

CASE STUDY

LVM CHOOSES RED HAT® SOLUTIONS AS STRATEGIC PLATFORM FOR THE FUTURE

Red Hat Desktop, Red Hat Enterprise Linux®, and Red Hat Network provide high performance and security for Germany's leading insurance company

With about three million customers, Landwirtschaftlicher Versicherungsverein Münster A.G., or LVM, is one of the largest insurance companies in Germany. The company, which was founded in 1896, employs 2,200 staff at its headquarters in Münster and has more than 2,100 agencies across Germany to support customers locally. While this local presence is one of LVM's core strengths, it also presents a challenge when it comes to their IT infrastructure. In order to create a network linking the agencies and still provide central data management, LVM has taken an innovative approach with technology, for which they've already won numerous awards.

LVM is one of the global pioneers when it comes to using Linux on desktops. The tradition of Linux within the company reaches back to the year 2000, when a combination of strategic considerations led to the company developing its own Linux version.

DECENTRALIZED SYSTEMS REQUIRE MAJOR OVERHAUL

In the late 1990's, LVM began searching for a new system for their critical agency software; their current system had been in place since 1983. They were particularly focused on centralizing their entire data management system. "Up to then, it was typical in the sector for each agency to hold its own customer data independently and to be responsible for it," says Werner Schmidt, IT manager of LVM, with regard to the centralization strategy. "This leads to the expenditure of a great deal of time and effort in data comparison and harmonization. It is absolutely essential that all customer service managers, including those at HQ, are always on the same level with regards to customer information. However, with that

system, redundancy and certain discrepancies within the information which is held between the headquarters and the agencies couldn't be avoided. We wanted to achieve a basic competitive advantage by using central data management. We want all our staff to speak to our customers with one voice. And at the same time we want to avoid duplication of procedures and applications. The ideal way of achieving this was to install a central system of data management where agencies have live access to the central system."

FAST FACTS

Industry: Financial Services, Insurance

Geography: Germany

Goal:

Find a Linux-solution backed by enterprise-level support while retaining vendor-independence

Solution:

Clients – Red Hat Desktop and IBM ThinkPad notebook computers. Servers – Red Hat Enterprise Linux and Fujitsu Siemens, Sceneo & Futro hardware. Systems Management: Red Hat Network

Benefits:

- Cost-effective client and server solution from a trusted vendor
- Easy, quick deployment and on-going systems management.
- On-going confidence via Open Source Assurance program

“Centralized data management and linking of our agencies is one of our most fundamental competitive advantages. With Red Hat we are certain that we have found the right platform for this business-critical application and also for other applications in future.”

Werner Schmidt, IT manager at LVM

BUILDING LINUX FROM SCRATCH

At the time, available alternatives for implementing a solution based on thin clients, which LVM wanted, were extremely limited. Finally, LVM installed an infrastructure of 1,400 IBM 2800 Network Stations in 1998. However, IBM stopped development and support of the system in 2000, and migration to Java 2 wasn't possible. LVM searched for a solution and found it in Linux. “Linux is ideally suited for use in a Thin Client environment,” explains Alfred Isenbeck, Head of DP Infrastructure at LVM. “But the usual Linux distributions available at that time were too comprehensive and too complex. So we decided to create our own Linux distribution from scratch”. So, LVM purchased 5,500 IBM T30 ThinkPads® for their long battery-life, ability to withstand wear and tear, and strong price/performance ratio. The stationary Linux systems at LVM headquarters utilized hardware from Fujitsu-Siemens.

INCREASED SYSTEM REQUIREMENTS PROMPT VENDOR SEARCH

Since the installation of LVM's home-grown Linux, their system requirements had grown tremendously. Increasing numbers of workstations in the agencies and at headquarters needed to be linked to the central system, and the number of functions the system had to do also continuously increased. The existing Linux system became ever more complex and, therefore, more difficult to maintain. “In 2004 the time had come when we had to admit that it was not our job

to do the work of a Linux distributor,” explains Matthias Strelow, Linux & Windows Project Manager at LVM. “We wanted to concentrate on our core expertise and operate a solution which would allow our staff to work effectively. Development and maintenance of the underlying operating system is not our responsibility.”

