Kinnarps

IT as a Service approach helps manufacturer break free from flexibility & resource shackles

A modern infrastructure, delivered 'as a service', is enabling office furniture maker Kinnarps to engage its IT resources in a more strategic fashion. The company's IT function now has more time to spend on business-critical tasks.

For many years, Kinnarps has been ranked as one of the top European office furniture suppliers. Since its creation in Sweden in 1942, the company has grown into a workplace design group with sales in more than 40 countries. One aspect which has not changed over time is that Kinnarps is still a family business, based in its hometown of Kinnarp. This is where the largest of the six manufacturing facilities is located.

Efficient production is critical to Kinnarps and therefore the systems supporting these processes must be reliable and deliver high performance. At Kinnarps, production is also tightly coupled with sales. The business is order driven which means that each sale results in a manufacturing order.

The company also likes to retain full control over each stage of its operations, from offer to installation. For instance, the company relies on its own fleet of trucks for all shipping within Sweden, and sometimes uses this in other parts of Europe.

Another key ingredient of Kinnarps' success formula is its sizeable IT function that's mostly managed in-house.

"We do a lot of development work on our own to adapt our ERP system to manufacturing needs. We also have several applications that are fully custom built to serve our requirements," says Sven Hellberg, Operational Manager of IT at Kinnarps.

Summary

Challenge
Kinnarps provides and manages IT mainly using its own resources, with ambitious goals for supporting and developing the business. The company wants to maintain control over IT infrastructure, while realising that this is an increasingly complex and demanding task.

Solution
- Infrastructure as a Service with partial outsourcing through Systems Management by Proact, an ITIL based service.
- Data centre solution based on Cisco UCS servers running VMware ESXi and NetApp storage technology (FAS with MetroCluster).
- Storage as a Service and Backup as a Service by Proact, with volume-based fees

IT services that influence day-to-day business carry the most weight at Kinnarps so these are obvious priorities for the company's IT resource. However, this doesn't mean that tasks that don't directly involve the business are treated with any less care.

"The question we keep asking ourselves is if we should manage infrastructure in-house. The generic answer is that we want to outsource the 'bread and butter' – our basic functions and applications. By having those delivered 'as a service' we can put greater focus on the IT that's close to the enterprise," says Sven Hellberg.

Kinnarps and Proact have been partners for more than a decade. In the early days, our work mostly involved storage and backup but over time more components of Kinnarps' data centre and IT operations have been handled by Proact. The format and contractual terms between the two companies have also evolved, from supplying hardware, data centre solutions and tech support, to a continuous collaboration where service-based delivery has a growing influence.

Benefits
- With infrastructure as a service, Kinnarps can quickly adapt IT delivery to shifting enterprise needs.
- Updated data centre expertise always available from Proact, with no need for recruitment.
- Excellent cost control through volume-based pricing. Reduced need for making capital investments.
- Staff gets more time to spend on developing business-critical services.

The challenge
Guided by the 'near the enterprise' motto, it is no longer a given that Kinnarps will rely on its own team to operate and update its data centre.

"In several areas, including security, we are facing an increasing need to on-board expert skills that are both difficult to recruit and to maintain. And for us to deliver on the tasks we are assigned, it is no longer reasonable that we do everything ourselves," says Sven Hellberg.

The 'should we manage this in-house' question surfaced once again when Kinnarps was thinking about modernising its primary data centre, with new servers and an upgrade of the VMware virtualisation platform. The virtual environment includes about 300 servers, with some physical servers that are used in parallel.

Newfound flexibility
Kinnarps found the right solution by combining several services which together essentially form a private cloud where Proact provides and runs the infrastructure. This includes hardware and software for the virtualised data centre environment. The company has retained management of 'all things' above the infrastructure layer, including business applications.

This change is not immediately visible to the eye. Hardware is placed at Kinnarps' data centre, while Proact remotely manages regular operations. The solution also includes Proact's Storage as a Service and Backup as a Service. As a customer, Kinnarps only pays for what it uses (based on data volumes) and has eliminated the need to make capital investments in storage as well as servers.

The infrastructure solution comes with a clear division of responsibilities between Kinnarps and Proact. Kinnarps' IT team delivers application services to the company's business units, while Proact provides infrastructure services to Kinnarps' IT.

"For us, scalability is the biggest advantage with having the infrastructure environment 'as a service'. It's easy to grow and also to reduce usage. This makes us more responsive to the business and its needs. If we purchase and own each component, carrying the investment costs means that we cannot always be so flexible," says Sven Hellberg.

Focus on what matters

Kinnarps' IT infrastructure is covered by Service Management, the most comprehensive support option provided by Proact. This service includes complete, ITIL based operations management for Kinnarps' data centre, including systems monitoring, tech support and incident management.

"By and large, we have a solid working partnership, including support. Proact is responsive to our needs. For example Proact deals with systems upgrades which we need to conduct outside production hours and in-line with our overall maintenance cycle. For us, the resource that delivers basic services to support the enterprise, it is essential that we have a partner who understands our way of working and who's on call at unsocial working hours," says Sven Hellberg.

Kinnarps has adopted the IT as a Service concept internally. The IT department not only provides resources to the organisation, but does so while acting as a supplier. For instance, file storage and backup are offered as services to Kinnarps' international subsidiaries, and to associated external businesses, such as franchise resellers.

The positive experiences from having infrastructure delivered as a service, together with the new server environment, has given Kinnarps the incentive to review and reconsider IT delivery in other parts of the Group. A similar setup is being considered for Germany, which is also an easily obtainable service, as Proact has presence in that market too.

The benefits

Flexibility
With infrastructure as a service, IT delivery can quickly be adapted to shifting enterprise requirements.

Cost control
Usage-based, well-defined fees. Reduces need for capital investments.

Expertise
Round the clock access to expert support.

Business focus
More time allocated to supporting business-critical services

About Kinnarps

Kinnarps is one of Europe's largest office furniture suppliers. The company's entire value chain, from raw materials to complete workplace design solutions, is characterised by high quality and a light environmental footprint. The Kinnarps Group has 2,300 employees and annual sales of more than SEK 4 billion. Kinnarps was founded in 1942 and remains a privately held family business today.
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PROACT

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About Proact

Proact is Europe's leading specialist in data and information management with focus on cloud services and data centre solutions. We help our customers to store, connect, protect, secure and drive value through their data whilst increasing agility, productivity and efficiency.

We've completed thousands of successful projects around the world, have more than 4,000 customers and currently manage hundreds of petabytes of information in the cloud. We employ over 1,000 people in 15 countries across Europe and North America.

Founded in 1994, our parent company, Proact IT Group AB (publ), was listed on Nasdaq Stockholm in 1999 (under the symbol PACT).