CASE STUDY KLM ROYAL DUTCH AIRLINES



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Boet Kreiken - Chief Information Officer (CIO), KLM Royal Dutch Airlines



SUMMARY OF KEY FACTS

Organisation

KLM Royal Dutch Airlines

Service/s delivered

Outsourced management of office automation and desktop support services

Key Metrics

- 25,000 end-users
- 11,000 desktops and 130 servers

Benefits

- Reduce costs estimated savings of €10 million on desktop management and additional savings on hardware and software of around €5 million
- Optimise system availability through standardisation of the IT infrastructure and the deployment of ITIL standards
- Increase productivity with faster problem resolution and minimised business disruption (leading to an average productivity increase of 20% across all IT users)
- Access specialist resources Fujitsu's comprehensive range of business, technical and commercial expertise
- Budget accurately costs are entirely visible and predictable over the contract life
- Simplify supplier management have a single point of contact reduces management time and overhead costs
- Focus on the core business staff can concentrate on future requirements and higher value activities

Customer's Challenge

KLM Royal Dutch Airlines is an international airline that transports nearly 22 million passengers and 620,000 tons of cargo to more than 250 destinations worldwide every year. KLM merged with Air France in 2004 to form the largest airline group in the world by operating revenues.

KLM's strategic goal is profitable and sustainable growth, which is being achieved through the ongoing development of its core activities in the most attractive markets and ongoing reductions in costs. So, at the beginning of the millennium, KLM began to pursue a policy of standardising and outsourcing its office automation operations across the organisation. In so doing, KLM aimed to make its desktop environment much more structured and efficient, resulting in lower costs and fewer interruptions in the workplace.

Boet Kreiken, Chief Information Officer (CIO), KLM, explains, "Outsourcing our IT management operations fitted in well with the KLM's strategy of focusing solely on its core business. As KLM had already been working closely with Fujitsu for around 10 years on a variety of service-oriented activities an initial outsourcing agreement between KLM Information Services — our automation organisation — and Fujitsu was signed in summer 2000."

Fujitsu Solution

Under the initial outsourcing contract, KLM undertook to use the services of at least 30 specialists from Fujitsu to manage its workstations over a two-year period.

Han Jansen, DSM Product Management, KLM, continues, "The collaboration proved very successful and just a few months later we approached Fujitsu again, this time asking if they would take over responsibility for the management of all of KLM Benelux's office automation operations in Hoofddorp."

The implementation and operation of this project also proved highly successful. So, in spring 2002, Fujitsu was commissioned to manage the IT infrastructure of KLM's Amstelveen Headquarters, incorporating a further 1,800 workstations into the agreement.

This extended project then went on to form the basis for a new agreement in 2003, in which Fujitsu assumed responsibility for a significant share of KLM's office automation operations in the Netherlands, including the management of its operations at the Schiphol Center, Schiphol East, Rijswijk and Schiphol Rijk Campuses as well as KLM's HQ.

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A new three year contract for this work was signed in late summer 2006, covering the provision of desktop support services to some 25,000 end-users using 11,000 desktops and 130 servers.

Under KLM's overall control, Fujitsu now operates a portfolio of desktop related services and is responsible for ensuring that they operate effectively and comply with ITIL (IT Infrastructure Library) standards for best practice.

Fujitsu provides KLM with a 'break fix' service, covering the maintenance and repair of its desktops, laptops, printers, and office automation servers. Fujitsu also performs the Installations, Moves and Changes (IMAC) for new and existing users.

Based on the success of its service delivery, Fujitsu recently won the contract to provide 24/7 helpdesk support to all of KLM's desktop users. Han Jansen explains, "With all of the changes going with the merger of KLM and Air France we simply did not want to risk any disruption to our helpdesk service. Choosing Fujitsu meant that there would be no discontinuity in the service and was a risk free option."

Boet Kreiken adds, "Over the last six years Fujitsu has taken on responsibility for more and more of our office automation and desktop management services, because it is a safe pair of hands for us to rely on. Fujitsu delivers what it promises when we need it and within budget, which allows us to get on with running the airline safe in the knowledge that there will be no unexpected issues."

Benefits to our Customer

Fujitsu's office automation and desktop support services will enable KLM to:

- Reduce costs it is estimated that KLM will save some €10 million on desktop management over the life of contract. Plus, in the same period, KLM expects to generate additional savings on hardware and software of around €5 million arising from better service
- Optimise system availability standardisation of the IT infrastructure and the deployment of ITIL standards will optimise IT performance and minimise downtime
- Increase productivity faster problem resolution will minimise business disruption and enable users to continue working longer (leading to an average productivity increase of 20% across all IT users)
- Access specialist resources Fujitsu's comprehensive range of business, technical and commercial expertise is available on an 'as needs' basis
- **Budget accurately** costs are entirely visible and predictable over the contract life

- **Simplify supplier management** using Fujitsu as a single point of contact for all service management issues reduces management time and overhead costs
- **Focus on the core business** staff can concentrate on future requirements and higher value activities, rather than the underlying support processes.

"With Fujitsu's help KLM has taken a significant step towards establishing standardised worldwide workstation, infrastructure and service implementation. Service quality will be enhanced and gains will be achieved on the basis of organisational flexibility and economies of scale," comments Boet Kreiken.

Our Approach

One of the key factors in the success of the partnership with KLM has been Fujitsu's ability to respond flexibly to the airline's rapidly evolving needs. By applying a modular approach to infrastructure development any rapid growth (or contraction) is easy to accommodate, and the use of pre-tested components means that new installations always work first time.

"Ongoing changes in legislation and our commercial model mean that KLM often has to respond very quickly," says Han Jansen. "We need to act fast, because our business depends on it, and we demand that our suppliers do the same. Fujitsu is very good at doing just that, because it understands how we operate and the pressures we face and its whole approach is based around built-in flexibility and constant service improvement."

Our Expertise

With over 30 years experience of supporting the needs of customers, Fujitsu has a proven track record in providing complex systems integration and management services that reduce costs, improve productivity and customer services and deliver a compelling return on investment.

Boet Kreiken says, "The original decision to outsource our office automation operations to Fujitsu stemmed from the successful cooperation between both companies in the past. Anyone can drive down costs, but if you are to reap the larger rewards of a long-term relationship then the way you work together is critical. There is a good cultural fit between our two organisations and that's what makes Fujitsu special. We now look forward to strengthening and building on that relationship even further."

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Contact us on +44 (0) 870 242 7998 or askfujitsu@uk,fujitsu.com or visit uk,fujitsu.com