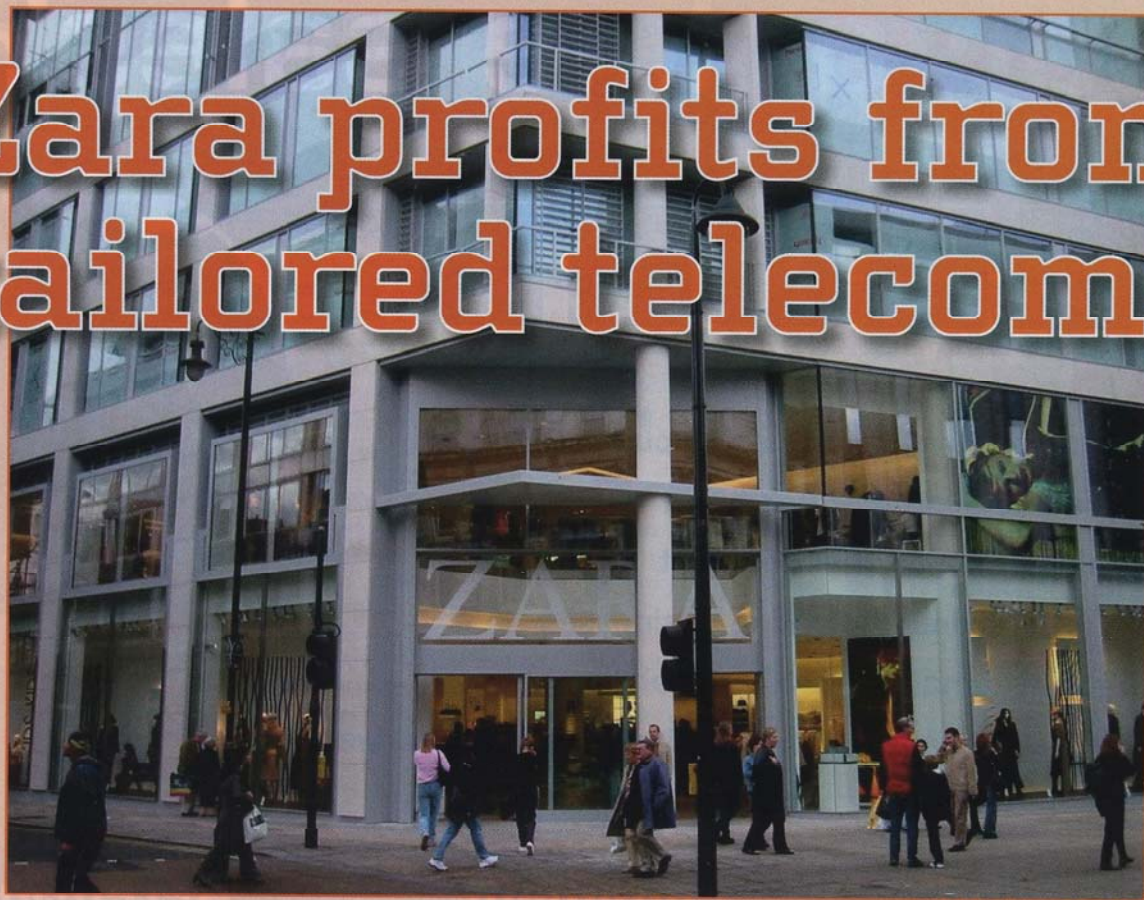


Zara profits from tailored telecoms



In the last few years the high street clothes retailer, Zara (part of the Inditex Group) has tripled its number of stores in the UK and Ireland. To prepare for every new store opening, all the necessary communications infrastructure must be in place.

The problem faced by Zara was dealing with an unmanageable volume of different suppliers. One telecoms company was used for least cost routing, BT provided line rentals and there was no fixed business contract for mobiles. In addition, each store had its own provider for maintenance. With more stores planned, this number was set to increase. Therefore a single business partner was considered to provide a wide range of telecoms services, with one point of contact for ease of management. Telineet, a specialist provider of telecoms services to the retail sector already had an existing relationship with Zara and was asked to provide a fully outsourced and centralised telecoms offering for both UK and Ireland.

Telineet started to consolidate all the systems, providing one account manager for all Zara's telecoms requirements. The company also began to work proactively to support their aggressive opening schedules. Telineet is responsible for coordinating all telecoms services such as delivering ISDN lines, cabling infrastructure, CAT 5 (or data cabling shared infrastructure for all phones, fax etc) and any other relevant infrastructure on time. Work-

ing closely with Zara's store project manager, MGPM, a standardised telecoms programme is followed, so that everything is up and running for each shop opening.

Lea Furmanski from the purchasing and contract department at Zara UK and Ireland said: "During new site installations Telineet's project managers coordinate the installation of new systems in advance and attend the opening of our stores, to cope with any last minute problems which may occur. The engineers who work on site installing the lines are very professional and leave the store in good condition, to the full satisfaction of the staff on the site."

As Zara does not have an in-house IT department, Telineet advised on how telecoms could be used to effectively support the whole business, across its multiple sites. By implementing call forwarding and introducing non-geographic numbers, all calls could be answered using available resources.

And, as part of the outsourcing agreement, Telineet's service level agreement (SLA) offers a guaranteed level of response to fit with Zara's long opening hours. As part of the SLA, Zara has a personalised login area to the Telineet website, where they can see site configurations of equipment, SLA details and how responses are being handled.

By providing centralised management of all programming such as updating speed dials means moves and changes can be done both easily and quickly. It is also possible to secure

staff access so that phone usage can be password protected and any excessively high cost phone calls flagged.

The ability for a single supplier to monitor all telecoms costs across the organisation has also resulted in significant savings. Through increased purchasing power and economies of scale Zara has saved approximately 20% on its CAT 5 system, between 15% and 65% on call traffic costs (depending on destination) and approximately 23% on its line rentals over a two-year period.

One way this has been achieved was to increase the number of devices running on each line. Originally each site would have a dedicated line for each PDQ, transact machine, fax and so on. However, the Avaya IP Office system acts as a platform to double the amount of devices and half the amount of lines, giving big savings on line rentals. Telineet has used the latest voice over internet protocol (VoIP) technology to make further savings, including a reduction of international call charges between the UK and Zara's headquarters in Spain.

Zara now sees the relationship with Telineet as a strategic part of its ongoing business development. It allows them to focus on retailing, while drawing on the experiences of an external expert to manage all of its telecoms.

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