

How Magna Mirrors Expanded Its Vision

Overview

As the world's leading manufacturer of automotive mirrors, Magna Mirrors of Holland, Mich., has seen its fortunes rise and fall with the auto industry. As an operating unit of Magna International Inc., a Fortune 500 company and Canada's largest auto parts maker, Magna Mirrors (formerly known as Magna Donnelly) serves nearly every automaker around the world. But fortunately for the Information Technology team, the parent company's decentralized culture led the IT department to take some unique measures to prepare themselves to deal with economic cycles, essentially offsetting some of the effects of any possible downturn.

“SureTrunk paid for itself in a single month.”

- Dave Veenstra, IT Manager, Magna



When Magna Mirror's IT department officially became part of Magna IT in early 2008 handling all of the IT functions at the corporate level, they also put into effect a billing solution that enabled them to charge other Magna divisions for IT services as internal customers. With the parent's decentralized nature holding all divisions responsible for their own profit-and-loss statements, other divisions quickly signed on board to share IT resources including the ShoreTel® telephone platform. Today, the phone system is used by 14 divisions across Magna International in the U.S. and Mexico. The ShoreTel server housed in Holland serves approximately the 1,050 phone extensions for employees to retrieve voicemails, etc., while ShoreTel switches that reside at each division's premises (buildings, plants, etc.) send call traffic from the phones out over local Internet connections or via MPLS data circuits.

Telecom: An IT Business Imperative

With volume at the Mirrors subsidiary off substantially due to the economic downturn, Magna IT began exploring various cost-cutting measures. With a significant portion of the IT spending allocated to telecom expenditures, Magna officials quickly concluded that long distance costs had to be addressed. Yet, the solution also needed to address other considerations like capital expenditures for hardware, implementation costs and training. In addition, the de-facto “in-house” IT organization was still acutely aware that economic cycles may eventually lead to an upswing and still needed the agility to deploy new end-points, switches or phone systems without the long-term commitments required by dedicated voice circuits.

By December 2008, Magna's IT officials and Millenia Telecom, an authorized ShoreTel reseller, determined the best approach was to migrate analog lines over to those based on the Session Initiation Protocol (SIP). Magna approached AT&T, which currently serves as their vendor for Internet and MPLS data circuits; however, AT&T's recommendation was to bring in additional circuits to be dedicated to SIP trunking, whereas Magna wanted to use their existing Internet connections. Subsequently, Magna began discussions with EtherSpeak Communications to explore and examine SureTrunk™ -- the world's first and only native SIP trunking solution for the ShoreTel platform.

The ‘Sure’ Solution

By the end of January 2009, Magna IT was up and running with SureTrunk. There was no cost for equipment, training or support. The implementation required about five hours of time from Magna's

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network engineer and about 15 hours of time from the ShoreTel administrator. In addition, no additional training was necessary for end-users. All users dial 9 to get an outside line. The ShoreTel phone system decides which outside trunk is best for the call. Magna now pays fixed-pricing per trunk with no per-minute charges for all long distance calls in the U.S. and Canada and has additional backup long distance trunks for faxing and international calling.

“EtherSpeak is now a trusted partner in our telecom solution. Their role in our phone system will grow as we add more locations,” explains David Veenstra, IT manager, Magna International.

World-Class Benefits

As a result of the SureTrunk native SIP trunking solution, Magna has realized a significant 51% cost reduction just in the long distance portion of its telecom expenses. Monthly long distance charges have dropped from about \$4,700 to \$2,300. “SureTrunk paid for itself in a single month. We had to work through some technical issues at the beginning of the implementation but once those were worked out, the product has performed flawlessly,” Veenstra states.



Of greater importance is the fact that, even in the wake of a broader slowdown, Magna IT can still grow by expanding capacity without long-term commitments for voice circuits. Because Magna IT’s interests have diversified beyond the Mirrors division – for example, to Magna Electronics. With the push toward alternative energies, the Electronics division now stands at the forefront of innovation, developing the hybrid and electric-powered vehicles of tomorrow. As such, Veenstra actually expects to add about 100 ShoreTel phone extensions in 2009 with a bulk of that going to the Electronics division.

“They’re hiring engineers left and right,” Veenstra adds.

About Magna Mirrors

Magna Mirrors (www.magnamirrors.com), a wholly-owned operating unit of Magna International, is a global supplier to the automotive industry and one of the largest producers of automotive mirror and vision systems. Magna Mirrors is focused on developing value-added products including complete exterior and interior mirror systems, actuators, electrochromic glass, and door handle systems. The group employs more than 7,000 people at manufacturing and engineering facilities located in North America, Europe, Asia, and South Africa.

About Magna International

Magna International (www.magna.com) is the most diversified automotive supplier in the world. We design, develop and manufacture automotive systems, assemblies, modules and components, and engineer and assemble complete vehicles, primarily for sale to original equipment manufacturers of cars and light trucks in North America, Europe, Asia, South America and Africa. Our capabilities include the design, engineering, testing and manufacture of automotive interior systems; seating systems; closure systems; metal body and structural systems; vision systems; electronic systems; exterior systems; powertrain systems; roof systems; as well as complete vehicle engineering and assembly.