



ROI CASE STUDIES

HIGHLIGHTS

Goal: For Hypermedia to increase the capacity and scalability of the dark fiber connecting its three data centers in Los Angeles.

Solution: A comprehensive Fujitsu solution, including the FLASHWAVE® 7420 DWDM platform, network monitoring, 24/7 technical assistance, network design, fiber prequalification, and advance hardware replacement.

Results: Hypermedia now has an affordable, high-capacity, highly reliable networking solution that can be scaled easily. Fujitsu also provides around-the-clock network monitoring. Hypermedia will see substantial financial benefits from the deployment—a projected, cumulative five-year net benefit of \$3,466,224, with a return on investment (ROI) of 799% and a five-month payback period.

CUSTOMER PROFILE

Hypermedia
www.hypermediasystems.com

Headquarters: Los Angeles

Industry: Internet solutions and services

Employees: 100

Hypermedia Expands Capacity, Improves Scalability, and Gains \$3.5 Million in Benefits with Fujitsu Equipment and Professional Services

Hypermedia Systems, Inc., a developer of Internet solutions, operates three data centers spread throughout Los Angeles, connected by dark fiber. Hypermedia’s data needs at the data centers were growing dramatically, due to increased data use by its medium and large enterprise customers. It was looking for an affordable platform and partner to upgrade its dark fiber solution that would be highly reliable, increase capacity and scalability, provide network monitoring, and be easy to configure.

Hypermedia chose the Fujitsu FLASHWAVE 7420 metro/enterprise Dense Wavelength Division Multiplexing (DWDM) platform. Hypermedia also uses Fujitsu managed services for supplemental support, providing technical expertise in addition to 24-hour network monitoring. Hypermedia also purchased a Maintenance and Support Package (MSP) that includes unlimited remote technical assistance, software upgrades, extended repair and return, Advance Hardware Replacement (AHR), and on-site support.

As a result of the deployment, Hypermedia now has an affordable, high-capacity, highly reliable networking platform that can meet its customers’ needs well into the future, and can be easily scaled. Because Fujitsu provides around-the-clock network monitoring, Hypermedia can devote its resources to value-added tasks that are important for its corporate mission.

Hypermedia has seen substantial financial benefits from the deployment as well—a projected, cumulative five-year net benefit of \$3,466,224, with a return on investment (ROI) of 799% and a five-month payback period.

Benefits

Objective	Benefits Achieved
Increase capacity	With the FLASHWAVE 7420 platform, Hypermedia has enough capacity to handle existing services and customers, and can easily scale to handle its future needs.
Provide reliable network monitoring	Fujitsu’s network monitoring service provides 24X7 monitoring, ensuring that Hypermedia’s network is as reliable and trouble-free as possible.
Reduce costs	The Fujitsu solution allows Hypermedia to avoid purchasing unnecessary 10G wavelengths, saving a projected \$3,822,578 over five years.



The Challenge: Improve Capacity and Scalability for a Dark Fiber Network

Hypermedia Systems, Inc. is a developer of Internet solutions, specializing in video chat, rich media, and eCommerce systems utilizing cutting-edge technology and advanced development techniques. Based in Los Angeles, its primary business targets are the Japanese and other Asian markets.

Hypermedia operates three data centers spread throughout Los Angeles, connected by dark fiber. Hypermedia's data needs at the data centers were growing dramatically, due to increased data use by its medium and large enterprise customers. It was looking for a platform and partner to upgrade its dark fiber solution that would:

- **Increase capacity and scalability.** Hypermedia's existing network solution did not have the bandwidth or capacity to handle the data growth that the company expected. Hypermedia wanted enough capacity to handle multiple 10G wavelengths in addition to Storage Area Network and video service offerings for its customers. It was looking for a solution that would handle growth well into the future, and be easily scalable.
- **Be highly reliable.** Hypermedia's customers rely on it for 24/7 availability. It needed a solution that would be highly reliable so that its data centers were always reachable and accessible.
- **Provide network monitoring.** Hypermedia wanted to focus on its core competencies, and have a partner handle monitoring of the network. It was looking for a partner with deep expertise in network monitoring and troubleshooting.
- **Be easy to configure.** Hypermedia wanted a solution that could be easily reconfigured to add channels, links, or capacity.
- **Be affordable.** In order to offer competitive pricing to its customers, Hypermedia wanted a solution that would not be too costly, but would not sacrifice features or quality.

Hypermedia Chooses a Comprehensive Fujitsu Solution

Hypermedia began its search by looking at the predominant network vendors in the metropolitan Ethernet market used by enterprises and application providers. Based on its research, the company narrowed the field to several potential partners, including Fujitsu and a vendor with which it had an existing relationship.

It chose Fujitsu, because Fujitsu's platform was the most feature-rich, was less expensive than the competition, offered the highest quality components, and was the most flexible. In addition, Fujitsu offered the most comprehensive set of services.

"Fujitsu was a perfect fit," says Patrick Topping, Director of Network Engineering for Hypermedia. "The platform had more options than the competition, and was still more affordable than similar systems from competitors. In addition, Fujitsu has a broad networking portfolio and a reputation for quality."

