

WAN optimisation savings for Nordics agro group

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Lantmännen cuts costs, reaps benefits with Consolidation

Lantmännen, one of the largest food, energy and agricultural groups in the Nordics, claims to be on course to cut \$6.5 million from its overall IT infrastructure costs in one year, after it started to deploy WAN optimisation technology from Riverbed Technology.

The organisation is part way through a comprehensive and strategic mandate to drive cost savings through consolidation of its servers into a virtualised VMware environment and only two data centres.

By combining Riverbed WAN optimisation with VMware technologies, Lantmännen believes it will be able to simplify server management through virtualisation, and at the same time accelerate the replication, recovery and rollout of servers.

It is using application acceleration technology to deliver LAN-like performance to all users, and eliminate latency and bandwidth issues.

Dennis Jansson, Chief Security Officer at Lantmännen who headed up the change programme, told us that the potential for cost savings was a big driver behind the WAN optimisation scheme, but the deployment was also providing other business benefits.

“Being able to run production systems on the Riverbed boxes is a huge benefit,” he claimed. He explained it is possible to install third-party applications onto the appliances, local instances of Active Directory, printer drivers and so on. It is also possible to install Windows Server onto the appliance, which provides business continuity and disaster recovery.

Application performance at the edge of the network is now critical to the success of most companies, providing the basis for improved productivity and better usability.

Products like Riverbed’s Steelhead appliances improve application performance, enable collaboration, and accelerate the transfer of files over wide area networks. Its appliance competes in the market against similar from the likes of Juniper, Cisco, F5 and BlueCoat.

Use of WAN optimisation technology at Lantmännen has meant it has been able to make 85% savings on its broadband pipes. Originally, Lantmännen had planned to install 10Mb fibre across its organisation, but Jansson said it has been able to defer the intended upgrade and avoid costs.

Lantmännen plans to deploy Riverbed WAN optimisation appliances at 85 sites in 2009 and within 18 months expects to have deployed the system across 200 to 400 further sites.

“When we first made an assessment of the situation, we found that each server we had on site was costing up to \$500 a month, and across 550 sites we estimated we had between 2,700 and 4,000 servers.”

Jansson also said, “We will consolidate over 1,700 servers, replacing them with Riverbed appliances in the process. And the plan is to replace thousands more servers in 350 additional branch locations with Riverbed appliances.” Lantmännen is owned by 42,000 Swedish farmers and has 13,000 employees operating in 19 countries. With more than 400 locations worldwide, Sweden is the base of operations to one of the largest global agricultural conglomerates and one that spans from farmland to table.

The business has projected that over 5 years the savings in servers, energy consumption, telecommunications and headcount will be over \$60 million.

Jansson explained that the agricultural industries produce 25% of all carbon dioxide emissions, and that carbon reduction had become an important part of the company’s code of conduct.

It expects to be able to reduced energy consumption and carbon dioxide emissions by 23 million kilos over 5 years, as part of its initiative.