

# Case Study

## Villares Metals, Brazil Managed Services

Leading Latin American Steel organization, Villares Metals, with help from Siemens Enterprise Communications' OpenScale Managed Services, modernized their communication and data infrastructure network and by doing so cut costs and improved business processes.

### The task

- Villares Metals' existing communications network was over-capacity and in need of an upgrade to create a competitive advantage for Villares Metals across their global markets.
- The strategic data and communications network infrastructure project required a managed services business proposition from Siemens Enterprise Communications to reduce high operating costs and guarantee service availability, efficiency and the mobility of the workforce.

### The solution

- OpenScale Managed Services
- OpenScale Professional Services
- OpenScale Essential
- OpenScale UC Server
- OpenScale Voice
- OpenScale UC Application
- OpenScale Xpressions
- OpenScale Contact Center Enterprise
- Enterasys Matrix N7 Core Switches
- Enterasys C-series Distribution Switches
- Enterasys B-series Access Switches
- Enterasys Netsight Management System.

### The benefits

- Improved service quality and network availability to a dispersed workforce.
- Reduced company cost operating structure.
- Remote management of operations.
- Tangible business benefits of the solution are delivered on a monthly basis through the Service Level Manager (SLM).
- Long-term security of high quality data and communications infrastructure.
- Reassurance that Villares Metals is operating with the highest quality communications network that could not be superseded by competitors.

## Villares Metals Modernizes its Communication with Managed Services

A market-leader in Latin America, Villares Metals has produced high technology steel for more than 60 years. Approximately 35% of its production is exported to Global Markets, including North America, South America and Asia. For both national and international clients, communication has always been an essential tool in Villares Metals' value chain.

Communicating with the right contact at the right time has become even more important for Villares Metals: economic expansion in Latin America in the 1990s brought increased market competition but also increased demand for special high alloy steels; the recent global economic crisis has renewed challenges. In 2005, Villares Metals was acquired by Austrian group Bohler-Uddelholm to become their major steel production for the Americas.

These changes led to overcapacity challenges in Villares Metals' Head Office in Sumare (Sao Paulo) that had to be solved by upgraded data and communication network infrastructure. This led to a partnership being established a partnership with Siemens Enterprise Communications to guarantee service availability and efficiency.

Initially Siemens Enterprise Communications were tasked with re-designing the entire data and communication network with the HiPath 4000 portfolio and Enterasys networking assets, promoting a technological upgrade from 100Mbps to 1Gbp for users.

Subsequently, a new IT and Telecommunications strategic project was designed to sustain the company's business plan over the next five years. In 2009, Villares Metals sought new solutions in and once again opted for Siemens Enterprise Communications to renew the entire communications strategy and increase the service availability and mobility of its workforce. "We conducted a market survey and concluded that Siemens Enterprise Communications would meet all our technology demands," said Furtado. "That is why we decided to enter into a long-term partnership."

"We worked with today's management to prepare for tomorrow's future" said Carlos Rodrigo Pereira, Siemens Enterprise Communications Project Coordinator.

This result was Villares Metals adopting Siemens Enterprise Communications'

OpenScale managed service business model. Adopting the model would ensure a reduction in very high running costs while also bringing in new, innovative approaches for the business that such an agreement allows and that would leverage significant business process and performance improvements.

The entire sales team now work and report in from home offices, connected via their new network, bringing a new approach to management: "Anticipating and having pro-active management instead of only reacting brings significant benefits," adds Furtado.

### Outsourcing Cuts Costs

Much more than simply modernising equipment, the contract through OpenScale Managed Services will bring fundamental change with Siemens Enterprise Communications assuming operation of Villares Metals' data and communication infrastructure and providing improved service quality and network availability. This approach will ensure reduced communication costs as well as improved service provision for Villares Metals.

All of the network and communication services will be monitored by the Siemens Enterprise Communications Network Operations Center (NOC) in Sao Paulo. "This will reduce and optimize the operation as a whole," said Alessandra Rossi, Business Developer at Siemens Enterprise Communications.

