



Case Study

innovaphone AG - PURE IP-TELEPHONY

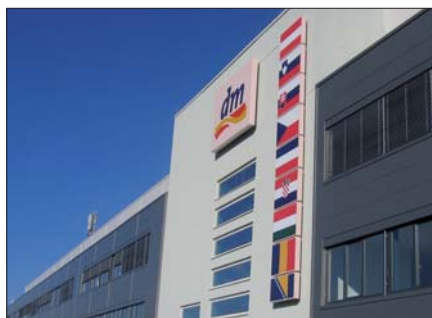
:: VoIP PBX Installation at dm drogerie markt Austria ::

dm drogerie markt Austria

The health and beauty retail chain store, dm drogerie markt has a German language advertising slogan “Hier bin ich Mensch, hier kauf ich ein”, which can be roughly translated as “Here I am Man, this is where I shop” which is similar to a quotation by Goethe and a catchy phrase in German focusing on the main issues behind dm drogerie markt’s success: people – those people who work at dm, but also those who shop at dm. An extensive product range in highest quality; competent, friendly advice and very good reachability – that is what sets the stores spready across Austria apart. Behind closed doors, state-of-the-art data processing systems and clever logistics concepts ensure smooth cooperation with partners and suppliers. State-of-the-art technology has recently been introduced for telephony: the introduction of an innovaphone PBX heralded the Voice over IP era for dm Austria.

Reachability as a principle at dm. Central location is an important part of the location policy and is one of the small yet important details which make the shopping experience at dm so pleasant. New branch stores are only inaugurated at prime locations, such as inner city or in shopping centres and retail parks. Existing stores undergo regular improvements and upgrading. Stores sometimes relocate if a new location becomes available.

This kind of location concept requires flexible technical solutions – a requirement which the old telephone systems were more and more unable to fulfil. Currently there are 354 dm stores in Austria, the



dm headquarters in Salzburg

majority are fitted with their own telephone systems. More or less all these systems were from one manufacturer, however over the years a wide array of different telephone system models of different ages were deployed. The oldest telephone system was 18 years old at the beginning of the project.

Remote servicing is a matter of course with modern telephone systems, would however have meant extremely high investment for many of the old systems. “Remote” servicing of the old systems would have been possible, however the IT department would still have been dependent on the manufacturer’s customer services for this as well as for connecting new features or setting up new extension numbers. In the past this has meant unacceptable implementation timeframes. Too long, based on today’s standards.

The relocation of company headquarters got the ball rolling for migration. The central telephone system was changed over to IP technology three years ago. In view of the positive experiences with the new



technology, the decision was made to gradually refit the branch stores. Predominately economic and organisational considerations led to this decision.

The IT department at dm is centralized, as is the case in many branch enterprises. As each store does not have its own IT personnel, all ITC systems must be serviced remotely. However, despite this being common practice for computer systems, it soon became visible that it would not be possible or hardly possible to implement this using the majority of the existing telephone systems. A third of all telephone systems would have had to be updated, involving immense costs. For one in ten systems could not even have been updated– they were simply too old. Therefore new solution possibilities had to be investigated.

The market was roughly sounded out and systems from three VoIP equipment providers were put to the test. Two manufacturers, including innovaphone were short-listed. The Sindelfingen based IP telephony specialist was convincing and won the migration project deal. A great





dm branch store in St. Georgen

success also for the system vendor Datentechnik, conducting the migration. The wide array of feature possibilities and the very high flexibility led dm to be convinced they had chosen the product with the best price-performance ratio.

Several factors were responsible for the decision: Firstly, the possibility of gradually changing the stores over to IP. Furthermore, management at dm realised this system concept would enable the organisational flexibility they were striving to achieve. Remote servicing with highest possible system manufacturer independence carried weight in the decision. The fact that the system is future-safe as it is consistently based on open standards H.323 and SIP also had a positive effect.

The sturdy and compact construction was well liked by dm. The fact that the innovaphone PBX has no moving parts was valued positively. innovaphone also gained points due to straight-forward handling of the devices. Operating both the telephones and the PBX itself were seen to be well-thought-out and "self-explanatory". Technicians from Datentechnik were always available for special questions. Even intricate details were appreciated such as the status light in the gateways. This enables the internal IT specialists to check whether the ISDN line is active should employees in the stores have problems.

The first dm branch store was equipped by innovaphone in April 2008. To date about 50 branch stores have migrated to VoIP systems. The roll-out plan takes practicalities into consideration. New system installation takes place whenever other work is already planned in a store, either for a new opening or renovations. The plan is to carry out the entire branch network migration to VoIP gradually over a time frame of two to three years – a process which is not unusual for branch enterprises.

A technically mature location concept simplifies this "smooth migration". It allocates a master PBX in every configuration. Each subscriber and location is known there. Should a subscriber be called from a location other than his own where he is configured, then the local PBX passes the call on to the central PBX. The call is then forwarded to the intended subscriber - either directly or over another branch. The master function of the central PBX also automatically became a backup version for the local PBX. The central PBX can immediately take over the local PBX's work should the local PBX happen to fail, yet the IP connection to the main office remains intact.

During the starting phase the locally installed VoIP systems (model IP302) were operated as stand-alone PBXs. Once this phase was completed, dm implemented a location concept. An IP800 serves as the Master PBX in Company headquarters. The extensions were set up on the master PBX, which are replicated to the slave systems in the stores. This would simplify system administration even if the systems should continue to be operated as stand-alone systems. At the same time it would also enable a back-up scenario which would secure the functionality of the individual telephones in the branch stores even if the branch PBX should fail.

The actual installation in the stores is very simple. The system and the telephones are already pre-configured at head office. The branch stores have structured LAN wiring. Therefore the system and the telephones just need to be connected in the store for immediate use. Additional work such as splitting cables is not necessary, in contrast to traditional telephony.

Inter-connecting the branch stores takes place over a DSL line, which is also used for other applications such as the point of sales system. The connection to the master PBX and remote servicing both take place over this line. Telephony in the stores still takes place over traditional ISDN. Managers at dm are of the opinion that it will make sense at a later point in time to extend to a complete VoIP solution.



dm - „Here I am Man, this is where I shop“

The new systems run smoothly, small problems with firmware were quickly overcome by Datentechnik and innovaphone. Very good feedback concerning the new systems has been heard from the stores, not least due to the fact that the help desk can now react quickly to their requests. Otherwise, the devices are very inconspicuous, a good sign concerning IT. However, should problems occur, they have a service agreement with Datentechnik, who provides service technicians to repair the system - always well within the times stated in the service level agreement.



Unlimited choice

Thomas Roittner, the Managing Director responsible for IT, took positive stock of the situation. "Flexibility is a major part of the success strategy of a dynamic company like dm drogerie markt. Using modern technologies demonstrates our basic provision for and use of new possibilities."

Roittner continues, "Initial results show that we have made the right decision. The systems are being deployed by internal IT employees themselves. These employees are always on-site before a new branch is opened. This means less expenditure for service technicians."

Feedback from the stores and from the hairdresser and cosmetic salons also shows high satisfaction among employees. Top grades also go to Datentechnik and innovaphone for project handling, "Collaboration is very open and cooperative. Technical support as well as the handling of business detail questions are excellent."