

# Videoconferencing enables Electrocomponents, the world's leading distributor of electronic and maintenance products, to increase productivity during global expansion

## industry:

Distribution

## country:

Worldwide

## business challenge:

- As global footprint rapidly expands, increased cost of executive travel needed for collaboration
- Lack of real-time access to newly hired expertise in support offices in remote areas
- The need to increase inter-office collaboration, yet reduce carbon footprint
- Required a single mechanism for increasing productivity and reducing cost without impacting global expansion

## solution:

Roll-out of an easy-to-use, intuitive, global, multipoint videoconferencing solution able to deliver a reliable, consistent, high-quality service with minimal downtime and, therefore, encourage high levels of adoption.

## services:

Professional, consulting and managed services

## results:

- Seventeen locations around the world equipped with videoconferencing technology
- Increased levels of inter-office collaboration
- Increased productivity as a consequence of collaboration
- Increased productivity as a consequence of reduced executive travel time
- Reduction in executive travel costs
- Access to remote expertise
- Videoconferencing enables the use of cross-geography teams, working groups and projects, enhances remote team and functional management, boosts knowledge-sharing, and orientates operations around expertise rather than proximity.

## Executive Summary

Electrocomponents had embarked on a globalisation strategy that was increasing its market share, particularly in Asia and China. However, opening new offices and employing new staff members on a regular basis meant that effective management of the organisation became dependent on executive travel. This was causing operational costs to rise and enlarging the company's carbon footprint. On the plus side, Electrocomponents was continuously acquiring new expertise. However, lack of real-time, face-to-face communication limited the company's ability to utilise this expertise. **The need for more effective collaboration across all its locations became a pressing requirement.** As did the need to rapidly acclimatise new employees to the organisation's culture and train them in its products and services. **Having worked with Dimension Data on the rationalisation and integration of its wide area network (WAN), Electrocomponents chose the organisation to deploy videoconferencing at 17 of its international locations. Dimension Data also provides a break-fix service and its Uptime service, for non-incident related videoconferencing issues.**

## Client Overview

Through its brands of RS Components and Allied Electronics, UK-based Electrocomponents is the world's leading high-service distributor of electronics and maintenance products. Listed on the London Stock Exchange, it operates through 26 companies in 32 countries and has distributors in another 37 countries. It distributes over 500,000 products to more than one million customers globally. With its broad range and high stock availability, the business is able to offer fast, easy ordering and same-day despatch. It has a reputation for shipping accuracy. Following a strategic decision to globalise the company further, more than 70% of its revenues is now generated in international markets, up from 40% in 2000. Over the past five years, Electrocomponents' international business has achieved average annual sales growth at around double the rate of the average annual global GDP growth. Of its total revenue, 54% is generated through e-commerce via facilities such as local currency and local language websites. The company has a leading market position in Asia-Pacific where, in spite of the diversity of cultures and geographies, Electrocomponents is able to offer same-day despatch to customers in 12 countries. Close collaboration among its offices is vital to maintaining the company's competitive edge.

## Business Challenge

Electrocomponents began to extend its international market reach. It opened new offices, distribution centres, production packaging facilities, and warehouses in both its traditional markets such as the UK, Europe, and the US, and in entirely new territories in the Far East, Eastern Europe,

“Although we already had an established and very productive relationship with Dimension Data, we still sent out a request for proposals for the videoconferencing platform,” says Rob Sayer, Technical Architect at Electrocomponents. **“It’s always worthwhile to see what the market has to offer – and there were certainly options that were cheaper than Dimension Data.”**

“However, we weren’t convinced that the other providers could do the job as quickly and as well as **we knew from experience Dimension Data could. Their service levels are exceptional.** They’d proven that they not only **understood our business strategy**, but could **also contribute ways to support and enhance it.**”

and Africa. The need to maintain its corporate culture of speed and efficiency across an ever-expanding employee base in widely diverse geographies therefore became more urgent.

The organisation’s exceptional range of products, coupled with its ability to process and distribute small orders on the same day, is a differentiator not only for Electrocomponents but also for its strategic suppliers. These suppliers gain access to a diverse global customer base, increasing the exposure of their products and brands. Most suppliers would, for example, find it too difficult and costly to fulfil the small order and immediate dispatch needs of electronics and maintenance engineers. Electrocomponents solves that problem for them.

By the same token, Electrocomponents’ own ability to stay abreast of industry trends and maintain high standards of product availability is dependent on close, immediate interaction – including forecast sharing – with its suppliers.

In an operational environment so dependent on the sharing of knowledge, the ability to collaborate became the key to Electrocomponents’ continued growth. Executive travel was stepped up, but became increasingly costly and expanded Electrocomponents’ carbon footprint. Productivity was suffering as a result of time lost to executive travel. Although the company was continuously acquiring new expertise as it opened new offices, it had no easy or structured way to tap into it.

It was clear that the company needed a new way of working. Operations needed to be orientated around

knowledge-sharing and expertise rather than proximity. Better remote team and functional management was required. Cross-geography teams, working groups, and projects had to become the norm.

### The Way Forward

Videoconferencing solved all the collaboration and productivity challenges triggered by Electrocomponents’ rapid and extremely successful globalisation strategy.