Before the start of the strategic project, Siemens Enterprise Communications already monitored the Villares Metals corporate area data network. Now, the industrial area network and new applications will also be monitored by the NOC. "If a switch stops, the entire production also stops," said Rossi. "That is why we work proactively to prevent failures and weakened performance on the network." In addition to infrastructure, all applications, including telephony, collaboration, mobility and the customer service center will also be remotely managed," she adds.

The project planning meetings between Villares Metals and Siemens Enterprise Communications lasted over eight months. "There was a high level of synergy and we were able to reach a good cost agreement," said Furtado. "We then adopted the managed service model", he said.

**"There was a certain level of deficiency in terms of meeting demand and capturing new business opportunities, and we knew that we would have to make a major transformation and that Siemens Enterprise Communications was the right partner for this new project."**

**Jose Antonio Furtado**, Information Technology (AT) and Telecommunications Manager at Villares Metals.



One of the differentials of the OpenScale Managed services is the Service Level Manager (SLM). Through it, Villares Metals receive a monthly report on the infrastructure and application activities, detailing the status of the adopted solutions, network performance and predicted growth to support operations. "The Service Level Manager makes the service provided by Siemens Enterprise Communications tangible," said Rossi.

The project has fundamentally changed communication infrastructure in Villares Metals from a hardware-based architecture to a software-based model. This took place through Service-Oriented architecture (SOA), which simplifies communication service integrations with business applications, and Session Initiation Protocol (SIP), which allows open communication by allowing users to connect any network or terminal application or equipment to the Siemens Enterprise Communications.

The network hardware platform was migrated from the HiPath series to the new OpenScape UC Server software, utilising applications such as OpenScape Voice (telephony), OpenScape UC Application (unified communications), OpenScape Contact Center (customer service center) and OpenScape Xpressions (unified messaging). The data network equipment will all be standardized by the Enterasys secure network solution. Under the service agreement model, Siemens Enterprise Communications is responsible for all software and hardware.

Every user at Villares Metals will receive a softphone, a program that works as a telephone connected to the company's corporate network. It offers sales teams and managers mobility and guarantees important communication links, even when teams are dispersed.

The Unified Message System administers voice messages in WAV audio files that can then be sent to recipients via email, so Villares Metal Professional will miss messages if their phone is busy or they are outside coverage areas.

The Villares Metals strategic communications project will continue even after the 2009 Project is fully implemented, extending with new applications such as MobileConnect. MobileConnect will allow workforce phones that are connected to the corporate wireless network (WLAN) to automatically switch to the cellular phone network as soon as they leave the building –without any need for user intervention. "We are looking into new technologies to deliver to sales professionals," said Furtado. "They all have a Blackberry's with e-mail, so we will use MobileConnect as the wireless extension for them."

**"Working to keep IT running smoothly is an unquestionable priority of my responsibilities. However, the search for innovations and improved services for the business is what makes the difference between operational IT and strategic business partner IT,"**  
concluded Furtado.

#### About Siemens Enterprise Communications

Siemens Enterprise Communications is a premier provider of end-to-end enterprise communications solutions that use open, standards-based architectures to unify communications and business applications for a seamless collaboration experience. This award-winning "Open Communications" approach enables organizations to improve productivity and reduce costs through easy-to-deploy solutions that work within existing IT environments, delivering operational efficiencies. It is the foundation for the company's OpenPath commitment that enables customers to mitigate risk and cost-effectively adopt unified communications. This promise is underwritten through our OpenScale service portfolio, which includes international, managed and outsource capability. Siemens Enterprise Communications is owned by a joint venture of The Gores Group and Siemens AG. The joint venture also encompasses Enterasys Networks, which provides network infrastructure and security systems, delivering a perfect basis for joint communications solutions.

For more information about Siemens Enterprise Communications or Enterasys, please visit [www.siemens-enterprise.com](http://www.siemens-enterprise.com) or [www.enterasys.com](http://www.enterasys.com)

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