacy systems, CCE had several partners providing dozens of solutions. CCE saw an opportunity to address this situation through their relationship with Microsoft. With the implementation of Microsoft Online Services and Microsoft on-premise software, CCE consolidated and streamlined their IT partnerships and enhanced their focus on providing value to the business. Key, who was also the project manager for the Microsoft Online project said, "Microsoft Online allowed our IT people to focus on the activities that would improve our business and provide value." CCE deployed Microsoft Online and their Intranet while centralizing purchasing for Microsoft on-premise software, software services, and support.

Decision Criteria: In their assessment of whether to upgrade the current platform or transform the company to a hosted model, they considered options presented by several major software and service providers. CCE desired a partnership where they could leverage their enterprise software on-premise with integrated software services in the cloud, and turned to Microsoft to execute upon their objectives.

Security: Initially, Tim Smith, the Chief Information Security Officer at CCE, needed to be convinced that Microsoft would provide security measures that matched or exceeded

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Esat Sezer, CIO, CCE



the stringent CCE requirements. Visiting one of the Microsoft datacenters, Smith witnessed the virtual and physical security provided by Microsoft as well as the third party SAS 70 audit reports that Microsoft uses to monitor security compliance. Smith said, “Step one in getting comfortable with giving our data to Microsoft was visiting one of their datacenters. To understand the physical nature of what they’re doing to protect not only their own information, but also CCE’s, gave us a great sense of comfort that Microsoft has thought of all the right things.”

Smith and his team agreed that Microsoft met the CCE data security requirements and approved the solution to move to Microsoft Online Services managed by Microsoft. There was a fundamental shift in viewing the Microsoft Online Services’ capabilities, running in Microsoft Data Centers, as a secure extension of CCE’s own network. Smith explained, “My CIO asked me how CCE could run this any better than Microsoft? That got me thinking, Microsoft knows how to run some of the largest datacenters in the world and to secure software at an enterprise level because they already do it themselves. There was no reason for any of us at CCE to think that we could or needed to do so.”

Data replication is a benefit Smith also appreciates. He commented, “Microsoft has the ability to store our primary data in their primary datacenter. They also have the ability, based on our agreement, to store copies of that in real time at other datacenters. This gives us a higher level of protection than we had before Microsoft Online.” Lastly, Smith added, “Security will change and does change and we have to have the flexibility to adapt at the time we need it. As a result of working with Microsoft, they have proven that they are flexible in understanding what our needs are today, and what things are around the corner.”

Integration with Existing IT environment: CCE decided to use the Microsoft integrated communication and collaboration tools across its entire organization to streamline communication within their large and complex organization. The Security Governance team at CCE worked with Microsoft to integrate SAP user role information into their on-premise Active Directory® service and their Microsoft Online Services environment. This will allow CCE to target the right information to the right employee based on roles outlined in SAP. This was a critical requirement of their intranet.

Messaging Migration: Planning for the project began in mid-January 2008 and was completed by mid-May 2008. CCE’s Communications Council, a group of cross-functional leaders throughout the company, provided business owner input around the needs of the solution and guided the project owners to understand how the technology would meet the needs of the business. Sezer said, “In a five month timeframe, we migrated roughly 30,000 people, without impacting their business, without interrupting their day to day operations, to a hosted solution. The business value comes from expanding the use of our communication collaboration technologies that we’ve built with Microsoft.”

Microsoft® Exchange and Microsoft Office SharePoint® Server received “service acceptance” by July and user migration for both began in September 2008. The Microsoft team worked with Binary Tree Consulting Services to migrate from their current platform to Exchange Online, providing e-mail and communication capabilities on top of Microsoft Online Services. Using the Binary Tree’s messaging migration tools, they began the migration schedule with just 250 users per night. Due to the close integration with CCE, Microsoft,

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Kevin Flowers, Director of Enabling Technologies, CCE

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Lauren Sayeski, Communications, CCE

and Binary Tree, the team was able to increase migrations to 1,000 per night with less than 1 percent error rate. By the end of 2008, 23,000 users had been migrated to Exchange, 30,000 users were on SharePoint and 10,000 users had migrated from IBM Sametime to Microsoft Office Communications Server for instant messaging. CCE added Microsoft Office LiveMeeting for web and video conferencing in April 2008.

Rapid Execution and Quality: Seeing the business need and the ability to increase their communication and collaboration capabilities, CCE was able to move very quickly to execute the migration. Kevin Flowers, Director of Enabling Technologies said, “In the space and time that our peer companies were doing just a technology upgrade, we were able to effectively migrate 30,000 people through hosted email as well as launch a whole new intranet that is used by the entire company. Microsoft is a great company with a great platform. The enterprise functionality available is superior to anything else we saw.”

Benefits

Productivity and Customer Focus: The Microsoft solution enabled CCE to bring new technologies to everyone in the company, providing them with the information they need, where and when they need it most. Microsoft SharePoint Online has been embraced by employees across the company. Within four weeks of enabling users to create team sites, there were over 800 requests for sites focused on business priorities and customer-facing business teams. Tom Barlow, Vice President of Business Transformation, N.A., said, “From a business transformation perspective, we have a lot of projects underway which focus on revenue generation and cost savings. Through the use of SharePoint, we’re able to educate our team so that they can find information and

establish interdependencies across the different projects. SharePoint allows us to code and manage information so that we can get at very quickly.”

