



## Fuel Company Uses Online Tools to Energize Employee Communications, Drive Mobility

### Overview

**Country or Region:** Australia

**Industry:** Other services

### Customer Profile

Headquartered in Sydney, Caltex Australia is a leading transport fuel supplier and convenience retailer in Australia. It employs approximately 3,500 people in a large number of locations across the country.

### Business Situation

To improve productivity and business agility, Caltex needed better communication and collaboration tools for its dispersed workforce. At the same time, the company wanted to minimize IT costs.

### Solution

Caltex found the right solution with Microsoft Office 365, a suite of collaboration and productivity tools delivered through a cloud environment.

### Benefits

- Improved productivity and mobility
- Enhanced employee satisfaction
- Empowered the IT department
- Reduced IT costs
- Simplified transition to the cloud



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Caltex Australia has a large, dispersed workforce across Australia. Employees used an outdated, on-premises email solution with an unreliable web mail service. They needed better business productivity tools to connect with colleagues at refineries, retail sites, or urban offices. To improve employee mobility and productivity, Caltex introduced Microsoft Office 365 cloud-based communication and collaboration tools and worked with Microsoft Cloud Vantage Services and a Microsoft Cloud Accelerate Partner, Kloud Solutions, to transition to the new services. Caltex employees are more satisfied with their work environment, using cloud-based email and calendars, instant messaging, and presence services on their PCs, laptops, and mobile devices to achieve anytime, anywhere access to the people and information they need—and the IT department is getting rave reviews for enabling business goals.



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## Situation

Caltex Australia is a leading fuel supplier and convenience retailer in the Australian market. The company buys crude oil and refined products on the international market and operates petroleum refineries in Sydney and Brisbane, Australia. Caltex supplies gasoline, diesel, jet fuel, fuel oil, waxes and lubricants, bitumen, sulfur, liquefied petroleum gas, and other gasses. These products are distributed across the country via a network of pipelines, terminals, depots, and a company-owned and contracted transport fleet. The company supplies approximately 2,000 Caltex-branded retail outlets around Australia, including equity and non-equity resellers, and sells fuel and other products directly to many commercial customers such as large mining and agricultural companies.

Unique among other major fuel brands in Australia, Caltex is an Australian company; it is listed on the Australian Securities Exchange. Caltex employs about 3,500 people, working in every state and territory in the country. “We pride ourselves on the fact that we can make local business decisions to better serve our customers,” says Sam Collyer, Senior Media Advisor at Caltex Australia. “Having local knowledge and management helps the company remain responsive to the Australian market and keeps us focused on meeting the needs of our customers.”

A large, dispersed workforce requires robust, feature-rich communication and collaboration technologies. However, until recently, Caltex employees had few tools to connect with their colleagues and to access the information they need to work efficiently. While most employees used mobile phones, approximately 10 percent of the workforce also had BlackBerry devices. There were no instant messaging

(IM) or web conferencing tools.

Consequently, employees flew around the country for monthly team meetings, increasing travel costs and reducing productivity for staff in transit.

Caltex had an on-premises IBM Lotus Notes email solution for all employees. The email solution did not include a web mail component, so accessing email while traveling was a challenge. “We were reaching the end of life for our existing solution,” says Steve Fox, Chief Information Officer at Caltex Australia. “To access email, you had to be connected to the corporate network, and even though we had a VPN [virtual private network], it was not very reliable. Many employees experienced connectivity issues when out of the office. And when mail stopped working, it could slow down PCs and laptops. These issues generated many calls to the help desk.”

In 2010, the IT department began thinking about ways it could help the company’s employees communicate and collaborate better. Opening up the lines of communication between headquarters and local facilities would help make its operations more cohesive and improve business agility. Helping staff to share local knowledge or to find colleagues in different parts of the country would build an accessible knowledge base and boost a collegial corporate culture. “Sales staff felt isolated and were frustrated that they couldn’t connect with colleagues on the road, especially if they needed some information before heading into a meeting,” says Collyer.

Caltex also wanted to accommodate employees’ desire to work more from home and to improve their work/life balance. When Fox tried to help a colleague who was going on maternity leave to stay in touch with the business, it was a frustrating

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experience. “I realized we had to change how we do things here to achieve our goals for an agile, productive, and connected workforce,” he says. “We needed to move away from this whole idea of a workplace being a ‘place.’ Our company is too large and Australia is too vast for people to be tied to a physical location to get their work done.”