### Solution Delivered

In a proof-of-concept project, Dimension Data deployed videoconferencing infrastructure and end-points at Electrocomponents’ head office in the UK and its subsidiary in Hong Kong. The success of the project led to Dimension Data implementing videoconferencing facilities at 17 Electrocomponents’ sites around the world. These included Spain, South Africa, the Benelux countries, Denmark, Austria, Germany, Italy, France, Singapore, China, Australia, Japan and the US.

In support of Electrocomponents’ video estate, Dimension Data provides an ongoing break-fix service, as well as its Uptime service, which both pre-empt disruptions to videoconferencing availability and ensures a swift, holistic response to reported incidents. It involves request registration and management, escalation management, facilitation of support services and service restoration, service request closure confirmation and communication management.

The videoconferencing technologies deployed by Dimension Data for

Electrocomponents included Cisco C40 and C60 high-definition meeting room videoconferencing systems; Cisco TelePresence Management Suite, which provides visibility and centralised control of a videoconferencing network; Cisco’s multipoint bridging unit, which enables multiple participants to be brought into a videoconference; Cisco’s Video Communication Server, which simplifies session management and control of videoconferences; Cisco’s Video Communication Server Expressway, which enables seamless videoconferencing outside the enterprise; and Cisco’s Content Server, which enables recording of videoconferences for live or on-demand access.

“Because Electrocomponents had revamped its WAN and opted for our managed services, it already had a situation in which everyone in the business was connected via the phone and online, and every aspect of the network was accurately, reliably and consistently covered 24x7 in their global operations,”

says Dimension Data Account Manager for Electrocomponents, Ian Kempself.

“It didn’t take long, therefore, for the idea to catch on of going beyond voice and data to video. The fact that Electrocomponents opted for a high-quality videoconferencing estate that’s easy to use and performs to exceptional standards meant that usage of videoconferencing became entrenched very quickly, particularly among C-level executives.”

“Also, during the revamp of

Electrocomponents' WAN, we were able to bring down the cost of bandwidth and reassign it more logically, through more effective management and switching of bandwidth providers where it made sense to do so."

"For instance, we've been able to increase bandwidth in under-serviced or far-flung areas, making collaboration with those offices more attractive. And, the network has been able to easily accommodate the steep increase in usage since videoconferencing was deployed."

Dimension Data has a dedicated Service Manager who is in Electrocomponents' offices at least three days of the week.

"So, we hear about intended changes to the business at the same time as their IT and service delivery teams," Kempell says. "We are also able to ensure a five-minute response time to any changes forwarded to us.

"This has meant that, even in Asia, where Electrocomponents is expanding very quickly and which has some significant infrastructure challenges in the more remote areas, we've been able to establish bandwidth availability within deadline – and then increase it on demand to accommodate requirements for videoconferencing."

"Dimension Data is very good at looking at what we need and then finding innovative solutions," says Electrocomponents' Head of Global Service Delivery, Duncan Lickorish. "It's able to do that in part because the team has taken the trouble to understand our business. So the solutions they design and implement are directly relevant to what we're trying to do."

Electrocomponents Head of Global IS Sourcing, Mark Elkington, says that Dimension Data's granular reporting has enabled Electrocomponents to see immediately what it's paying for and whether the costs are within contract or service level agreements.

"By comparison with other industry players, the level to which Dimension Data takes reporting detail is unusual and it has direct positive impacts on,

for instance, management of service level agreements. We can very precisely measure the value of trying to maintain our video estate on our own, or tapping into the economies of scale and global experience that Dimension Data offers through its managed services."

### Services Provided

Dimension Data's extensive experience of videoconferencing and telepresence implementations meant that it was able to design and deploy the Electrocomponents' videoconferencing estate with precision and high relevance to the company's specific needs. Also, Dimension Data has the highest Cisco certification and a long-standing relationship with the vendor. This enabled Dimension Data to provide Electrocomponents with sound advice regarding product roadmaps, ensuring that Electrocomponents' video conferencing estate will continue to deliver the desired results well into the future.

### Value Derived

Electrocomponents now has the means to maintain its expansion into new markets through proactive collaboration among its international offices. It also has the ability to tap into local expertise in those offices to the operational advantage of the organisation as a whole. Executive travel has been reduced. However, an unexpected and more important outcome has been increased executive productivity through reduced travel time.

Crucially, Electrocomponents' new videoconferencing estate is enabling the company to refine its operational ethos to focus more on knowledge-sharing and expertise. The astute use of cross-geography teams and projects has also positioned Electrocomponents to make more effective use of remote teams and functionality.

### Differentiators

"We're an exceptional organisation in that our deep technical capabilities and intellectual capital come standard with deep industry relationships, not just with vendors, but also with our clients," Kempell says. "Therefore, what we deliver is not a technology solution. It's a flexible business solution founded on a consistency of input and quality on which the client can rely implicitly. It's also founded on innovation where it makes a profound, relevant, practical difference."

"Our choice of Dimension Data has been vindicated, because the videoconferencing estate is always fully booked, it's virtually trouble-free, and we have considerable pressure from the business to expand it."



Electrocomponents plc