LVM again researched alternatives, including Windows. “But in the last analysis, the same factors that spoke in favour of Linux four years ago were still true. Linux ran at least as reliably as Windows. However, a pure “community” version of Linux wasn't an option for us, as we wanted to be able to take advantage of professional support. It is true that in the past we did well with the possibilities offered by the open source community when maintaining our own Linux system. But with a project of the size and complexity that we were looking at, it had to be a commercial service provider. After all, we needed to migrate 8,500 systems in the first phase of the project, which meant that the options were fairly limited,” says Schmidt.

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VENDOR-INDEPENDENCE CRUCIAL

“But there is one thing we wanted to avoid at all costs,” says Schmidt. “We really did not want to be dependent on any one provider.” Red Hat Enterprise Linux came through as the platform of choice in the comprehensive evaluation process, which included the successful completion of a pilot project.

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only uses code that is supported by the Community. This means that we are never dependent on only one company for the further development and support of our installation. We want to enjoy the freedom offered by Linux, along with the professional support of a commercial service provider," Schmidt explains.

RED HAT DESKTOP AND RED HAT ENTERPRISE LINUX EXCEED REQUIREMENTS

The positive experience that LVM enjoyed on the server-side with Red Hat Enterprise Linux and the corresponding support spoke in favour Red Hat Desktop. "We never disregard the personal aspects when deciding on our partners," explains Schmidt. "Our existing cooperation with Red Hat as well as the way we worked together during the pilot project showed us that the chemistry was right and that we could enjoy the kind of relationship of openness and trust with Red Hat that we want with our technology suppliers. In addition, the detailed solution for problems which confronted us during the development of our own Linux were included in the Red Hat development process. The functions that used to give us a headache are now better implemented in the Red Hat Desktop than we would have been able to achieve alone."

RED HAT NETWORK PROVES TO BE A VALUABLE ASSET

During the pilot project Red Hat's suggestion only to supply desktops in combination with Red Hat Network for systems management also proved its worth. "That made our work a great deal easier and raises Red Hat way above the competition," explains Strelow. "The possibility of central administration of the entire roll out and management process was exactly what we needed."

Red Hat Desktop will be used in fixed locations on PCs at the company headquarters, in agents' offices all over Germany, and in mobile use via IBM ThinkPads. Aside from a mail client, image viewer, and Web browser, a

Java-based application system developed by LVM will also be deployed, which covers everything the end user will need to complete his or her job: word processing, offer management, contract processing, customer relationship management, claims settlement and much more.

The desktops in the company headquarters are linked by means of a standard LAN. The agencies are linked by a 2 MBit ATM line leased from Deutsche Telekom. One MBit in this WAN is reserved for data transfer, the other MBit is available for special services such as telephony. The agencies are permanently linked to the headquarters via the WAN. This means that all the staff members who are responsible for a given customer always have the same information. If, for example, a customer should have questions about his insurance contract shortly after leaving the agency where the contract was executed and phones the 24-hour customer hotline, which is located in Münster, the customer service staff there already has access to the entire file. LVM will connect to RHN via the WAN, thus implementing the entire roll out and later performing system maintenance using the same line.

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RED HAT OPEN SOURCE ASSURANCE PROVIDES SAFETY

"After successfully completing the pilot project we were sure that with Red Hat we had found the right partner for our strategic IT platform, and were completely confident about the whole roll out process," explains Schmidt. "In addition, we have taken the basic decision to

standardize certain areas of our IT infrastructure to Red Hat Enterprise Linux and Red Hat Desktop in the medium to long term. The Red Hat Open Source Assurance Program has also further increased our confidence. The program means we can be sure that we can continue to use Red Hat Enterprise Linux and Red Hat Desktop even if patent disputes should arise.”

| Target/Requirement | Solution |
|---|---|
| Flexible, reliable operating system combined with the professional support of a commercial service provider | Red Hat Enterprise Linux, Red Hat Desktop |
| Economically viable alternative for massive roll out of solution and ongoing system maintenance | Red Hat Desktop with Red Hat Network |
| Independence from manufacturers | The Red Hat Enterprise Linux code-base has been accepted to the upstream kernel and the open source community, making it the distribution with the lowest number of custom patches. |
| Professional support during system adaptation state | Red Hat Global Support Services, which is included with any Red Hat subscription, provides the highest levels of open source competence with flexibility and rapid response times. |
| Safe, reliable long-term technology investment | Red Hat’s Open Source Assurance Program |
| Robust and high-performance clients | IBM ThinkPad T30 |
| “Small Form Factor” computers with reliable technology | Fujitsu Siemens, Sceneo & Futro |

