



Microsoft Online Services Partner Solution Case Study



Overview

Country or Region: Sweden

Industry: Professional services—IT services

Partner Profile

Enfo Zipper is an IT solutions provider and Microsoft® Gold Certified Partner in Sweden. It has offices in Stockholm, Gothenburg, Oskarshamn and Malmö, and it employs 180 people.

Business Situation

Enfo Zipper wanted to help customers reduce the cost of large software deployments and help smaller firms benefit from online solutions. It also needed to respond to rising demand for hosting services.

Solution

Enfo Zipper is offering the Microsoft Business Productivity Online Standard Suite from Microsoft Online Services to lower customer set-up costs and extend its business with new online offerings.

Benefits

- Expected revenue boost of \$10 million annually
- Significantly faster implementation
- Increased flexibility for customers
- IT costs reduced \$15,000 annually

IT Firm Expects to Boost Revenues by \$10 Million Annually with Online Services

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Anders Grönlund, Alliance Manager, Enfo Zipper

Enfo Zipper is a Microsoft® Gold Certified Partner in Stockholm, Sweden. Customers increasingly sought Zipper’s help in large software implementations and inquired about hosted solutions to reduce IT investments. To help customers and broaden its own business, Zipper began offering the Microsoft Business Productivity Online Standard Suite. This suite makes enterprise communications and collaboration software available online for a low monthly fee. Zipper anticipates that selling Microsoft Online Services will increase revenues by 83 million SEK (U.S.\$10 million) annually. Zipper can implement online services 10 times faster than on-premises software, and customers like the speed and flexibility of online software.

Microsoft®

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Anders Grönlund, Alliance Manager, Enfo Zipper

Situation

Enfo Zipper is an IT solutions provider in Stockholm, Sweden, that helps organizations achieve desktop and server computer efficiencies using Microsoft® software. Zipper is a wholly owned subsidiary of the Finnish company Enfo Oyj, and has offices in Stockholm, Gothenburg, and Malmö. As a Microsoft Gold Certified Partner, Zipper specializes in consulting and design services aimed at delivering dynamic infrastructures based on Microsoft technology to large and midsize enterprises. The firm also develops and sells its own IT management portal solutions based on Microsoft Office SharePoint® Server 2007 and other Microsoft technologies. Most of Zipper’s customers are located in Sweden, and some are large global organizations. Zipper employs 125 people.

Increasingly, customers began asking Zipper for help with large-scale implementations of Microsoft Exchange Server 2007 messaging software and Office SharePoint Server 2007 collaboration software. They even began asking Zipper to host these applications for them. “We began to see more customers balk at making large-scale infrastructure investments,” says Anders Grönlund, Marketing and Alliance Manager for Zipper. “When we saw even large customers move to an online model for many of their business software needs, we became really interested in online services.” The interest in providing online solutions increased so much that Zipper’s parent company, Enfo Oyj, considered launching a separate hosting business.

“Customers are attracted to the cloud these days,” Grönlund says. “They no longer think that cloud-based software is risky. Companies have no problem moving their customer or order database outside their data centers.”

Scandic was one customer that needed to modernize its IT infrastructure as

economically as possible. Scandic is the Nordic region’s leading hotel chain, with 151 hotels in 10 countries. For years, the company has been a Novell shop, running Novell directory, e-mail, and IT administrative software.

However, Scandic wanted to upgrade its way of working by looking into new applications and a new infrastructure, which would necessitate large investments. Scandic wanted to find the most cost-effective and flexible way to provide new messaging technologies to both information workers and “deskless” service employees, modernize its business systems, and share information with its hotels across northern Europe.

In addition to wanting to help large customers like Scandic trim rising IT costs, Zipper wanted to serve smaller organizations that could benefit from Microsoft messaging and portal solutions but could not afford the hardware and software infrastructure needed to run them.

Solution

When Zipper learned about the Microsoft Business Productivity Online Standard Suite, it knew it had found the answer to many of these problems. The Business Productivity Online Standard Suite is a set of subscription-based communications and collaboration services hosted by Microsoft and sold through partners. It includes:

- **Microsoft Exchange Online**, which provides desktop and mobile e-mail messaging, calendaring, and contacts.
- **Microsoft SharePoint Online**, which provides shared Web-based workspaces for collaboration and document-sharing.
- **Microsoft Office Live Meeting**, which provides audio and video Web-conferencing solutions.
- **Microsoft Office Communications Online**, which provides instant messaging and presence capabilities.

