

A Mass Retailer Reduces Distances and Improves Collaboration Thanks to Telepresence

Case Study



Penny Market, one of the leading supermarket chains, has adopted a Cisco TelePresence solution to ensure collaboration between its main office and local branches and reduce travel costs.

SUMMARY

Company: Penny Market Italy

Industry: Mass Retail

Location: Italy

Employees: 2.500

Challenge

- Provide affordable videoconferencing solutions
- Achieve the goal of "Fewer trips, bigger advantages"
- Across-the-board communication
- Voice, video and data on a single network

Solution

- Cisco TelePresence System Codec C40
- Cisco TelePresence SX20 Quick Set

Results

- More than 600,000 KM saved in just 6 months
- Used extensively at all levels of the company thanks to its simplicity of use
- More efficient communication and improved collaboration
- Also used effectively for training and recruiting

Challenge

Penny Market, part of the REWE Group, is one of the best-known discount grocery chains in Italy and one of the most important mass retailers in the world, with over 2,800 stores throughout Europe. The brand entered the Italian market in 1994 with the objective of developing the discount grocery store nationally by focusing on features such as variety of goods, product quality and brand reliability, in order to dispel the stereotypical notion that prices are the only factor which attract consumers to this segment of the supermarket sector. Since it was founded, Penny Market has consolidated its Italian presence over almost the entire country and now has 310 outlets in 17 regions served by 6 distribution centers, bona fide logistical platforms located in Piedmont, Lombardy, Tuscany and Puglia, with a total of over 2,800 employees. These numbers are destined to increase, given the positive trend in turnover, which is higher per point of sale than the category average.

Penny Market's priority objectives include completing its expansion until it has covered the entire national territory and stabilizing its position as a leader in the sector. Not by chance, 2012 saw the company continuing to develop its business activity in Sicily, a region on which the company is concentrating its growth efforts. However, such a widespread presence has generated the need to maintain a high level of collaboration between offices and departments by creating a single working environment that can overcome the distance between center and periphery through innovation and into which new offices can be easily integrated.

It is not a coincidence that Penny Market decided more than ten years ago to adopt a Cisco system of unified communications and collaboration over an IP network, thereby enabling all its remote branches to maintain high levels of integration with the central office, as well as greatly reducing the costs of communication and management. The next step was the decision to invest in a video communications system, because providing the opportunity for all departments to experience the revolutionary advantages of high-resolution video communication would make staff travel between the various offices superfluous, thereby reducing travel costs and increasing collaboration between

colleagues, not to mention lowering the company's environmental impact by reducing CO2 emissions. Penny Market has equipped its offices with a Cisco TelePresence solution and fully achieved its goals.



“We use Telepresence every day, for meetings between colleagues and training courses, it is a tool that enables us to act more quickly, get to know people better, as if they were actually on the other side of the desk, and we can transmit business documents faster. Trips have been reduced and we save a lot of time compared to before.”

Sandro Bambi,
Executive Sales Manager
Penny Market

Solution

The primary consideration determining Penny Market's choice was the need to guarantee access to quality interactions between its head office and branches while cutting travel and utilization costs, without the video component overburdening the network and compromising the performance of voice and data communications. *“We wanted a high quality video communications solution that would stimulate our colleagues to use it as much as possible,”* explained **Marco Ruffinoni**, Penny Market's ICT Manager. *“Focusing on setting up customized high resolution video rooms was potentially a decisive factor, because it was the only way we could get across the idea that seeing each other on video is an extremely effective form of virtual contact from a communicative point of view.”*

Penny Market installed a complete Cisco TelePresence solution, which included remodeling the rooms that would be used for remote meetings so they could accommodate the necessary equipment. *“The continuing expansion of Penny Market throughout the country and the resulting increase in the distance between our offices, together with a growing need to meet more often in order to share knowledge and carry out joint projects, confirmed this requirement,”* added Ruffinoni. The project also included upgrading the IP network to ensure adequate performance without sacrificing reliability of services. *“A high-performing, reliable network capable of adequately transmitting video communications was an indispensable step towards achieving our territorial expansion goals.”*

A further element which made the difference in the assessment phase was the ease of operation of the new system, for two reasons. *“On one hand, it was essential to provide employees with an easy-to-manage solution,”* said **Mirko De Dominicis**, Penny Market Telecommunications and Security Manager as well as Project Manager for the Telepresence project. *“If users don't experience the technology as user-friendly, the project has failed, even if the company has adopted the best solution available on the market and made a substantial investment.”*

An equally important consideration was to avoid impinging on the activity of the Information Systems team, whose managers take their place more and more frequently at company decision-making tables because of the importance of ICT support for business. *“We evaluated the project bearing in mind the fact that we did not have IT support people in the outlying offices. We could not afford greater complexity, so maximum ease of use was a decisive factor.”* In consequence, a comprehensive training program and a company intranet site containing all the relevant reference manuals provided employees with the support they needed during deployment and activation of the new communications system.

