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## Hagadone Corporation Embraced the Cloud – Before Cloud Computing Was Cool

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### Summary Analysis

- **Problem** – As a conglomerate with diverse businesses spanning a wide geography, Hagadone wanted to centralize IT support, control costs and consolidate business-related information.
- **Solution** – Application centralization and remote delivery based on Citrix *XenApp* and *XenDesktop*.
- **Rationale** – Citrix was the most capable platform for remote application delivery. It supported a broad range of clients, including Mac and Windows.
- **Results** – Hagadone maintained the same, low IT headcount over a 10-year period while supporting nearly 30 businesses. Provided good customer service. Centralized data for easy access and timely reporting.
- **Observations** – The more distributed an enterprise, the greater the efficiency and cost savings from centralizing applications.

Hagadone Corporation is a privately-held, diversified company based in Coeur d'Alene, Idaho. It owns and operates newspapers from Washington State to Wisconsin, a magazine and large printing operation in Hawaii, hotels and a lakeside resort in Northern Idaho, three marinas, six restaurants as well as other businesses. Hagadone is a true conglomerate.

Ten years ago, the company looked at ways to streamline and consolidate IT applications among its diverse businesses. "First and foremost, we wanted to keep our costs in line with our limited manpower," said Bill Tunison, IT Director of Hagadone Corporation. "Most of the properties are not large corporations in themselves, and they just could not justify sustaining an IT staff. We wanted to centralize support – so that we had proper support but did it for the least cost possible."

"The other side of the coin was that we needed to consolidate our information. We budget and review monthly. And when the month ends, we want to be able to roll up the numbers. The best and most efficient way to do that was to have the

information available to us. So we didn't want to wait on somebody sending a fax of information and then reposting that information in the general ledgers," he said.

### Consolidate Applications in the Cloud

To address these challenges, Hagadone implemented remote application delivery over public networks, i.e. the Internet. This was long before cloud computing and software as a service were industry buzzwords. It started in the year 2000 with their financial system, which was *Great Plains Software* at the time and later became *Microsoft Dynamics GP*. The application system and databases ran in the company's Coeur d'Alene data center, and remote users at the various businesses accessed it over wide

area network links using Citrix clients. The links were configured as virtual private networks (VPN) to ensure data security and integrity.

The Citrix solution, which includes Citrix *XenApp* and *XenDesktop*, allows users to run application sessions virtually and remotely on various platforms. The application sessions run in the main data center, and the presentation is displayed on the clients. “Citrix was a far better tool than terminal services or anything else. Citrix always had clients that were more or less universal. One of the things we ran into was, in our newspapers they preferred Macs, and in our hospitality and other areas they preferred PCs. I chose not to decide what type of workstations users would have and opened it up to support both,” said Tunison.

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- Bill Tunison, IT Director,  
Hagadone Corporation

As remote workstations, they used *Windows* PCs, *Macs* and, for a while, thin clients. Thin clients are low-cost, scaled-down computers with a display and keyboard, and are completely dependent on the network and server for application processing. As PC prices fell, the price difference between a fully-functional PC and a thin client was merely a hundred dollars. It was worth paying a little more to have local processing for activities like email and Web browsing, so thin clients were no longer advantageous.

At about the same time as the financial system, Hagadone consolidated all subscriber services for its newspapers into a common system that ran in a cloud environment. It later consolidated newspaper production activities such as classifieds and ad design. It deployed a marina management and boat sales application called *Dockmaster Marine Management* for its three marinas. Again, all of them ran in the main data center and were accessed remotely over a network.

“Some of the systems are handled locally by the properties, some are not. It just depends on whether there is a need for multiple properties to have access to the same system and data,” he said. When an application can serve multiple Hagadone businesses, it is consolidated in the cloud to minimize operating and infrastructure costs. When an application is unique to a business, there are no synergies to gain so it remains at the local site.

## Maintain IT Headcount, Reduce Costs

Hagadone has benefitted from its early adoption of cloud computing strategies. It has maintained the same headcount in its IT department over a decade – a number in the single digits – while supporting nearly thirty businesses in various industries stretching from Hawaii to California to Idaho to Wisconsin. Tunison continued, “I feel very good about it. I think it has done everything we hoped it would do. We are able to support it with a small staff. We give good customer service. And the initial objective of consolidation – getting data in and having data accessible – has all come to fruition.”

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- Bill Tunison

Looking forward, Tunison said the company is pursuing virtualization of servers and desktops. It is also working on disaster recovery planning and high availability systems. These initiatives will add to the

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efficiency and flexibility of the IT infrastructure. Clustered servers and redundant storage have always been part of the infrastructure. Now the focus is on network redundancy and load balancing from the corporate data center across the wide area network backbone to the “last mile” connections to the individual businesses. The objective is to provide high end-to-end resiliency in a distributed cloud environment.

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