The Co-operative Group stands apart from other major retailers in the UK as a business which is owned, not by a small group of shareholders, but by more than five million consumers. With core interests in food, financial services, travel, pharmacy, funerals and farms, it has an annual turnover of £14 billion, employs 120,000 staff and operates over 5,000 retail trading outlets serving more than 20 million customers per week.

The Co-operative Food is the fifth largest food retailer. The Co-operative Financial Services is one of the largest and most diversified financial mutual businesses, operating The Co-operative Bank, The Co-operative Insurance and Britannia.

The Co-operative is the UK’s number one provider of funeral services, the third largest retail pharmacy chain, a leading travel retailer, supplying the travel needs of more than three million people annually, and is the UK’s largest farmer.

The Challenge: A new computing model supporting business growth and flexibility

The impending move to its new headquarters was a key catalyst for change in The Co-operative Group's IT strategy. A number of business challenges—including demands for more-flexible working, a greater focus on sustainable practices, and cost reduction—came together. “From a strategic level, our existing IT infrastructure simply was not scalable and versatile enough to support future business growth,” said David Murrell, head of servers, storage and desktops. “Construction of the new building was a perfect opportunity to realign our IT infrastructure with the needs of the organization.”

The Co-operative Group had used Citrix® XenApp™ for years to deliver virtualised applications to users in branch offices and distribution centres. However, with 18,000 desktops, a laptop estate of 3,500 and a growing number of home-based workers, the organization faced high costs in hardware refreshes, power usage, IT support and application licensing fees. Many workers wanted to use non-traditional mobile devices such as Apple® iPhones, iPads® and slates instead of laptops, while human resources wanted to expand flexible and remote working opportunities. The IT team sought an easy way to support these diverse users and new devices while delivering a rich computing experience, and also wanted to upgrade PCs to thin clients and a hot desking model to reduce overall hardware expenses in the new headquarters.

Application migration was a crucial stage in transitioning business services from the existing IT environment to the new one. The Group had over 1,400 applications in use across the organization, and needed to determine how to successfully migrate to the new architecture and then to accurately predict the effort required to complete the migration.
Sustainability was a key imperative: The Co-operative Group pledged to reduce its carbon footprint in the new building through a variety of environmental initiatives. Cutting power consumption for its datacenter and devices was an important aspect of this strategy.

Finally, at the highest level, the organization needed an IT approach that could scale seamlessly and cost-effectively to support the ongoing rejuvenation of the business. “We could see an acquisition trail ahead of us, together with the rebranding of the entire business, and knew we could not respond effectively with our existing IT infrastructure. We recognized that a highly flexible, virtual computing solution would be vital to provide resources on demand to a broader array of devices, locations and user needs,” said Murrell.

Implementing XenDesktop

Murrell and his team selected Citrix® XenDesktop®, Platinum Edition to deliver a standard virtual desktop to 3,000 task workers across the organization, primarily in the Co-operative Group’s distribution warehouses. The team also uses XenDesktop FlexCast™ to deliver hosted VDI desktops that include applications with special requirements, such as restricted OS compatibility.

HP and Wyse thin clients will be phased in at headquarters to replace 2,000 PCs assigned to specific employees. A special hot desking area in the new facility will offer 364 seats to as many as 1,104 flexible workers, helping to conserve and optimize hardware resources. The organization also hopes to allow mobile and home-based workers, who connect using Citrix Access Gateway™, to use their personal device of choice to receive a virtual desktop.

XenDesktop runs on a virtual server infrastructure comprised of Microsoft® Hyper-V™ and Citrix® XenServer®. Nearly 900 virtual machines running over 200 virtualized applications are deployed on 48 HP blade servers; more than 80 applications were decommissioned as part of a streamlining project. Murrell noted that The Co-operative Group moved from its previous virtual server solution to XenServer and Hyper-V to achieve significant cost savings.

Citrix AppDNA application migration software was selected to test the applications for compatibility with the XenApp and Microsoft® App-V platforms, with a view to leveraging the information to migrate to Microsoft Windows Server® 2008 and Microsoft Windows® 7 in the future. The Group’s Technical Architect, Ian Cawson, recalls, “We pioneered a proof of concept phase in order to confirm the technical solution stack and prove the VDI business case. A measure of our success was that we were able to quickly move to production.”

With Citrix server virtualization, which enables approximately 70 users per blade, The Co-operative Group is able to reduce the number of physical servers required while providing outstanding flexibility to deliver applications on demand.

Workplace of the future: Leaner, greener and cheaper

By using XenDesktop running on XenServer and Hyper-V, the Co-operative Group expects to save more than £1.5 million per year. These savings derive from fewer software licenses, reduced power demands, and lower server and device hardware costs. For example, instead of providing every employee
with access to every application, the IT team delivers a standard, virtual desktop with a core set of applications to most users. Major savings are expected from the use of low-cost thin clients instead of PCs and workstations, and through datacenter consolidation with virtual servers.

When addressing application compatibility Cawson recalls “We chose Citrix AppDNA software because it just worked out of the box. It was so simple to use that the IT Team needed only limited training, and it had a very low footprint in the data centre. From the detailed analysis it generates, we very quickly determined best practice and applied the correct resource skills to package and remediate the applications”. “This new architecture will meet all our objectives – staff will be able to work more productively from any location, and our systems will be agile and scalable to cope with business growth” continues Cawson, very confident that the program will deliver the promised benefits.

Citrix technology will also help The Co-operative Group’s new building achieve a reduced carbon footprint—a key strategic goal. Lower server, storage and desktop energy bills will save an estimated £459,000 per year.

Flexible working powered by virtualization

Citrix XenDesktop enables a highly flexible work environment by delivering required information resources to each user at any location and on any device on demand. Flexible working offers many benefits to employees, including better work-life balance, making it a powerful recruitment and retention tool. For The Co-operative Group, desktop virtualization equates to higher efficiency, productivity and satisfaction for its employees, helping to drive growth and agility.

Another facet of flexible working is the ability to remain productive during a business interruption. “During the winters of both 2009 and 2010 we had interesting weather, including several feet of snow,” Murrell recalled. “In 2009, we were still in our pilot phase for XenDesktop, but were able to quickly deliver a virtual desktop to over 400 people who could not get to the office. This helped us continue to operate.” He added that the IT team has its own virtual desktop that permits people to provide support services from their homes.

Murrell concluded, “For us, virtualization with Citrix XenDesktop and XenServer technologies was a no-brainer. In addition to providing major cost savings, virtual computing aligns with the strategic goals for our new headquarters, including environmental protection, flexible working and the agility to cater for the business expansion.”