



## *Fuji Graphic Systems Canada builds Virtual Private Network using IBM Networking Services*

<b>Challenge</b>	Reduce communication costs while laying foundation for ERP and e-business applications
<b>Solution</b>	Build a Virtual Private Network, featuring Linux technology, to link branch offices via the Internet
<b>Benefit</b>	Communication costs reduced 50 percent while network capacity tripled, enabling future ERP and B2B applications

In mid-2000, Fuji Graphic Systems Canada was abuzz with plans to streamline its distribution operations through the use of ERP and B2B e-business technologies. A leading source of graphics arts and imaging technology in Canada, Fuji would gain a strong competitive advantage by shortening cycle time to fill customer orders. There was just one catch: the company first needed to re-engineer its network to support the new systems. It did, with the help of IBM Networking Services, part of IBM Global Services.

The solution – a Virtual Private Network (VPN) incorporating Linux technology – is now making it easier than ever for employees across the country to share information with Fuji's head office team in Mississauga, Ontario. Among the benefits, the VPN solution has:

- Tripled network capacity and performance while cutting communication costs 50 percent, enabling the online exchange of massive graphic files.
- Enabled the company to save an estimated \$125,000 annually through cost avoidance and reduced network maintenance.
- Most important, it gives Fuji the needed foundation to pursue its vision for the future.

“Previously, our branch offices in Montreal, Vancouver and Calgary were not connected to head office,” explains Malone. “People had to dial up remotely via modem to access our back-office systems. We saw the potential of using a Virtual Private Network (VPN) instead, to

enable us to link everyone together at a much lower cost and to give us the infrastructure we needed to support new e-business and ERP applications. But, we needed an IT partner with the right skills to help us move forward. We chose IBM Networking Services and the support IBM has provided could not have been better, bar none.”

“I would not have always said that about IBM,” he adds. “But the company has evolved into a truly customer-focused organization and it would be very difficult today to find anyone who could surpass the level of support IBM provides.”

### **An easy decision: IBM Networking Services**

Malone had a team of just two people to support its previous network, which featured 10baseT technology running on shared Ethernet hubs. None had prior VPN experience. To fill the skills gap, Malone approached some of the top firms in the field, including General Electric, Accenture, KPMG and IBM. IBM Networking Services got the nod for its ability to deliver all the necessary skills on the spot, for a competitive price.

“IBM best met our requirements for a complete set of skills,” says Malone. “And, for a small premium, IBM provided more resources for the project. We also liked the fact that all were on staff and ready to go, whereas some of the other companies would have had to outsource to get the right skills. It made the decision to go with IBM very easy.”

## **An end-to-end solution**

The IBM Networking Services team handled all major facets of the VPN initiative, including:

- Network consulting/network assessment
- Architecture
- Design
- Implementation
- Network infrastructure

As part of the project, IBM also identified an immediate need to upgrade the network operating system, an older version of Novell software. This platform could not support the TCP/IP protocol required to connect offices together via the Internet. IBM recommended a move to Microsoft BackOffice and negotiated the pricing to make it as cost effective as a Novell upgrade.

In addition, IBM provided a dedicated project manager to keep the project on track and serve as a single point of contact for all questions and issues. An impressed Malone rates the project management and technical support he received as "excellent."

"IBM's support was unfailing," he recalls. "The team did whatever it had to do to make the project a success."

## **A flexible, secure approach**

The rollout began at the Montreal location in April 2001. Here, at Malone's request, the IBM team worked closely with Fuji staff to foster a skills transfer around the operating system conversion. As a result, when the Calgary and Vancouver offices went live in the summer, Fuji was able to handle the conversion process while IBM continued to lead the VPN implementation. Both IBM and Fuji are now working together to complete the final implementation at company headquarters.

Fuji Graphic's top priority in launching the VPN solution was to ensure full security for its 200 users. "Security is job one for Fuji," says Malone. "IBM understood our priorities and scrutinized our network design for potential security exposures. I appreciated the way the team presented a number of alternatives, so we could choose the best approach for our business."

For example, IBM recommended the use of Linux technology to build the firewall solution. This approach lowers the overall cost of ownership by centralizing maintenance and support. It also enables Fuji to prioritize network traffic, so that urgent requests are moved up through the pipeline.

## **A major reduction in IT and related costs**

To date, the project team has implemented the new VPN solution at all three branch offices while simultaneously converting the network operating systems involved. In addition, the team has built a direct link from the Mississauga head office to third party warehouses in Calgary and Vancouver. Orders once sent by fax – and often requiring follow-up phone calls to clarify – now flow directly via the Internet.

The benefits are already clear. Malone estimates the IT savings at approximately \$125,000 annually through cost avoidance and reduced network maintenance. In fact, he anticipates a full payback on the investments made within two years.

## **Other IT and business benefits include:**

- Tripled bandwidth improves network performance while cutting communication costs more than 50 percent
- Information flows 10 times faster resulting in dramatically improved response times
- Faster information flow means shorter turnaround time on customer orders, enabling Fuji customers to hold smaller inventory positions.
- Product quality also improves, since date sensitive products such as film and chemicals move more quickly through the pipeline.

"We can pick and ship the next day," Malone confirms.

## **A solid foundation for the future**

The ultimate benefit, however, is that the IBM VPN solution positions Fuji Graphics to support its planned ERP implementation and introduce new B2B applications to give customers access to company back-end systems.

"We can't foresee how the industry will change over the next five years as everything moves toward digital technologies," reflects Malone. "But the IBM VPN solution gives us the greatest flexibility to address future issues and gain new efficiencies. A year and a half ago we were limited in our options. By Christmas, we will have the architecture in place to be able to do anything we want to do. Through the support of IBM Networking Services, we're strongly positioned to be an industry leader."

## **For more information**

To learn more about IBM Global Services, contact your local IBM sales representative, or visit our web site at [www.can.ibm.com/services](http://www.can.ibm.com/services).



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