Collyer describes the workplace flexibility issue more in terms of helping employees reach their full potential. “At Caltex there is a big push to enable a more flexible work environment to support employees in whatever stage of life they are at. Some of our new parents have identified the flexibility needed to help their return to the workforce after having a baby. Similarly, many others want greater flexibility that suits their life outside of work. But if Caltex wanted to succeed in attracting and retaining these highly-skilled people, we realized that improved technology was needed to support that. We needed to provide more flexible communication tools that employees could use anywhere, anytime.”

### Solution

Caltex Australia began its search for new communication and collaboration tools with one decision already made: this would be the beginning of the company’s journey to the cloud. Fox didn’t want his team to spend a lot of time building more robust infrastructure to host new business productivity solutions. “In previous email projects, 60 percent of my time was devoted to working on infrastructure,” he recalls. “But with cloud-based services, Caltex can concentrate on business change management. We wouldn’t have to worry about paying for and setting up hardware, enabling us to deliver the benefits of new technology quickly and at reduced costs.”

### Choosing Microsoft Cloud-Based Services

In 2010, Caltex evaluated Microsoft cloud-based business productivity tools, Google Apps for Business, and LotusLive, hosted by IBM Collaboration Solutions. At that time, Microsoft cloud services were known as the Microsoft Business Productivity Online Standard Suite. Today, Microsoft offers access to cloud-based productivity tools through Microsoft Office 365. “Caltex chose Microsoft cloud services instead of the other solutions because we wanted a vendor with a proven delivery in the enterprise space and a very strong product roadmap,” says Fox. “We also looked at functionality and financials, and Microsoft won on both accounts.”

### Introducing Services Gradually

Initially, Caltex focused on retiring its Lotus Notes email solution. The company migrated approximately 3,000 mailboxes from Lotus Notes to Microsoft Exchange Online, gaining a flexible subscription to email services hosted in Microsoft data centers. Employees can use the familiar Microsoft Outlook messaging client or take advantage of browser-based access to email using Microsoft Outlook Web Access. Employees can also use mobile devices such as their BlackBerry devices that are compatible with Microsoft Exchange ActiveSync technology to manage their email and calendars. Next, Caltex deployed Office Communications Online to deliver IM and presence capabilities to employees.

“It was a conscious decision for us to take small steps on our journey to cloud computing,” says Fox. “We had Lotus Notes for a long time, and I wanted to stage the delivery of new communication services so we could minimize disruptions and better manage the business change, focusing first on email and introducing IM. Microsoft cloud services gave us that flexibility.”

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Fox and his team introduced Microsoft cloud services to the business under the auspices of a program called Connect Caltex. “Connect Caltex is the brand that we use to sell the business changes associated with the technologies we’re introducing to help employees connect in ways they haven’t been able to before,” explains Fox. “It began with our choice of Microsoft cloud services and the migration to Exchange Online.”

Also under the Connect Caltex mandate, Caltex launched a companywide migration to the Windows 7 operating system in early 2012. According to Fox, Windows 7 improved employee productivity and mobility because “it was a much more reliable desktop environment than we’ve had to date.” At the same time, Caltex deployed Microsoft Office Professional Plus 2010. Once Caltex had completed the migration to Windows 7, the company felt it was ready to introduce more cloud services for employees and began planning an upgrade to Office 365.

Microsoft Office 365 unites familiar Microsoft Office applications with the power of Microsoft Exchange Online, SharePoint Online, and Lync Online into one connected, online solution. With email and IM already established as online services, Caltex focused on introducing Lync Online to the business. In addition to IM and presence, Lync Online offers audio, video, web conferencing, and desktop sharing. Because Office Professional Plus 2010 includes the client software required for Lync Server 2010, Caltex had prepared the desktop for the introduction of Lync Online. “We knew that employees really wanted desktop sharing and web conferencing to enable more work-from-home scenarios,” says Fox. “Lync Online was our big focus for the migration to Office 365.”

To prepare for the upgrade, Caltex engaged Microsoft Cloud Vantage Services, which helps enterprise customers smoothly transition to the cloud and realize business value from their Office 365 investments by providing deep cloud expertise, a single point of accountability, and ongoing collaboration across the full life cycle. Caltex also engaged Kloud Solutions, a member of the Microsoft Partner Network, to help with the transition. Kloud Solutions is an Office 365 and Windows Azure transformation consulting partner. Caltex engaged Kloud Solutions to support the business on developing a successful migration strategy.

The Microsoft Cloud Delivery team developed a close working relationship with upper management at Caltex, and worked with internal Caltex teams to ensure organizational readiness, define key dates for the transition, develop a communications plan that aligns with those dates, discuss employee education, and prepare the help desk. “The transition to Office 365 was excellent; it literally happened over one weekend in August 2012,” says Fox. “For the end user, it was a seamless experience.”

