

case study



Computer Retailer Gets High-Tech Solutions and Savings with XO®



CompUSA, Inc.

With revenues of \$4.7 billion in 2004, CompUSA, Inc. is one of the nation's leading retailers and resellers of technology products and services. Founded in 1984, and based in Dallas, Texas, CompUSA employs 14,000 and currently operates more than 240 stores in major metropolitan markets across the United States and Puerto Rico.

The Challenge

Find a new vendor for the primary data network, serving CompUSA headquarters and more than 240 local retail stores

Monroe needed a vendor to provide data services for the CompUSA headquarters in Dallas and for 240+ local retail stores. "We had been testing a new VoIP application," said Monroe, "so the service also had to be voice ready."

The Solution

Provide a reliable data network, using an OC-48, Gigabit Ethernet, DIA, and T1s

"The President of XO got involved in the negotiations," said Monroe, "and I really liked him. He knew what he was doing and how to get it done." After further negotiations, CompUSA chose XO as its new carrier.

"Before we signed with XO," said Monroe, "we ran a pilot in two Texas stores with our VoIP system and XO circuits. The VoIP equipment was plug-and-play with the XO circuits, so we knew we had found the right vendor."

At headquarters, XO installed an OC-48 eight-node ring with an OC-12, plus a Gigabit Ethernet to feed the local stores. All the local stores were set up with XO circuits to come back into the OC-48 and OC-12 at CompUSA headquarters. XO also provides a dedicated Internet access (DIA) circuit at headquarters and local phone services in several local stores.

"Normally, we use our backup network for in-store training," said Monroe, "but a number of stores have begun heavy training, so we've put a second XO T1 in 10 stores for training and plan to add four or five more."

highlights

Customer Challenge

- Find a reliable carrier for the CompUSA data network, which includes headquarters and 240+ local retail stores
- Ensure that the network is compatible with the existing VoIP equipment
- Improve the level of support and billing services

XO® Solution

- A reliable data network using an OC-48, Gigabit Ethernet, DIA, and T1s, which contributed to decreased annual infrastructure costs of \$16 million
- The security and reliability of the XO national IP network
- The responsiveness and dedication of XO service teams



The Results

Speedy Installation

"The initial installation and turn up went without a flaw," said Monroe. "At the same time, we were installing a new VoIP system, which required increased coordination. XO completed the installation for 240+ sites in nine weeks with no major hiccups. It was phenomenal!"

Reliable Network

"XO carries 100% of our data, and reliability is great," said Monroe. "Our up time is great, and we don't have any issues. Of all the CompUSA networks, the XO DIA data network is the most reliable."

Reduced Costs

"When we switched to XO, we also made other changes to the infrastructure," said Monroe, "so I can't attribute all costs savings to XO, but XO has certainly contributed to our savings. Between 1997 and 2006, we reduced our annual infrastructure costs from \$26 million to \$10 million — a savings of approximately \$16 million."

Increased Bandwidth

"Since 2003, when we transitioned to XO, and while significantly cutting our infrastructure costs, we also increased our overall accessible bandwidth by 2.5 times," said Monroe. "This increase in bandwidth gave us the ability to do a lot more things on our retail floors and in our Technology Services areas."

Excellent Service

"Since the installation," said Monroe, "support from XO has been great — they're very responsive. There were a few hiccups when XO switched to a new billing system, but XO worked with us to straighten it out. That's all I can ask."

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KEN MONROE

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CompUSA, Inc.
www.compusa.com

About XO Communications

XO Communications is a leading provider of telecommunications services exclusively to businesses. XO services include local and long distance voice, dedicated Internet access, private networking, data transport, and Web hosting services as well as bundled voice and Internet solutions. XO is a proven leader in IP services, including the award-winning Voice over Internet Protocol (VoIP) services bundle, XOptions® Flex. For carriers and service providers, XO offers a full suite of wholesale services. XO provides these services over an advanced, national facilities-based IP network and serves more than 70 metropolitan markets across the United States.

For more information, visit www.xo.com or call 1.866.963.9696.