Case

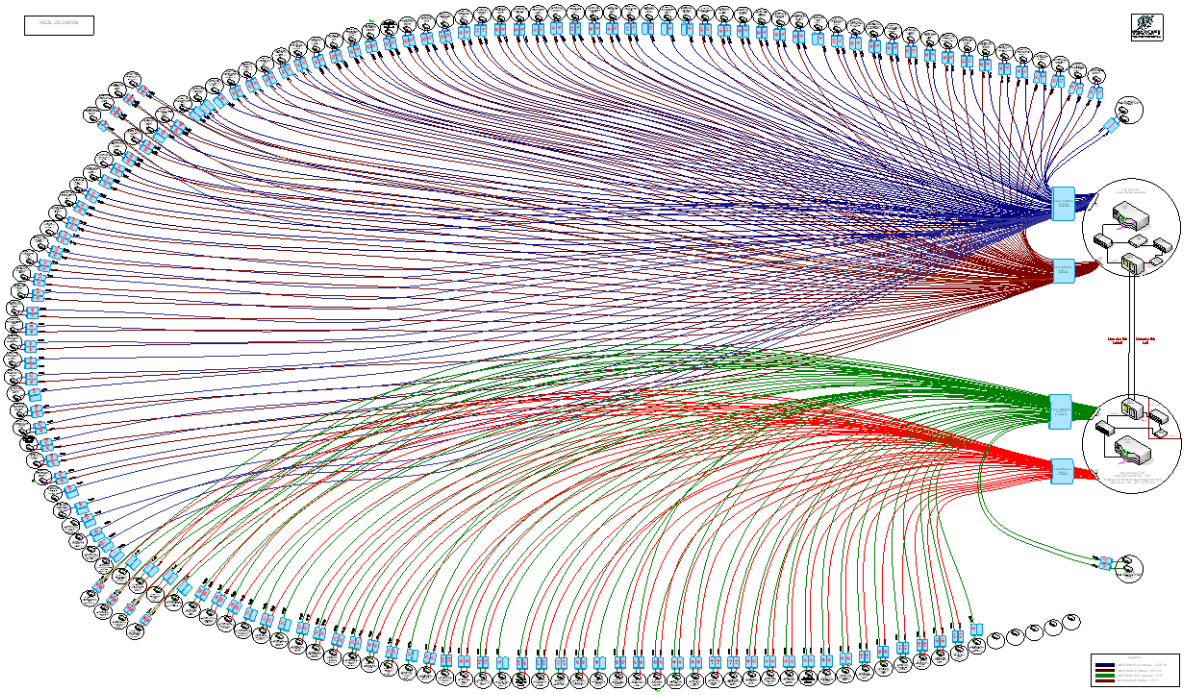
WANOPT
The Wide Area Network Optimizers

MULTINATIONAL RETAIL COMPANY RE-EVALUATING ITS TELECOMMUNICATIONS INFRASTRUCTURE IN BRAZIL

This case encompasses the Brazilian arm of an European retail company with worldwide operations. The organization had approximately 11.000 employees in Brazil distributed nationwide in its 171 stores.

The data processing structure was concentrated into two sites located in São Paulo city. The organization already had some voice integration (two voice channels per site). The technology deployed in the data network (Main and backup) was Frame-relay.

The organization purchased its data and voice services from the same service provider, and the network structure was as follows:



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Through the deployment of the analytical software Ariete® it was identified that the current telecommunications cost could be reduced by approximately 30% from **R$ 1.077.139,72** (USD 700.000,00) to **R$ 753.097,81** (USD 500.000,00) per month.

This saving would be achievable even though we were increasing the available bandwidth by 25% and increasing the network reliability through the deployment of backup circuits with different CPEs (In the former structure the backups were limited to the last Miles and both accesses shared the same CPE).

Item	Current situation Monthly cost	New design Monthly costs	Monthly savings	%
Main network	R$ 379.800,16	R$ 180.000,00	R$ 199.800,16	52,61%
Backup network	R$ 36.119,81	R$ 240.183,56	-R$ 204.063,75	-564,96%
Fix calls	R$ 98.800,00	R$ 60.001,98	R$ 38.798,02	39,27%
Mobile calls**	R$ 420.200,00	R$ 131.692,52	R$ 288.507,48	68,66%
Others***	R$ 142.219,75	R$ 141.219,75	R$ 1.000,00	0,70%
Total	**R$ 1.077.139,72**	**R$ 753.097,81**	**R$ 324.041,91**	**30,08%**

Some interesting aspects associated to this particular case:

1) The cost of the spoken minute transported through the public network negotiated was so cheap that made transporting voice through an integrated voice and data network uneconomical.

2) The bulk of the savings came from reducing the cost of the spoken minute between fix-lines and mobile phones. This kind of traffic although representing only 20% of the total voice traffic responded for 85% of all voice costs.

3) It was identified the possibility of contracting two completely separated networks paying the same value paid currently (including equipment and last Miles really redundant).

The data gathering process was conducted deploying the telecommunications management software TRMS® (Telecommunications Resources Management System).

The analysis processes involved the consolidation of all voice bills (28 bills), the identification of all intra-org traffic (all calls made among the trunks belonging to the organization), the identification of all fix to mobile traffic (Mapping the most called numbers (200) – responsible for 25% of all voice costs) and the identification of the traffic matrix per area code.

The whole analytical process took three months and the necessary investment to implemt the recommended changes was R**$ 700.000,00.**