

# CISCO SYSTEMS CAPITAL

Case Study 



JGC Corporation  
<http://www.jgc.co.jp/>

## Strengthening "Global Operations" by building a new communications infrastructure

### A financing solution that supports the introduction of these goals

JGC Corporation is an engineering firm specializing in the design of production facilities (plants), procurement, construction and project management for various industries, including oil, gas, and other energy-related fields.

In 2009, the company did an overhaul of their communications infrastructure to improve productivity in daily operations and to streamline project implementation. With more than 20,000 projects in 70 countries, JGC's operations are global. The head office in Yokohama has active dealings with each of the regions (Asia, the Middle East, Africa, South America and Eastern Europe). Cisco's Unified Communications architecture was selected as the infrastructure to support this network, with the expected results being that communication losses relating to phone messages and the answering of phone calls will be reduced, smoother collaboration with all regions will be achieved, and the cost of maintaining telephone systems will decrease.

The key considerations for choosing a new system were functionality, efficiency, and the investment required. The financial crisis unfolded at the time that the project was being implemented. This timing created an issue regarding how to eliminate budget concerns. Although this was a large-scale project involving the replacement of more than 5,000 telephones company-wide, the implementation went smoothly from the design phase, right through to operating the new system. The project was financed through the Cisco Systems Capital Corporation's lease program.

JGC was able to overhaul its communications infrastructure by making use of both the Cisco Capital "FMV Lease (Operating Lease)" and the "Unified Communications Program." Norio Tanji, Head of the Information Technology Department in the Engineering Division of JGC, said, "The maintenance contract for our existing PBX had ended and we needed

#### PROFILE

##### JGC Corporation

Head Office: 2-3-1 Minato Mirai, Nishi-ku, Yokohama, Kanagawa Prefecture  
Established: October 25, 1928  
Capital: ¥23,511,189,612 (As of March 31, 2009)  
Employees: 2,069 (As of March 31, 2009)  
Annual Revenue: ¥450,911,000,000 (consolidated as of the March 2009 quarter)

As Japan's first engineering company, established in 1928, JGC is involved in state-sponsored oil, gas and petrochemical projects all over the world, including in Asia, the Middle East, Africa, South America, and Eastern Europe. The company is also involved in a wide range of other industries, including health, food, and public welfare, and is highly regarded for its leading engineering technology and excellent project management. In addition to providing complete services for construction proposals for new work, operations, maintenance, and system solutions, JGC also years of experience and knowledge to the development of new fuels. By interpreting the needs and desires of customers, and evolving as their customers evolve, JGC aims to become the world's top contractor.

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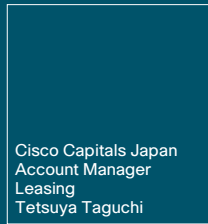
JGC Corporation  
Engineering Division  
Information Technology  
Department  
Department Head  
Mr. Norio Tanji



JGC Corporation  
Engineering Division  
Information Technology  
Department  
Planning group  
Group Leader  
Mr. Shigeaki Suzuki



JGC Information  
Systems Company  
Infrastructure  
Technology Division II  
Assistant Manager  
Mr. Satoshi Naganuma



Cisco Capitals Japan  
Account Manager  
Leasing  
Tetsuya Taguchi



Cisco Systems, Inc.  
Japan Finance &  
Services Industry  
Associate Account  
Manager Sales  
Nanao Asakura



Case Study 

## Successful project implementation and conservation of IT budgets through the use of an operating lease

to switch over to something else. Our goal was to strengthen the structure of our global operations, and so we started investigating a new infrastructure for communications.”

“We conducted an internal survey and many of the responses indicated a desire to reduce the time spent answering phones and taking messages. We also needed an environment that could support communication and collaboration with stakeholders, including design and construction sites and joint venture partners. We do not own production plants and equipment. The work of our staff is project-based. They are often moved around within the office and the office layout changes frequently. Reducing the costs associated with the work and internal phone line setup that is required with each change was a major priority.”

“We were already using Cisco networking devices and the group was in the process of introducing Unified Communications. Based on this, we requested a formal proposal for improving the infrastructure of our company and decided to engage Cisco.”

According to Mr. Tanji, the system was scheduled to be introduced in the summer of 2008, but the financial crisis hit at the same time and JGC was under pressure to cut the IT budget. However, the company did not want to delay the schedule and they had to start evaluating options.

