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## VeriCenter's IT Services Position Wild Oats for Organic Growth

### PROBLEM

Organic agriculture is the most dynamic and rapidly growing sector of the global food industry. Its growth from a small-scale niche market to a \$23 billion enterprise has made "organic" an international phenomenon, according to the Rural Advancement Foundation International – USA.

A major contributor to this overall growth is Boulder, Colo.-based Wild Oats Markets, Inc. (NASDAQ: OATS), an 18-year-old supermarket chain. As the nation's second largest natural and organic foods concern, Wild Oats has a family of more than 110 stores in 24 states and British Columbia, with annual sales of more than \$1.0 billion.

While Wild Oats continues to enjoy success, executives realized that they needed to make a sea change in their strategy for reaching the company's next milestone: doubling the number of stores nationwide through new store development. (The Company had largely grown through acquisitions in the past.) For one, Wild Oats had outgrown its own data center and would either have to build a new one or outsource the function.

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Vice President of Information Technology Jon Payne also recognized that he needed to free up his highly talented IT staff to work on strategic areas of growth, unencumbered by daily tactical issues – without degradation of the IT infrastructure supporting the business.

An IT industry veteran of outsourcing and hosting companies, Payne sought to reposition his team for tackling such issues as the complexities of compliance with the Sarbanes-Oxley Act, and making security not only a tactical but a strategic concern for the company. "We recognized the need to elevate the focus of IT to business objectives and initiatives," Payne said. "Only by doing so would the company's rapid expansion plans be enhanced, and not hindered, by IT.

Payne added: "What I want to do is get out of managing the nuts and bolts of technology. At the end of the day, it has nothing to do with selling lettuce."

In order to prepare for its expansion plans, Wild Oats elected to outsource its core IT activities, including enterprise hosting, managed services, security functions, and data assurance.

### SOLUTION

Wild Oats conducted a thorough, highly competitive evaluation process of 25 managed services providers. After winnowing the field to 11 and then three finalists, Wild Oats selected VeriCenter. VeriCenter was chosen for its experienced staff, the quality and details of its proposal, its data center capabilities, network capabilities, creative solutions, and migration plans. Wild Oats conferred with other long-time VeriCenter customers who have benefited from its on-demand IT services, controlled costs, customer service expertise, as well as its ongoing commitment to dedicated partnerships and premium services.

Wild Oats retained oversight of its PeopleSoft implementation at the application level, its end-user help desk, and other enterprise applications. VeriCenter handles everything else, including 60 powerful servers running Wild Oats' core business applications and serving its more than 110 stores and thousands of users.

Those responsibilities also entail core infrastructure management, including administration, monitoring, security, data assurance and backup, system administration, storage management, network management, 24x7 operational support, and centrally delivered data center services. VeriCenter's distributed, high-availability data center network will scale rapidly as Wild Oats' needs grow.

VeriCenter spent considerable time to make sure the migration succeeded, completing it in just 30 days. The fruits of its labors have paid handsome dividends. The majority of Wild Oats internal users are unaware that the data center ever moved. Since the initial migration, Wild Oats has asked VeriCenter to manage e-mail services for 2,500 users.

"VeriCenter provides us with on-demand services, enabling Wild Oats to achieve key performance measures and drive business to the next level," Payne said. "We don't have to worry about platform complexities because VeriCenter is managing the process on a 24x7 basis and gives us an efficient and agile environment in which to work. VeriCenter has become an extension of our IT team."

## RESULTS

Leveraging VeriCenter has enabled Wild Oats to focus on building relationships with its customers and partners, and on strengthening brand awareness. VeriCenter also reduces IT services costs for Wild Oats and provides 100 percent network availability.

That's the result of VeriCenter's SAS-70 Type II certification, which provides the assurance that it adheres to policies, procedures and business processes designed to ensure a secure and stable data center environment that safely monitors and manages customer data.

VeriCenter also has helped Wild Oats improve efficiencies and bolster customer satisfaction. Wild Oats has a sound IT infrastructure from which it communicates with suppliers and other partners, all with the overall goal of improving product availability and services for its valued customers.

"VeriCenter has enhanced our IT performance while remaining transparent to our valued customers. Not having to worry about data center and network reliability lets us focus on growing the Company."

While supermarkets traditionally operate on lean margins, high revenues and low profits, Wild Oats will continue to meet its business challenges through its VeriCenter partnership. VeriCenter gives the company a long-term utility computing strategy, economies of scale, and a well-managed, low-cost IT infrastructure.