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Anders Grönlund, Alliance Manager, Enfo Zipper

“We began talking to our customers about Microsoft Online Services and found huge interest,” Grönlund says. “It was extremely easy for our staff to learn about these services and set them up for customers. We created a demonstration portal where we can show customers how easy it is to use them.”

One customer profile quickly emerged as ideal for Microsoft Online Services: companies with many “deskless” workers—mobile employees with no office who still need flexible access to e-mail and collaboration tools without requiring a dedicated computer. “Many larger customers saw Microsoft Online Services as a complement to their existing on-premises e-mail solutions,” Grönlund says. “The heavy-duty mail users could stay in the on-premises environment, but deskless workers could move to cloud-based e-mail. Microsoft Online Services gives companies the ability to mix and match the software models that are best for them.”

The pricing of Microsoft Online Services also attracts customer attention. “There is no way that our customers can beat the pricing of Microsoft Online Services by providing mail services through an on-premises model,” Grönlund says.

Scandic was intrigued by the software-plus-services approach—using a combination of on-premises and cloud-based software to meet business needs—and saw Microsoft Online Services as a great opportunity to explore it. With Zipper’s assistance, the company decided to see how online services might work and integrate with its existing applications and processes.

“Microsoft Online Services gave us a good way to get a feel for how we might use online software and incorporate it into our long-term strategy,” says Pia Hofstedt, Director of IT at Scandic. At the same time it subscribed to Microsoft Online Services, Scandic decided to deploy Microsoft Office

Professional 2007 to improve productivity across the Microsoft Office applications and to enable employees to take advantage of the Microsoft Office Outlook® 2007 messaging and collaboration client when using Exchange Online. “Exchange Online could give us a way to cost-effectively further broaden our e-mail communication,” Hofstedt says. “Currently, approximately 50 percent of Scandic employees has e-mail. With Exchange Online, we could flexibly expand and simplify the way we communicate.”

Hofstedt foresees SharePoint Online making a similar difference in the way employees share information when engaged in projects such as buying or building new hotels. A huge amount of documentation is involved in such projects, and this information currently travels between dozens of parties through e-mail and the postal system. With SharePoint Online, all documentation can reside on a shared Web site where it is accessible by all authorized parties at any time.

Zipper has been so impressed with the benefits of Microsoft Online Services that it is moving a large portion of its own messaging, unified communications, Web conferencing, and portal infrastructure to Microsoft data centers. “Online Services make so much business sense that we will replace our two Exchange Server 2007 servers and two Office SharePoint Server 2007 servers with Microsoft Online Services,” Grönlund says. “We have recommended a similar move to our parent company, Enfo Ovi, which has nearly 700 people.”

Benefits

By offering Microsoft Online Services, Zipper can expand its sales opportunities, serve smaller firms, sell new types of solutions, and enter new vertical markets. This will lead to anticipated revenue increases of 83 million SEK (U.S.\$10 million) annually. Zipper has found that the

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implementation of online services is approximately 10 times faster than implementing on-premises solutions, which enables Zipper to accelerate implementation times and make better use of its staff. Customers like the flexibility and cost-effectiveness of Microsoft Online Services, as does Zipper, which plans to use them itself.

Expected Revenue Boost of \$10 Million Annually

Zipper expects that adding Microsoft Online Services to its roster of offerings will expand its customer base by 20 percent, and that it will also attract the interest of 20 percent of existing customers. Zipper will be able to move into additional vertical markets with new services such as unified communication and Web conferencing, and also sell Microsoft Online Services to smaller customers that currently cannot afford its midmarket and enterprise offerings. “We expect to add about 25 large Microsoft Online Services customers a year, which will increase our revenues by at least 83 million SEK [\$10 million] annually,” Grönlund says.

In addition to the revenues it will reap by selling Microsoft Online Services alone, Zipper anticipates even more revenue opportunities from selling related online services. For example, it wants to move its ZervicePoint portal software into the cloud and offer it under a SharePoint Online subscription. ZervicePoint uses Office SharePoint Server 2007 and the Windows® Workflow Foundation to provide IT managers with an online tool for managing and delegating IT-related services. Using the Azure™ Services Platform, a cloud services development platform from Microsoft, Zipper will be able to build its own suite of cloud services. “Many of the services that we sell to customers as on-premises software we can now offer as cloud services,” Grönlund says. “In fact, if Microsoft Online Services take off like we expect it to, Enfo will package all these offerings and launch a new company that

will exclusively focus on online services. This is the direction we were headed previously, only now we will not have to create the data center infrastructure ourselves. We will take advantage of the infrastructure that Microsoft has built. This new business could generate 25 million SEK [\$3 million] annually in additional revenues.”

