CONSUMER ELECTRONICS COMPANY

Conserving IT Manpower and Expanding Service

splice™

Major Consumer Electronics Manufacturer Relies on Splice RMS for Network Management Worldwide

In a rapidly-growing company with retail presence worldwide, the IT department of 20 was inundated with business-critical projects and ongoing network management and support—a combination that resulted in nonstop fire drills that constantly derailed the team's efforts to focus on innovative initiatives. The situation was compounded by the company's numerous acquisitions—not only were there new products and employees to integrate, but also new networks and processes. Complexity grew, but the IT department did not. A productive, cost-effective solution was needed—one that ensured reliable network responsiveness but freed the IT staff to focus on inventive, product-related projects.

Addressing Critical Questions

| How can the IT department provide more coverage with the same resources? | How can systems and processes from multiple, acquired companies be unified? | What's the best way to monitor and maintain kiosks in numerous retail locations? |

COMPANY SNAPSHOT

Consumer Electronics Manufacturer

Manufactures and sells branded products and manufactures products that other companies brand and sell

Company Size

$5B in annual revenue

20-person IT department

Solution

Splice RMS | SpliceSolve Plan

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The company's numerous acquisitions resulted in **multiple networks** to support and integrate. Complexity and workload increased but IT headcount did not.

Understanding the Challenge

As a manufacturer of retail products—both branded and for companies who rebrand them—efficient manufacturing, inventory management, and distribution are crucial to its success across the globe. During the past 20 years, the company has acquired a number of companies. While acquisitions created growth opportunities—the company generates $5B in sales annually—each company that was acquired had its own network and processes for managing it. On top of that, the company also has information-based, interactive kiosks in big-box retail stores—customers use the kiosks to determine which product(s) are right for them. In addition to its presence in retailers' stores, the company sells products through its website.

Tackling the Challenge without Expanding the IT Department

Despite the size and complexity of its business, the company's IT staff is capped at 20 employees and the IT budget is less than one percent of the company's total revenue—a percentage that's much lower than average (Figure 1).

Figure 1: IT Budget Allocation as a Percentage of Total Revenue

Company's IT Budget — 1.0%
Typical IT Budget[1] — 5.9%
Total Annual Revenue

[1] Source: Gartner Research
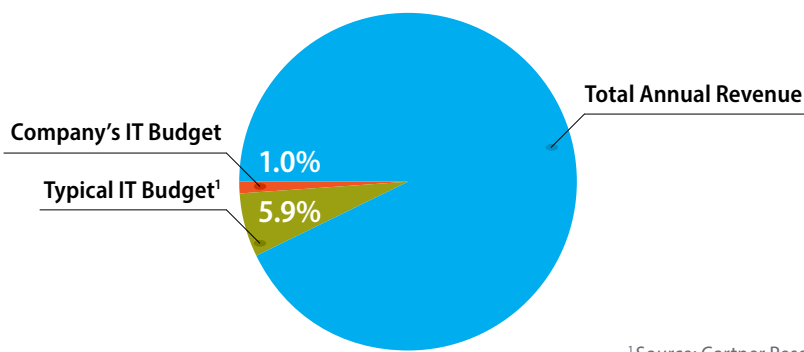
Handling Alerts with Limited Bandwidth

The company was using Solarwinds to monitor its networks. While the software was capable of providing reports and customized alerts, the IT team didn't have the bandwidth to actively analyze and act on the information provided. Each team member juggled product-related projects, network integration for acquired companies, and day-to-day network-related fire drills. When issues arose, the monitoring software sent multiple alerts to each team member. As a result, team members received 50–75 alerts each day, off hours included. With so many incoming messages and so few resources, the team became desensitized to alerts. In addition, alert handling requires a formal assignment and escalation process, along with someone to manage the process and train new team members when turnover occurs.

Assessing the Impact on Revenue

Because the company had acquired other companies, multiple network, order management, and distribution systems were in place. With limited IT resources, system integration was slow and it was impacting the company's ability to fill POs quickly, often leaving millions of dollars of inventory sitting in the pipeline while customers waited for orders to be filled. Without the bandwidth to proactively monitor and manage their networks devices, sales were being impacted. For example, the company's website server exceeded its CPU threshold and was down for 24 hours during a high-volume selling season. Lost sales opportunities were estimated at several hundred thousand.

Consumer Electronics Company Relies on Splice RMS

Numerous aspects of the company's network were **assessed**—from equipment to IT department bandwidth.

Analyzing Expenditures

Network equipment had not been inventoried when companies were acquired, so the company did not have a definitive record of assets, making depreciation and replacement dates difficult to calculate. On average, the company's annual capital expenditure for replacing network equipment was $20M. Network monitoring and management expenses were approximately $1.8M annually, and included dedicated hardware and software for network monitoring plus employee time to manage the system and resolve issues. Based on the company's projected growth, network management expenses were estimated to increase 20% annually. Finally, revenue loss due to network downtime also contributed to the rising costs.

Conducting a Network Assessment

Splice conducted a thorough assessment of the company's network, including equipment, monitoring and management procedures, and IT employee bandwidth (Figure 2).