The solution chosen by Penny Market included setting up 10 Conference Rooms, installing Cisco TelePresence SX20 Quick Set and Cisco TelePresence System Codec C40 models in the outlying offices and the TelePresence Management Suite (TMS), which provides visibility and centralized control of the remote systems, at company headquarters, as well as a Multipoint Control Unit (MCU) which performs control functions for the Telepresence system and enables 12 sessions of high-definition videoconferencing to be transmitted simultaneously, plus two devices for managing the call control functions of the Cisco Video Communication Server (VCS), which has firewall traversal capability, and a VCS Expressway. The latter serves a bridging function when the networks of other companies employ systems supplied by different vendors. *“This feature allows us to hold videoconferences not just between our own offices, but with other organizations using similar solutions as well,”* said De Dominicis.



As regards the goal of unifying collaboration within the company, the integration of the Video Communication Server with the existing Cisco Contact Center and Unified Communications (CallManager) systems for VoIP control and management has made it possible to route all communications – data, voice and video – through a single IP network designed to enable employees to collaborate better and be more productive, wherever they are. *“The existing telephone system uses phone numbers to specify who to call. This feature has been extended to the video system, so that all video and telephone endpoints can communicate with each other through a unified network,”* said De Dominicis.

Results

The Telepresence infrastructure has been operative since June 2012, and the slogan used to publicize the initiative inside the company, *“Fewer trips, bigger advantages,”* says a lot about the across-the-board enthusiasm with which it has been received. And the numbers speak for themselves. *“We have already held 500 meetings in the six months since it was installed, saving more than 600,000 kilometers,”* said De Dominicis. The savings in travel and vehicle costs are easily quantifiable, but now that employees no longer need to travel but can meet and collaborate remotely, the value of the time saved and the effects on their quality of life are incalculable. As projected during the pilot phase, the ease of use has totally convinced the staff of Penny Market. *“Considering the end user part of the project was what made it a winner,”* said De Dominicis. *“It is so simple to use. When users have booked a room they find the system already activated with their colleagues waiting on the other end. They don’t even need to use the remote control unit, except to increase the volume or move the cameras.”*

And positive feedback was not long in coming. *“We use Telepresence every day, for meetings between colleagues, official meetings and training courses,”* says **Sandro Bambi**, Executive Sales Manager. *“It is a tool that enables us to act more quickly, get to know people better, as if they were actually on the other side of the desk, and we can transmit business documents faster. Trips have been reduced and we save a lot of time compared to before, not to mention the positive effects on the organization of our daily work. We are now very curious about further possibilities Telepresence can offer us. And we realize that this new work tool has allowed us to open a little window onto the world.”*

This high approval rating has led to its use, and its benefits, being extended to all departments, with unexpected consequences. *“Its initial and most obvious use for meetings was soon followed by using it for training sessions,”* said **Lorenzo Merlini Manzoni**, Human Resources Manager. Telepresence has even won the challenge in the field of remote recruiting, a function that was thoroughly tested during the pilot phase, when the heads of various departments were directly involved so they could personally evaluate the effectiveness of the system and overcome any skepticism about video communication, which when the visual quality is high provides a credible alternative to face-to-face meetings. *“The system is very effective for remote selection of personnel and for employee assessment, with added value in terms of the employer brand that goes beyond the savings in travel costs. The processes of company induction for new recruits can be standardized and carried out simultaneously, at all locations and at regular intervals.”* Merlini Manzoni also noted the ease with which the staff has become familiar with the new system. *“The quality and the simplicity of use have enabled users to appreciate its potential from the moment they took part in the first tests, reducing the time needed between explanation and application to a few days. In a couple of weeks, all users, not just the key users, demonstrated absolute confidence and command of the solution, which highlights the fundamental importance of technological quality and extreme simplicity of use for this type of tool.”*



For More Information

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