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City of Cape Town Saves 40% on Telecom Bills, Improves Efficiency to Serve Ratepayers Better

Challenge

- high cost and complexity of managing ageing network and communication infrastructure across multiple sites
- no visibility or metrics to allow improvement
- compromised organisational communication and collaboration

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Solution

- centralised private voice cloud, SIP trunking infrastructure and broadband network among 80 buildings and 11,000 users
- telecom expense management services
- inter-building fibre connectivity
- Microsoft® Lync integration for unified communications and collaboration

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Result

- 40% annual savings on voice calling costs (will pay back technology refresh in nine months)
- reduced management costs
- improved collaboration through unified communications capabilities
- improved service delivery and turnaround times

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'As a world-class city, **Cape Town strives to keep on the cutting edge of technology**, especially when it will **help us spend ratepayers' money more efficiently**.'

Demetri Qually, Mayoral Committee Member for Corporate Services

⚒ Challenge

Wide geographic spread

The City of Cape Town has a population of almost four million citizens, and its vision is to become a world-class metropolis. The city runs its operations from many buildings and offices spread out over a large geographical area. This complicated the use of a single wide area network (WAN) to connect the various sites, which was compounded by ageing infrastructure. Its multiple Telkom Diginet WAN links were difficult to manage and wasted bandwidth. This negatively affected collaboration among divisions in different buildings and among various localities. It also slowed down employees' interaction with critical business systems such as SAP, which is traditionally bandwidth intensive. These challenges damaged the internal user experience, which filtered down to ratepayers' negative perceptions of the city's service delivery. Also, its existing network infrastructure wasn't ready to accommodate IP telephony, which could hold a host of benefits in terms of cost reduction and efficiency improvements.

Ageing telephony systems

The city also struggled with an ageing telephony system. The environment was highly fragmented: it had multiple TDM PBXs, many prime rate interfaces from Telkom, and – much like its network – the communications infrastructure wasn't ready for convergence. This environment that was difficult and costly to manage – the city paid an annual telecom cost of ZAR 100 million. These 'wasted' funds and inefficiencies hindered the city from offering its citizens cheaper, better services, and from investing more in important projects such social upliftment elsewhere within its boundaries.

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💡 Solution

Building a metro area network, voice cloud

Given the City of Cape Town's infrastructure and communications challenges, its goal was to build a world-class broadband metro area network (MAN) and voice network to; improve service delivery and turnaround times to its citizens; improve the efficiency of its employees; reduce operational expenditure on its current infrastructure; reduce its dependency on a single telecom service provider (Telkom); and consolidate and simplify its data and voice infrastructure. The City of Cape Town contracted Dimension Data to transform its voice and network infrastructure across 80 buildings, for 11,000, users for a period of three years. Dimension Data helped the municipality to create a centralised, private voice cloud infrastructure based on carrier-grade soft switch technology from BroadSoft, as well as a Session Initiation Protocol (SIP) trunking system

using Acme Packet technology. In addition, the city achieved significant cost reductions through Dimension Data's outsourced telecom expense management solution, as well as through inter-building fibre connectivity. Dimension Data also helped the municipality roll out Microsoft® Lync, which enabled unified communications and collaboration across the organisation's many localities.

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◈ Result

Massive savings, effective collaboration

Dimension Data's solution has helped the City of Cape Town save as much as 40% on annual voice costs. The city would earn back what it spent on the technology refresh in as little as nine months. 'Telephone calls between buildings are now carried by the corporate data network using the city's fibre optic cables,' said Mayoral Committee Member for Corporate Services, Demetri Qually. 'Previously, calls between city employees incurred a cost for being carried by Telkom, but now we have our own high-speed network and can carry these calls ourselves. The network has no call-length costs, so staff can call one another as regularly and for as long as necessary,' he added.

Telephone calls and conferencing are now far more cost-effective than face-to-face meetings, which used to involve expensive and time-consuming travel. Telephone numbers can be transferred between these buildings, so that they stay with the same employee wherever he or she is working. More city buildings that already have fibre optic connections will be added to the internal telephone network. The telecoms division plans to lay optic fibre to 200 more city buildings over the next three years, which will also then benefit from free calls across the internal network.

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Services overview

- professional services
- procurement and logistics of all technologies, delivered on time
- testing of phone technologies
- telecom expense management services
- outsourcing of voice environment

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