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BUSINESS TECHNOLOGY LEADERSHIP

smart **wins**

Seeds of Efficiency

How Swedish agribusiness Lantmännen cultivated a more cost-effective infrastructure **BY CINDY WAXER**

For a \$5.5 billion agricultural cooperative whose 42,000 farmers work cohesively across 19 countries to supply food and farming services, Lantmännen's IT infrastructure was surprisingly unwieldy.

"Because we've been around since the 19th century, our [IT] was decentralized," recalls Dennis Jansson, Lantmännen's chief security officer. "As long as we were decentralized, we had no control over backups, our fixed costs were high and we didn't know when one of our sites had a problem."

Jansson had to cultivate a more manageable environment and opted for a two-pronged approach. First, deploy wide area network (WAN) optimization appliances from Riverbed Technology, then virtualize servers using VMware.

Over two weeks late in 2008, Lantmännen deployed WAN optimization appliances at 90 sites and expects to install them at another 200 locations—mostly production facilities and offices—within the next 18 months. These appliances use caching to minimize the amount of data traversing the company's network and provide local access to applications anywhere in the organization. As a result, Jansson says, WAN optimization has bolstered application performance and reduced bandwidth consumption. So much so, in fact, that plans to install a 10MB fiber optic broadband for the enterprise have proved unnecessary—a savings of \$650,000.

WAN optimization has also helped Lantmännen develop a quick-fire formula for business expansion. In the past, integrating the complex IT infrastructure of a newly procured company, which entails configuring systems for secure data exchange and ordering additional network connections, could take Lantmännen three months. However, by installing WAN optimization boxes on the network, Jansson says he can get a new location up and running in as little as three days.

Another way Lantmännen has eased IT headaches: consolidating servers. To date, more than 1,000 servers have been virtualized across more than 70 locations, with plans to replace thousands more in 350 additional facilities and offices. Lantmännen expects savings in servers, energy consumption, telecommunications and head count to amount to more than \$60 million in five years.

Nevertheless, Jansson says that planting the seeds of an IT overhaul in the minds of Lantmännen's senior executives was a chore. After all, says Mark Tauschek, an Info-Tech Research Group analyst, "Depending on the number of sites a company has, [WAN optimization and virtualization] can be significant undertakings and capital expenditures in today's economy."

Even Jansson admits, "Things were shaky for a while," as the company began overhauling its entire IT infrastructure without any promise of recouping its investment for at least one year. Fortunately, he says, "Lantmännen has a governance model where everyone sits down, introduces a business case to all the IT managers and everyone has a say. And this is the way we wanted to go as a group."

Cindy Waxer is a freelance writer based in Ontario.

how it adds up

Lantmännen
Stockholm

Lantmännen is an agricultural cooperative owned by 42,000 farmers that operates in 19 countries, has 13,000 employees and revenues of \$5.5 billion.

How Lantmännen Saved: By deploying WAN optimization appliances and introducing server virtualization technology, Lantmännen expects savings in servers, energy consumption, telecommunications and head count to amount to over \$60 million over the next five years.

Tools Used: WAN optimization appliances from Riverbed Technology; VMware virtualization software.

Time Frame: Four months spent testing and evaluating hardware solutions. The customization and deployment of the technology was completed in two weeks.

1

KNOW YOUR VENDORS

Rather than leave the vendor selection process up to Lantmännen's procurement department, Jansson adopted a hands-on approach, reading through product handbooks, personally meeting with product managers and developers and measuring a potential application's usefulness against specific business needs.

2

SET DEPLOYMENT TARGETS

Clear priorities guided Lantmännen's WAN optimization and virtualization rollout. Because the company's core business revolves around the production of everything from baked bread to cat food, production facilities dominated the first phase of the project while most office deployments were left for later.

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