

COMMUNICATIONS

Connecting in the Fast Lane

Broadband drives **communications efficiency** for Penske Truck Leasing

BY M.V. GREENE

Broadband technology offers innumerable benefits to organizations, including application speed and cost efficiency. Yet many retail technology managers are skittish about the prospects of using broadband for business.

Jerry Hodgen is manager of LAN, WAN and desktop services for Penske Truck Leasing, which offers full leasing services of tractors, trucks and trailers, contract maintenance and one-way and local commercial rentals from 700 locations in the United States and Canada.

Three years ago, Hodgen was considering replacing the reliable but slow frame relay network in order to speed transmissions between Penske's Read-

ing, Pa., headquarters and the field. Realizing it would cost too much to upgrade the Penske Truck Leasing frame network beyond its 56K bps data transmission capability, Hodgen nonetheless had questions about abandoning frame technology for broadband.

"Frame relay is stable," Hodgen says. "It's a solid product. It's been there for years. It worked."

PENSKE REPORTS
70% savings
payback in 3 months

Penske's frame relay network connected the data center to servers handling rental and service applications in the field. In his initial evaluation, Hodgen wasn't bothered by the frame relay's lack of speed. He wanted the opportunity to move burgeoning web-enabled applications from remote locations to the data center in real time, rather than having store managers "report up to the servers at headquarters the transactions they accomplished" each night.

"What web-enablement does for us is bring all the data into one place, in one location," Hodgen says. "We can keep an eye on things on a real-time basis. In the past we had to wait until we got our update each night."

However, what clinched things for Hodgen — following his due diligence — was the broadband connection he had at home. "I said, 'When's the last time this wasn't working for you, Jerry?' I couldn't think of the last time it was down."

Broadband deployment is the latest step in creating a networked economy in which applications are creating wide opportunities for consumers and businesses to communicate and access information and goods and services. A January 2005 report from the Pew Internet & American Life Project in Washington, D.C., noted that the Internet has become the "new normal" in the American way of life, and the ease of broadband is helping to drive that trend.

With the decision made to leave the frame network, the next big step was getting broadband launched throughout



the organization. While IT managers marvel at broadband's favorable cost structure and its "always on" connectivity, deploying to far-flung locations is another matter.

Steady growth

Broadband may be hot, but it's not ubiquitous. The Federal Communications Commission reported in December 2004 that the number of high-speed broadband lines linking homes and businesses to the Internet through connections like cable modems and digital subscriber lines reached 32.5 million in the first half of 2004, a year-over-year increase of 15 percent. That's steady growth, but service providers are racing to keep availability on pace with fast-growing demand.

When the decision was made three years ago to go with a broadband network, half of the Penske locations couldn't receive the service. Hodggen began requalifying those locales this year; again, half cannot receive broadband.

Broadband availability can be spotty, even within the same market. "I've got locations in Los Angeles, for example, where it's just not available," says Hodggen, who receives regular calls from Penske managers who "can't understand why the people down the street [get broadband] and they can't get it."

Besides forsaking unchallenged reliability,

another down side of moving away from frame relay was losing the luxury of working with a single provider. Going broadband means working through a mishmash of providers, from cable television to telephone companies.

Penske's solution was to get the launch done through an aggregator rather than negotiate contracts with individual providers. For this critical job, and to assist with the design of the company's new broadband network, Hodggen selected GoRemote Internet Communications*. The Milpitas, Calif.-based company provides managed broadband network services to large and mid-size distributed enterprises and service providers worldwide.

According to GoRemote, Penske is realizing a 70 percent savings above its costs for frame relay, with payback beginning just three months after the new broadband network was implemented.

Virtual private network

GoRemote also assisted Penske with the security concerns of establishing a broadband network, since transaction data like credit card authorizations would be transmitted through its Branch Office solution. Branch Office provides remote locations and stores with a managed Internet-based virtual private network, and includes the negotiation of service

agreements and network monitoring.

The VPN "makes it as easy to manage security outside the corporate network as it is inside the network," says Abdel Missa, GoRemote director of product marketing.

That was a key point for Hodggen. "We wanted to make sure that the design we came up with would integrate well with our existing network and still meet all of our security policies," he says. "We have a security manager who has oversight responsibility for it. That means I can't just do anything I want to; I've got to have a second set of eyeballs on it."

Jim Crane, GoRemote director of product management, says retail service organizations like Penske are always under pressure to hold the line on costs while still providing enhanced technology services to their organizations because of demands for increased efficiency and productivity.

Broadband achieves a "whole new price performance point that did not exist in the past," Crane says.

It didn't take long for Penske remote personnel to embrace their new broadband capabilities.

"They are elated," Hodggen says. "This high-speed network just opened up the world to them. Now they get their e-mail instantly, rather than having to log on and walk away and get a cup of coffee."

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*Since the original run of the article, iPass has acquired GoRemote.

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