IT Transformation: When Sezer joined the company, the IT Department’s primary functions were managing servers, storage, security, and support of an organization with a complex variety of siloed technology. As part of their IT transformation strategy, the implementation of Microsoft Online enabled CCE to deliver a standard, unified, and secure communications platform for CCE users. The solution hosted by Microsoft alleviates many demands on IT to allow CCE’s team to more closely partner with the business groups who are driving CCE strategy. IT continues to manage strategic control of resources including managing user groups and access.

Companywide Intranet Implementation:

Never before has CCE had a robust intranet for collaboration and hosting of key corporate content. Built on Microsoft Office SharePoint Online, Sapient Consulting and Slalom Consulting assisted in creating a custom intranet and collaboration platform. Sapient created a compelling visual design with a user-based enterprise portal workflow for CCE’s portal. Slalom designed and developed custom SharePoint features in accordance with Microsoft Online development standards and SharePoint best practices, as well as providing guidance to CCE regarding the deployment and configuration options available in SharePoint. John Key, reported, “This project is a great partnership between CCE, Microsoft, Sapient, and Slalom Consulting. Sapient and Slalom took the Microsoft technologies and really customized SharePoint to develop a unique solution which fits CCE’s requirements for our global intranet perfectly.”

The intranet serves as a central location for things like CCE’s self-service HR portal and

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Tim Smith, Chief Information Security Officer,
CCE



provides a communication platform for CCE’s desk-based workers. The CEO has launched active blogs where employees openly comment and interact with company leadership, and CCE has also increased employee engagement and education around corporate responsibility and sustainability through the portal content. Within four weeks of enabling users to create SharePoint Online team sites, there were over 800 requests for sites focused on business priorities and customer-facing business teams. Lauren Sayeski, a member of the Communications Council which drove the project said, “We have a very passionate and committed CEO. He’s a great business leader and a natural communicator. Finding better more relevant ways for him to communicate with the organization was a priority. The ability to integrate video into the intranet and have more of our 72,000 employees experience the CEO, making him more broadly available, was important.”

Through the intranet, CCE employees are eager to be part of the company direction and dialogue. Sayeski said, “There have been some particular areas where we’ve seen that concept of two-way dialogue playing out very well. One is in our corporate responsibility and sustainability efforts where employees are sharing; actively sharing their own ideas and their own solutions within their own facilities about ways they’re generating energy effectiveness.”

Integrated Software for Single Sign on and Security: The software plus services model of Microsoft Online coupled with CCE’s Active Directory and SAP back end gives CCE the ability to leverage roles and responsibilities to target services according to user needs. CCE can now authenticate the right user with the right information at the right time. Smith reported, “I’ve seen Microsoft doing a great job with their investments toward the Microsoft Forefront™ Suite of tools, and

putting forward a more complete set of integrated security features, both in services and in product offerings. To see them grow gives me comfort in dealing with Microsoft that they’re thinking about all the right things in advance of me having to think about those things.”

Increased Effectiveness with Remote Teams: As a global company, CCE workers need to be connected to business leaders at company headquarters and at other facilities. Using Microsoft Office LiveMeeting and Microsoft Roundtable™ saves travel costs and enables this connection

The Road Ahead: In phase II, CCE will be expanding the Microsoft Online footprint to reach an additional 42,000 deskless workers who work in the field or in production or sales/distribution facilities. These employees, who do not have computers but will be enabled in phase II to access the intranet via Microsoft SharePoint through computer workstations at their facilities. Microsoft is co-developing a sales source automation system that will further leverage SharePoint Online and enable local merchandisers to be more efficient in getting the things they need into the outlets and stores. Additionally, CCE will be leveraging the next version of Office Communications Server desktop voice and video for multi-user applications and adding 11,000 BlackBerry users. John Key reports, “There is a large group of about 12,000 individuals who are merchandisers in the stores without any mobile support today. We will be enabling them with BlackBerry devices to connect with their supervisors, and share video and other information in the stores through our sales force automation system. So Microsoft Online will be managing about 15,000 BlackBerry mobile devices for us that have e-mail, calendaring, and so forth. That’s a great service for us to be able to take advantage of.”

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Kevin Flowers, Director of Enabling Technologies for CCE concluded, "John Brock, our CEO, challenged us to identify better ways to connect all of our employees. Microsoft Online addressed those challenges and helped us launch from a legacy infrastructure to a solution which provides better business value to all of our people....There was huge excitement and energy around the CCE partnership with Microsoft throughout the company. This has been one of the best partner projects CCE has experienced, and we have the added value of a longer IT roadmap with Microsoft than if CCE had built solution on-premise. This project has exceeded our expectations from a business and an IT standpoint, showing how well an organization can lay a foundation and transform the way people communicate in a large company."

Microsoft Online Services

Microsoft Online Services is a business-class communications and collaboration software offering delivered as a subscription service, hosted by Microsoft, and sold with partners. These services help make it easier for customers to rapidly and cost-effectively access the most up-to-date technologies, and are designed for rapid deployment to provide customers with streamlined communications, simplified management, and business-class reliability and security.

For IT staff, Microsoft Online Services helps reduce the burden of performing routine IT management tasks such as installation, provisioning, ongoing maintenance, patches, updates, and upgrades, making it possible for them to spend more time on initiatives that move the business forward. These services are backed by strong SLAs and are designed to meet the regulatory compliance and reliability needs of enterprise customers. On a technical level, the services boast the sophistication and reliability that customers expect from Microsoft, which continues to invest heavily in building data centers to support these services.

For more information, visit: www.microsoft.com/online

Software and Services

■ Services

- Microsoft Exchange Online
- Microsoft SharePoint Online

- Microsoft Office Communications Online
- Microsoft Office Live Meeting Online
- Microsoft Consulting Services (MCS)