Even with customers moving their mail, portal, unified communications, and Web conferencing applications to the cloud, they still need help from Zipper to manage their infrastructure, synchronize cloud-based applications to their Active Directory® Domain Services, and provide migration and training services. “Microsoft Online Services generates new service opportunities for us. For every 8 SEK [\$1] of Microsoft Online Services subscriptions we sell, we expect to sell 24 SEK [\$3] in managed services,” Grönlund says. Also, because we can implement an online solution so much faster than we can implement an on-premises solution, we can process more customer deployments each month and thus increase our cash flow.”

Last but not least, Zipper will enjoy recurring revenue through monthly subscription fees, and also reap bonuses from Microsoft for signing up new Microsoft Online Services customers. “This bonus revenue sounds like heaven to us!”

Significantly Faster Implementation

Deploying Microsoft Online Services is much faster than deploying the same solutions on premises, which helps Zipper accelerate overall business velocity. “The time required to set up software with Microsoft Online Services versus on premises goes way down, from weeks to hours,” Grönlund says. “Implementations are 10 times faster with Microsoft Online Services. There is no hardware or software to deploy, training is faster, and customers can be up and running within a few hours.

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We get more deals done in a shorter amount of time.”

One Zipper customer acquired a U.S. company in 2008, and Zipper technicians had to travel to 16 U.S. locations to deploy the parent company’s business applications. “The project was a big success but a nightmare to manage,” Grönlund says. “Having Microsoft Online Services would have made this deployment much easier and faster. We would not have had to deploy messaging, portal, or unified communications software onsite; instead, we would simply have had to set up their software online and give users access to it. We would not have had to travel or touch physical systems.”

With the labor savings afforded by faster implementations, Zipper can redeploy its valuable developer and account management talent to higher-value activities such as consulting, integrating new Zipper solutions with Microsoft Online Services, and expanding into new markets.

Of course, customers are ecstatic about the ability to roll out new technology solutions in minutes rather than months. “The Business Productivity Online Suite helps our customers’ IT departments look better, because users get new services immediately,” Grönlund says.

Increased Flexibility for Customers

Customers also like the flexibility afforded by Microsoft Online Services, because they can scale their infrastructure up or down as their businesses demand. For example, the current economic downturn has caused many customers to downsize operations. Companies using Microsoft Online Services are not saddled with big, immovable infrastructure costs, because they are not running big data centers with more messaging and collaboration servers, or paying for more software licenses, than they need. They essentially enjoy just-in-time, per-user software fees that exactly

match headcount, no matter how much it fluctuates.

IT Costs Reduced \$15,000 Annually

With Microsoft offering the Business Productivity Online Suite, Zipper and Enfo avoided the need to get into the hosting business themselves. “Microsoft Online Services gives us a much less expensive option for meeting customer hosting needs,” Grönlund says. “We really believe in it and are investing in it.”

While Zipper is making more money selling Microsoft Online Services, it will also save money by using the services internally. Zipper has been so impressed with Microsoft Online Services that it and Enfo are moving their employees to the online software delivery model. This move will reduce IT costs by 124,000 SEK (\$15,000) annually.

“A service that both makes money and saves money is a very good proposition to us,” Grönlund concludes.

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to:

www.microsoft.com

For more information about Enfo Zipper products and services, call + 46 77 440 44 00 or visit the Web site at: www.zipper.se

Microsoft Online Services

Microsoft Online Services is a business-class communications and collaboration software offering delivered as a subscription service, hosted by Microsoft, and sold with partners. These services help make it easier for customers to rapidly and cost-effectively access the most up-to-date technologies, and are designed for rapid deployment to provide customers with streamlined communications, simplified management, and business-class reliability and security.

For IT staff, Microsoft Online Services helps reduce the burden of performing routine IT management tasks such as installation, provisioning, ongoing maintenance, patches, updates, and upgrades, making it possible for them to spend more time on initiatives that move the business forward. These services are backed by strong SLAs and are designed to meet the regulatory compliance and reliability needs of enterprise customers. On a technical level, the services boast the sophistication and reliability that customers expect from Microsoft, which continues to invest heavily in building data centers to support these services.

For more information, visit:

www.microsoft.com/online

Software and Services

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 - Microsoft Office Communications Online
 - Microsoft Office Live Meeting
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