Figure 2: Network Assessment Results

Criteria	Result
Employee bandwidth	The 20-person IT team did not have the bandwidth to handle it's business-critical projects and proactively monitor and manage the corporate network simultaneously. In fact, network-related tasks—including management, maintenance, and issue escalation—were taking up to 40% of the team's time or 1,408 hours per month.
Network monitoring	The current monitoring system was reactive and was not customized adequately for the company's equipment thresholds, desired alert process, and preferred escalation path.
Monitoring resources	The current monitoring solution did not offer additional resource options for network monitoring tasks—the company was solely responsible for all aspects of network monitoring and management.
Process	No database or reporting functionality was in place to document processes, organize information, and assign tasks—the information resided with individuals instead of the organization.
Network support	The IT group was responsible for all forms of network support. If an issue pertained to carrier service, IT team members were responsible for working directly with the carrier until the performance issue or service outage was resolved. Approximately 3% of the 20-person IT department's time was spent on carrier-related issues for an average of 105 hours per month.
After hours support	No outside resource was available for network support; therefore, the IT team was responsible for network support 24/7.
Equipment management	No system was in place to track network equipment inventory, including make, model, and rotation plan information.

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Remote managed services ensures the company's network gets the attention it demands—**24/7**—so the IT team can focus on critical projects and innovative initiatives.

Moving Forward with Splice Remote Managed Services (RMS)

To improve network performance and reduce the IT team's network management burden, the company chose Splice RMS. Based on the assessment, a specific solution was formulated (Figure 3).

Figure 3: The Splice Solution

Service	Description
Network inventory	Splice deployed network inventory software on the company's network at no charge. As a result, the company now has an accurate inventory of every device on the network, including make, model number, and release number.
Asset management	Splice established and maintains an asset management system for the company. When devices reach their end-of-life, based on their depreciation cycle, Splice notifies the company.
SpliceSolve	The company now uses SpliceSolve, the service plan that includes network monitoring, management, and issue escalation and resolution services. Also included is Splice NOC, the US-based operations center that provides service 24/7.
Reporting	Incidents, response times, and actions are recorded and can be viewed anytime on Splice Network View, the company's personalized portal that archives up to 15 months of data. A series of comprehensive, real-time reports are also available. Customized reports can be sent automatically, per the company's specifications.
Process documentation	Splice documents all processes in a central database. The company can revise or adjust processes at any time.

Summarizing the Results

SpliceSolve succeeded in alleviating the day-to-day burden of network management (Figure 4)—now the company's IT team has more time to focus on other projects. Meanwhile, the real-time notification and reporting system keeps the team abreast of network status at all times.

Figure 4: Results

Item	Result
Employee bandwidth	Within six months of implementing SpliceSolve, the company's IT team had reduced the time they spend on network management and maintenance by 60%, freeing up close to 850 hours per month for key projects.
Network monitoring	Because the alert process and escalation path were customized to meet the company's specific needs, noncritical alerts were reduced by 51%. Critical and failure alerts dropped by 73%.
Network uptime	The company's network now averages 99.76% uptime, including downtime for scheduled maintenance.
Carrier interaction	When issues pertain to carrier service, Splice works directly with the carrier until the performance issue or service outage is resolved. Issue resolution time was reduced by one hour and twelve minutes per incident. In addition, the company's IT team recouped 100 man hours per month.

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Real-time Information

With Splice Network View, the company has a personalized portal where real-time network status information and reports can be accessed any time.

After hours support	The company's IT team no longer has to provide network support after hours—the Splice NOC handles issues and notifies stakeholders.
Equipment expenses	The inventory and asset management system that Splice implemented will reduce equipment expenditures by 12% or $2.4M during the next fiscal year. In addition, SpliceSolve has enabled the company to discontinue their monitoring software license, saving $105,000 per year plus an additional $25,000 for software support.

About Splice RMS

Splice offers a suite of comprehensive enterprise-grade network monitoring and management services that are administered remotely, bringing a level of service that would otherwise be costly to deploy internally.

SPLICE NETWORK SERVICES	SPLICEWATCH	SPLICESOLVE	SPLICEMANAGE
Monitoring (24/7)			
Carrier Management			
Incident Management (24/7)			
Problem Management (24/7)			
Network Administration			

NETWORK SOLUTIONS SIMPLIFIED

RMS	NOC	IT Help Desk	Connectivity	Provisioning	Design

At Splice, our sole focus is network management—we live and breathe it 24/7. From technology trends to carrier-specific strategies, we immerse ourselves in all aspects of communications to keep our customers ahead of the curve.
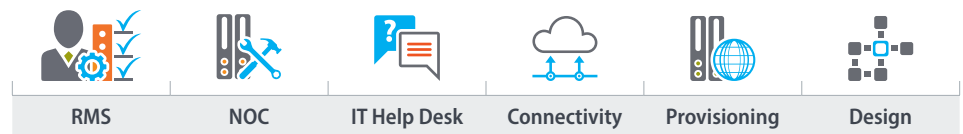
Splice Communications, Inc.
4040 Campbell Avenue, Suite 120
Menlo Park, CA 94025

T 650 577 2304
F 650 577 2311

splicetelecom.com