Shigeaki Suzuki, Group Leader of the Planning Group in the Information Technology Department, Engineering Division said that Cisco Capital played a major role in helping the company to overcome this situation. "An upfront investment is usually unavoidable when it comes to upgrading the telephone system for an entire company. I was concerned about how we were going to find the initial capital. However, we received an operating lease proposal from Cisco Capital and we were able to proceed with the project without falling behind. Being able to obtain the initial capital and to significantly reduce costs was very appealing."

Mr. Suzuki added that Cisco Capital's offer at the time to utilize the Unified Communications Campaign was also instrumental in closing the deal. "The

idea that we wouldn't have to start making payments for six months impressed upper management. We went for a lease period of five years, based on the IT system review cycle. Considering how quickly technology advances and the rapid response that is needed, I am happy that we chose the lease."

Satoshi Naganuma, Assistant Manager of the Infrastructure Technology Division II at JGC Information Systems Company, is responsible for the actual system design and construction. Looking back, he said that it was because of Cisco Capital that the project remained on schedule. "JGC determined that it was financially beneficial, so we were able to make an immediate start on the major design work for the system and it really helped. Also, from the perspective of payments and distribution, there weren't any particular distributions or arrangements required so we were able to have very smooth discussions." Mr. Naganuma said that he would like to increase the potential of the new system by connecting the internal telephone lines of domestic and



## Together, the Cisco Group can help you find a solution that meets your needs.

international sites, and encouraging the effective use of videoconferencing. "We were using voice over the IP network before, but it was based on a legacy environment and we were simply sharing the transmission lines. Since we installed Cisco Unified Communications, we have been able to install various applications and linkable platforms. We would like to expand the foundation so that more people can use it and benefit from the potential of an IP phone."

Mr. Tanji told us that he wanted to move to a new system when he heard that there were plans to review the telephone number system for the entire group. "I think we should build a standard foundation that includes the IP phone, web conferencing, and video conferencing and integrate that with the new information platform that is currently being developed. It would be great if we could capitalize on the advantage that IP phones offer, namely, being able to use the phone anywhere that the WAN reaches, and improving communications and collaboration with construction sites, even in regions where it is difficult to maintain a

telephone environment. Our work is performed across multiple locations and realizing a work style with a virtual single office that emulates a single work environment is a major theme for us. We want to use the Cisco Unified Communications architecture to build that foundation.

"In addition to general leases, Cisco Capital, the source of financial support that facilitated the introduction of this solution, offers customized lease plans tailored to suit customer needs.

Tetsuya Taguchi, Account Manager for Cisco Capital, said they were able to offer the optimal plan to meet JGC's needs. "JGC wanted to use an operating lease and transfer the outflow of cash to the following year so we proposed two Unified Communications Program offerings, the FMV lease and an arrangement to postpone payments until six months after the system was introduced. We also introduced operating leases for network devices, and we were happy to hear that JGC was excited about the proposal described above.

Nanao Asakura, Cisco's Associate Account Manager for the Finance &

Services Industry said that the Cisco Capital proposal was very effective and she was impressed that Cisco, was able to offer a truly complete solution to the customer. "Our company provides hardware and other solutions, but by also offering financing through Cisco Capital, we were better able to serve our customer's needs."

Lastly, Mr. Taguchi had the following to say about the strengths of Cisco Capital. "Through the financing schemes designed by Cisco Capital, we can offer not only basic operating leases such as the FMV lease and the safety net/exchange plan, but also a range of other options. We are able to offer solutions to customers who are unable to replace equipment because of the remaining payment balances on their existing equipment, or those who cannot move forward with a project due to budget issues. We offer the flexibility required to meet customers' needs. Please feel free to contact us. It would be our pleasure to assist you with an infrastructure that can support your business." Together, the Cisco Group can help you find a solution that meets your needs.

# CISCO SYSTEMS CAPITAL

## Cisco Systems Capital K.K.

**Address** : Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo  
107 - 6227 JAPAN

**Tel** : 03-6436-6622 (main switchboard)

**Established** : August 27, 2001

**Stock capitalization** : 600 million yen

**Main stockholder** : 100 percent subsidiary of U.S. Cisco Systems, Inc.

**Business Services** : General leasing business; leasing, renting and other financing support for telecommunication equipment and peripheral devices, and sales of pre-owned equipment

**URL** : <http://www.cisco.com/jp/product/lease/>

Cisco Systems Capital provides Japanese customers with various financing services for the products and services provided by Cisco Systems. Cisco System Capital provides financing programs that are advantageous to our client companies, such as setting flexible lease periods, providing termination options and transitions from systems that use competing products. In addition, we welcome any inquiries that our clients might have about network investments, so that we can help them reinforce their competitiveness with the latest network solutions.

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