



# Case Study

Akzo Nobel reduces IT costs by 30 percent thanks to IGEL's thin clients.

In order for Akzo Nobel, serving customers throughout the world with healthcare products, coatings and chemicals, to always be able to offer their clients the best products and services, they need to be on the forefront of technological development but also minimize costs for their operations.

Business Solutions from  
IGEL Technology





# The Akzo Nobel challenge leading up to a thin client strategy.

In the year of 2000, the IT department at Akzo Nobel Surface Chemistry, was about to change the technological focus. IT manager Hans Cronander's challenge was to offer the 1000 users, who were located at three different sites both in offices and factories, a secure, stable and efficient IT infrastructure while ensuring costs were kept to a minimum. The company had a server based philosophy with a central administration based on Novell Netware. There was a central decision as part of the new strategy to migrate to Windows 2000. Considering this change Hans Cronander started to analyze other parts of the IT operations as well in order to get the most optimized environment. He remembered a contact at Citrix presenting a server based solution for data management involving thin clients as user strategy.

## The customer

- Akzo Nobel is a Global Fortune 500 company and employs around 61.500 people in four segments – human and animal health, coating and chemicals
- Consolidated revenues for 2005 totaled EUR 13,0 billion
- Akzo Nobel is subdivided into 13 business units with operating subsidiaries in more than 80 headquarters
- The Swedish company has about 4.000 employees at their three sites

“When evaluating a solution where we would migrate from a PC based solution to a thin client solution I discovered we could make actual savings of about 30 percent of the costs for the IT department. The hardware would be slightly more costly but there would be huge savings in less support issues. When presenting the new solution to the president he asked me why I hadn't implemented the solution earlier. We started the purchasing and evaluation project immediately in order to find the right supplier for the Akzo Nobel environment”, says Hans Cronander IT manager at Akzo Nobel.

## The challenge

- Implementation of a stable and efficient IT infrastructure for 1.000 users while ensuring costs were kept to a minimum
- Main task to move the 150 business critical applications to the terminal server environment

## Akzo Nobel Surface Chemistry to choose IGEL technologies

Since Akzo Nobel had been in contact with Compaq and HP the first test involved a solution with 10 Compaq Windows CE units. Five was evaluated by the Paris team and the other five by the team in Stenungsund, Sweden. The tests were not quite satisfactory regarding performance and a decision to extend the test to include 10 vendors was taken. Akzo Nobel decided the most important criteria for them were performance, price and usability. After the first evaluation four suppliers were still in the process; HP, IBM, Wyse and IGEL. In the next round business critical applications were to be evaluated. The IT consultant Infrasytem was present in the evaluation process in order to give a second opinion. Finally the two companies decided there were two equal finalists for their specific needs in the middle category of thin client; HP and IGEL. The client models were set up in a test lab and a selection of applications were tested. This final test was won by IGEL.



### The solution

- IGEL thin clients with remote management software with no extra license costs
- Expectation to lower costs for the IT department has been fulfilled
- From the year 2000 to 2003 the IT-budget has been decreased by 5-10 percent per year although the business itself has grown in the same period

### Easy client management learnt by end user in less than three hours

The main reasons behind Akzo Nobel Surface Chemistry's decision to choose IGEL was the remote management software which is included in the offer with no extra license costs, the fact that IGEL owns their own software code and are open to development suggestions offered by their clients, the Linux kernel, the close relationship with Citrix and finally that the user interface in the client management application was so easy to use that end users could learn it in less than three hours.

### Implementation

At the time of the decision the IT department serviced more than 1000 users located at three different sites in the factories in Stenungsund, Sundsvall and Örnsköldsvik. Five of those users were graphic users in need of heavy equipment and weren't effected by the change. 150 users needed laptops and were not in need of thin clients, hence about 800 users were about to get new clients. The main task in the migration was to move the 150 business critical applications to the terminal server environment. The operation went quick and smooth.

### Results – 30 percent lower costs

The expectation to lower costs for the IT department has been fulfilled, and Hans Cronander has managed to break the trend of increasing budgets for the expanding operations. From the year 2000 to 2003 the budget has been decreased by 5-10 percent per year although the business itself has grown in the same period.

There are many reasons for the decreased costs although the main reason is less support issues: "We counted on saving costs in decreased support. This is true especially when evaluating the situation in the factories. The users easily adapts to the new technology and dare to use the new terminals", says Hans Cronander.

Other savings constituting the total ROI for the solutions are for example the longer life cycles between a PC and a thin client. A PC in a factory is on 24/7 and work 3 years in one year compared to a PC in a normal office. A normal PC is depreciated in 3 years in an office but only 1-2 years in a factory. The thin client can handle 3 real factory years, representing a huge difference in length of product life cycle. The longer lifecycles are true both for hardware and software and represent lower costs. The existing PC park that is not yet phased out can get temporary IGEL client which will give them a second life. This increases the ROI on the former solution as well and will make the migration optimal.

### About Akzo Nobel

Akzo Nobel is based in the Netherlands. They serve customers throughout the world with healthcare products, coatings and chemicals.

Consolidated revenues for 2004 totaled EUR 12.9 billion. The company currently employs around 62,000 people in more than 80 countries. The Swedish company has about 4000 employees at their three sites.

## Germany (HQ)

IGEL Technology GmbH  
Schlachte 39/40  
28195 Bremen  
Germany  
Tel +49 (0) 421 1769 240  
Fax +49 (0) 421 1769 302

## United Kingdom

IGEL Technology Ltd  
1210 Parkview  
Arlington Business Park  
Theale · Reading · Berkshire  
RG7 4TY · UK  
Tel +44 (0) 870 351 4522  
Fax +44 (0) 870 351 4523

## United States

IGEL Technology Inc.  
5353 NW 35th Avenue  
Fort Lauderdale  
FL 33309 · USA  
Tel +1 954 739 9990  
Fax +1 954 739 9991  
Toll Free (US only): +1 877 GET  
IGEL

## Singapore

IGEL Technology  
Care of: C. Melchers GmbH & Co.  
Singapore Branch  
101 · Thomson Road  
# 24-01/05 United Square  
Singapore 307591  
Tel (65) 6259 9288  
Fax (65) 6259 9111

## Hong Kong

IGEL Technology  
Care of: Melchers (H.K.) Ltd.  
1210 Shun Tak Centre  
West Tower  
168-200 Connaught Road C.  
Hong Kong  
Tel +852 25469069  
Fax +852 25596552