To date, Caltex has acquired 3,875 Office 365 licenses. All employees are using Exchange Online for mail and 2,700 employees are using Lync Online for IM, web conferencing, and video conferencing. Caltex also installed the Lync 2010 mobile client on approximately 750 company mobile phone. In addition to managing email on their mobile devices, employees can now use mobile phones for IM and presence awareness capabilities.

#### **Next Steps**

With the proven success of migration to cloud services for mail and IM, Caltex is considering SharePoint Online to promote

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employee collaboration as the next stage in their journey. The company has benefited from an intranet based on Microsoft Office SharePoint Server 2007, running on on-premises servers, for years and is investigating a transition to SharePoint Online in 2013 to take advantage of its social networking and extranet capabilities and to establish federation with business partners and customers.

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### Benefits

Caltex Australia chose Microsoft cloud services as an important tool to assist with changes in its culture. Using Office 365 business productivity tools, employees are erasing the physical and geographical boundaries of office-bound work environments to become more agile, mobile, and productive from any location. Today, the IT department is better able to serve the needs of the business. Caltex has reduced IT costs and improved business agility. And when the company deploys SharePoint Online, Caltex expects to improve collaboration on work projects among staff, consultants, and business partners.

#### Improved Productivity and Mobility

Caltex employees are using Office 365 to realize the goals behind the Connect Caltex program and to become more productive in remote locations and urban centers across Australia. “One of the biggest benefits we got right away was web mail,” says Fox. “People were thrilled they could access their emails without going through the VPN. Now, everyone can see each

other’s calendars to quickly arrange meetings, no matter where they are.”

Productivity requires tools that promote a more flexible, mobile work culture, and with Office 365, Caltex can help employees to move beyond the confines of a traditional workplace. With Office 365, employees can install the latest version of Office applications, including Office Web Apps, on up to five PCs, so they can stay in touch with work at home or on the road.

“Parents on maternity leave are staying in touch with the office and can more easily transition back to fulltime work,” adds Collyer. “We can offer employees more flexibility in juggling home and work commitments. We wanted to give employees mobility and with Office 365 we have the technology to do it.”

#### Enhanced Employee Satisfaction

Since using Microsoft cloud-based productivity services, Caltex employees are more satisfied with their communication and collaboration tools than ever before—despite initial hesitation about moving away from Lotus Notes. “We asked all employees what preferences they had for email,” says Fox. “At first, less than 50 percent of employees wanted to change email, but after we introduced Microsoft cloud services, more than 90 percent of staff was happy with the change. This shows how much the business values Office 365.”

#### Empowered the IT Department

The IT department embarked on the journey to the cloud in a quest for cost-effective, easily deployed, and user-friendly tools that would help the department better support business goals. “With the Connect Caltex program and our drive for improving employee productivity and agility, we hoped to raise the profile of the

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IT department as more of a business enabler,” says Fox. “With Office 365, we have achieved that goal.”

Fox points to the results of a recent survey of 30 senior Caltex executives that asked how well IT was supporting them in their daily work lives. “Connect Caltex and Office 365 came up strongly in their feedback as really improving their ability to work,” says Fox. “Executives love that email, presence, and IM works on their iPhones and BlackBerrys, and that their contacts, calendars, and meetings are synchronized and up-to-date, no matter what computer or device they use.”

#### **Reduced IT Costs**

An increasing number of employees are using web and video conferencing and sharing presentation slides and documents in real time, instead of flying to head office and other regional offices for meetings. “Instead of monthly meetings, some people are only flying in every three months, reducing travel costs by one-third for those who have cut their traveling,” says Fox.

Since Caltex introduced Windows 7, Incidents have dropped by over 10 percent, not just reducing help desk costs, but more importantly, taking significant cost out of the business for lost time. “We avoided more than [US]\$100,000 in infrastructure upgrade costs when we moved to Microsoft cloud services instead of building our own,” says Fox.

#### **Simplified Transition to the Cloud**

One of the reasons Caltex chose Office 365 is that the Microsoft cloud services roadmap matched its own plans for transitioning away from on-premises solutions.

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what we saw back in 2010. It’s no different today in 2012. With Office 365 well established at Caltex, there’s a lot to look forward to.”

## For More Information

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## Microsoft Office 365

The new Office provides anywhere access to your familiar Office applications—plus email, calendar, video conferencing, and your most current documents—on almost any device, from PCs to smartphones to tablets.

For more information about Microsoft Office 365, go to:  
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### Software and Services

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  - Microsoft SharePoint Online
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