

Agricultural supplier plants the seeds for business growth through convergence with Bell.

As an evolving company with geographically dispersed manufacturing and distribution operations, Nu-Gro needed to find a cost-effective way to streamline communications between its locations. The need for consolidation of IT resources was essential to increase margins and reduce overhead to maintain an advantage in a cost-competitive industry. With IP VPN service from Bell, Nu-Gro was able to improve business performance and create a foundation for additional technology innovation.

About Nu-Gro

Nu-Gro is a leading supplier of controlled-release nitrogen products. Its product line includes agricultural nutrients, industrial products and specialty fertilizers. In recent years, the company has gone through a number of changes to its network of manufacturing and distribution operations. As the company evolved, it found it needed to find more cost-effective ways to improve efficiency and customer service.

The challenge: keeping pace with change

According to John McNeil, Information Systems Administrator for Nu-Gro, the company was facing a challenge during the early stages of expansion. “The different types of connections were slow and not capable of handling the volume of work that needed to be done. At one point, 128Kbps was about the best line we had – it wasn’t enough. It also didn’t allow us any flexibility to meet the different size and bandwidth needs of each location.”

In addition to the bandwidth issues, McNeil says a number of communication services were managed by different divisions, which meant multiple suppliers and added costs. “Telecom was managed by another department, while the wide area network (WAN) was managed by the Information Systems department, so we had four different service suppliers. The key to efficiency was getting all of our services for data and voice through one supplier.”

The solution: streamlining for efficiency

When McNeil was introduced to IP VPN, a WAN solution from Bell, he was convinced that it was the right solution for the business. This service allowed Nu-Gro to consolidate voice, data and video over a single, reliable and private Internet Protocol (IP) based network – while also offering flexible speed and service features that can be tailored to different business needs. The package included a router, network connectivity, applications prioritization capabilities, built-in security and 24/7 management backed by service level agreements.

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– John McNeil
Nu-Gro

The Bell logo is displayed in a large, bold, blue font.

During the phase-in of IP VPN, Bell recommended leveraging the new network to explore IP telephony opportunities at targeted sites. “That really wasn’t a consideration in our initial plan,” says McNeil, “but when I saw how much could be saved by moving to IP telephony, it became something that we wanted to look at. The beauty of it was the cost savings could pay for the system within three years, and the operational expenditure was practically zero. In other words, I wouldn’t have to increase my budget to pay for it.”

Nu-Gro has set-up IP telephony at three of its sites. With the new remote management capabilities of the solution, employee productivity has greatly increased. At least 10 working weeks of time has been saved and reinvested into more strategic projects. McNeil notes, “By assimilating IP telephony we will remove most of our long distance costs. A conservative estimate of savings would be about \$3,500 to \$4,000 per month for our three sites.”

Nu-Gro is looking to expand IP telephony to other sites when it expands operations this year. “Everything will be through Bell IP VPN because we can use the service in so many different ways for any phone system,” says McNeil.

Bell: the IP convergence advantage

“When we started with Bell IP VPN, it was to answer a data connectivity need,” says McNeil. “But we soon realized we had the flexibility to do anything we needed. Bell even helped us when we were selecting new network components by recommending what would best support our IP

plans. The team has been amazingly supportive and helped us every step of the way. Their approach has been instrumental in our success.”

McNeil also says that consolidating services has allowed Nu-Gro to reduce overall communication costs by 20 percent, reduce the number of service providers and have unlimited flexibility in bandwidth delivery to different locations. Nu-Gro now has 20 to 40 times more bandwidth capabilities at its sites depending on their speed requirements.

With IP VPN and IP telephony from Bell, Nu-Gro was able to inject more efficiency into managing its communications needs, while building the foundation for further consolidation of services and new application initiatives.

Opportunity:

A solution to simplify and streamline the various levels of communications between manufacturing and distribution operations

Solution:

Converging voice and data communications with IP VPN service and IP telephony from Bell

Results:

- Reduced overall communication costs by 20 percent
 - Elimination of \$1,100 in long distance costs per location per month
 - Single point of contact for all communications needs
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