

# Gold's Gym case study

Business



Gold's Gym VoIP Case Study By Vincent Oliver Voice over Internet Protocol or VoIP has in very little time changed the business practices of many companies; increasing their productivity along with saving money and time. VoIP technology delivers communication via voice over a computer network and other packet switching technologies. This could not be more evident when speaking about the 50- plus corporate-owned Gold's Gyms who took on the challenge of switching from DSL to VoIP. The company was experiencing frequent outages with their DSL (digital subscriber line) network the company needed to look at another option. This is something that Bobby Badugu, the vice-president of IT for Gold's Gym knew was a meaning for doing a significant upgrade.

After exploring various options which included, satellite, frame relay, even a different DSL provider Badugu opted to go with a carrier-provided VoIP (voice over IP) service. This is when all the trouble seemed to rear its nasty head. It is fair to say that the vice-president of IT learned many lesson's which included using a phased implementation process, establishing clear service level agreements or SLAs, which included penalties; along with conducting a through technology assessment to identify potential issues. The entire rollout was slated to take eight weeks. The data portion of the rollout was complete by mid-November, but only about 20 percent of the voice lines had been ported to the VoIP network.

Even with this Badugu remained very bullish and expects benefits of 35 to 40 percent saving in voice and data cost, and was already saving anywhere from \$6, 000 to \$10, 000 on his conference calls alone. The 50 corporate-owned Gold's Gym which Badugu is responsible for when it comes to

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providing network service are in California, Hawaii, Maryland, Missouri, Texas and the Washington DC area. Needless to say that network service is vital to the guys due to the fact that they rely on a central server for everything from member data to the retail POS or point-of-sale system. At first Badugu targeted satellite when first embarking upon this upgrade project in early 2006, but he quickly learned that this was not a good option as it did not provide enough bandwidth to accomplish the goals he had set forth. He was also not very impressed with the available frame relay offerings, which at the time he considered an older and far less flexible technology, and was not comfortable with a different DSL service provider.

Badugu contacted Qwest which is now Century Link to inquire about a VPN or virtual private network service. It was from this contact that the VoIP solution was proposed. He also looked into AT and Sprint to see what these companies offered. The proposals from both companies where in his eyes very " voice-centric and did not have a strong strategy for combining voice and data, so Qwest won. Reducing cost for local, long distance and conference calling where the driving force behind upgrading the voice network.

Badugu states, " As we add gyms and continue to grow our business, those cost became astronomical. " While in the same instance the company struggled to manage the lines and make sure each was being properly used. He did not have the staff to monitor it every month as was needed along with making sure they were doing the right thing for the company. He also lacked the staff along with the desire to build his own VPN network. He was planning on installing a T-1 line to each of the 50 gyms and implementing <https://assignbuster.com/golds-gym-case-study/>

voice and data service once the circuits were installed. Installing the T-1 was the simple part.

The company gave him a date and when it occurred the installation of the T-1 was the simple part. It was Qwest subcontractors complicated the matter. With each location he was dealing with six or even seven parties when it came to putting the phone and data lines in. Badugu says that he felt like some were pretty much learning the technology or learning the equipment. There were some shortcomings on the company's part.

Badugu states that, " One of the things we did not know our environment. His company did not know what kinds of phone systems were installed for each location and whether the gyms could connect to the T-1 line. He was taking the correct step in installing digital, IP-ready phone systems within each gym, but some did not have the required T-1 card which was an additional expense, and some other were still on analog lines. The locations of the wiring closest was challenge in themselves. It was because of these reasons, Badugu choose to bring up the data side of things first, and then once this was done he lanned on adding voice at a later time.

It was because of this decision the original eight-week implementation window came and gone and the company did not have all its T-1s installed. The porting process from the various ILECs (incumbent LECs) quickly became a nightmare. One out of five phone numbers that were given to Qwest failed. Badugu says that the reason for this was that the billing telephone numbers that Gold's Gym had were different from those the ILEC had. His goal was to forward calls from the old phone system to the new one.

But callers were often confused as they would hear the phone ring once and then would hear a brief delay before it rang again. If two calls came in at the same time, the second would reach a busy signal. In the long run he ended up porting the main numbers for each gym, then assigning new numbers for each extension, which typically are not called directly. Despite the challenging implementation Badugu started to see the savings of 20 percent on long distance once the T-1's were installed and switched all long-distance service to Qwest. There was no longer a need for a third party as conference calls now are carried over the Qwest network. This was a savings of at least \$6, 000 per month.

With every gym that was brought onto the VoIP network, he was getting closer to his projected savings of 25 to 30 percent on local calling cost. In switching to a VoIP network operations became more streamlined and far less cluttered when it came to data transfer and voice quality. After the experience Badugu came away with many lessons when it comes to upgrading the network. The company tried to do the big bang theory which means doing everything at once. This was the decided approach which was driven by business needs, and because the DSL network was so unreliable.

Badugu states, " That if he was to do it over again he would start with two or three gyms at first, and made sure that was okay before we did the rest. "

Badugu also advises that spending time mapping out details about the steps which will be required to install any new technology and who is responsible for each of the steps, along with contacts and escalation procedures, should something go awry. So if something fails, you have somewhere to go to keep the process moving. " Badugu says. Something else that is a must is the

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technology assessment so that the company is able to identify items like phone systems that were analogue or lacked t-1 cards.

“ A site survey would’ve been good, with a detailed analysis of the phone systems, the phone numbers, how the hunt groups work, how the phone systems are configured and the number of workstations,” Badugu said. “ For each location, if we had that up front, it would’ve made life easier for everybody involved. (Desmond, 2006) So going with VoIP has been proven time and again that it will save companies money while at the same time streamlining business communications. Some of the benefits that Gold’s Gym found out after making the switch was that there were measureable, real-world user productivity benefits, greater voice messaging accessibility and efficiency, immediate and long-term hard cost savings, reduced expense of telecom administrator moves, adds and changes otherwise known as MACs, simplified management of servers, systems, endpoints and network, greater flexibility of component selection. The other benefit to a hosted VoIP network and that is there is no need to worry about maintaining the system. Other than adding new numbers or changing settings via the web-based interface all the hard work is done by the VoIP provider which in this case is Qwest.

(Next Advisor, 2006) References Desmond, P. (2006, November 18). Case Study: VoIP Implementation the problems of the “ big bang” approach. Retrieved from <http://www.pcadvisor>.

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