“Fujitsu was very professional, from start to finish. Our setup was seamless and delivered earlier than expected. Fujitsu products are rock solid. They're a very professional company and very good to work with.”

Patrick Topping
Director of Network Engineering
Hypermedia



Hypermedia chose the Fujitsu FLASHWAVE 7420 metro/enterprise Dense Wavelength Division Multiplexing (DWDM) platform. The system combines optical, Ethernet, and certified storage services in a scalable transport solution.

Hypermedia also uses Fujitsu managed services for supplemental support, providing needed DWDM technical expertise in addition to the peace of mind of 24-hour network monitoring. Hypermedia also purchased a Maintenance and Support Package (MSP) that includes unlimited remote technical assistance, software upgrades, extended repair and return, Advance Hardware Replacement (AHR), and on-site support.

During the planning phase, Fujitsu performed fiber prequalification work for Hypermedia. During that phase, Fujitsu uncovered a previously unknown issue with contamination on one of the patches connecting Hypermedia to its dark fiber service provider. Hypermedia corrected the issue and, by doing so before the upgrade, averted a potentially more serious and costly diagnostic process that would have been required to uncover the problem in a higher-demand network setting.

Fujitsu also offered deployment support, which Hypermedia says helped ensure that the installation went smoothly and quickly.

"It would have taken much longer if we tried to do it ourselves," Topping says. "With Fujitsu's help, some parts were up and running in two days, and we had the full rack in operation in only a week."

The Bottom Line for Hypermedia

Hypermedia now has an affordable, high-capacity, highly reliable networking platform that can meet its customers' needs well into the future, and can be easily scaled. Because Fujitsu provides around-the-clock network monitoring, Hypermedia can devote its resources to value-added tasks that are important for its corporate mission.

"The Fujitsu solution has had a positive impact on the services we are able to offer to our customers," Topping explains. "Our customers just want the network to be there and be available so that they never have to worry about it. Thanks to Fujitsu, that's exactly what we are able to do for them."

Hypermedia has seen substantial financial benefits from the deployment as well—a projected, cumulative five-year net benefit of \$3,466,224, with a return on investment (ROI) of 799% and a five-month payback period.

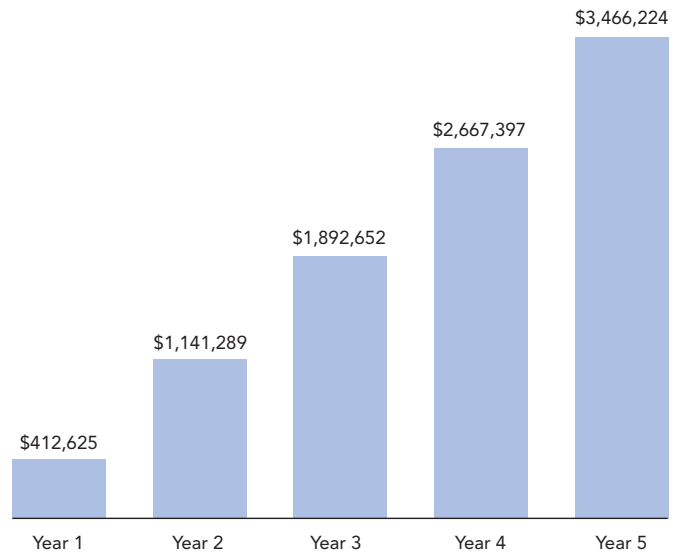
The financial benefit is driven in large part by avoiding the purchase of additional wavelengths. Without the Fujitsu FLASHWAVE 7420 platform, Hypermedia would have had to purchase 12 10G wavelengths, which would cost a projected \$3,822,578 over five years. In addition, Hypermedia does not have to pay for staff to support the additional wavelengths, leading to a projected five-year savings of \$77,646.

- Hypermedia's bottom line for the project: A projected, cumulative five-year net benefit of \$3,466,224, driven by avoiding paying for unnecessary 10G wavelengths. The project will have an ROI of 799%, and a payback period of five months.



“The Fujitsu FLASHWAVE 7420 platform fits our needs perfectly. It is affordable, high-capacity, highly reliable, and offers many useful features options. It is very easy to scale, so we know that it will handle whatever growth we need.”

Patrick Topping
Director of Network Engineering
Hypermedia



Cumulative 5-Year Net Benefit

Hypermedia has realized many other benefits, in addition to the direct financial one. For example, Hypermedia lauds Fujitsu’s network monitoring service.

“We know we’re in good hands with Fujitsu,” Topping says. “Their service has been unbelievable. For example, once we pulled out a cable to move it or reroute it, and within several minutes, Fujitsu called us to tell us they noticed an issue. We know that they will uncover any issue and alert us about it as soon as it happens.”

Topping says that an additional benefit is “the physical size of the Fujitsu platform. It doesn’t take a lot of space, and it doesn’t take a lot of power. If we went with another solution, we might have had to add a cabinet for each data center. With Fujitsu, we were able to reuse our existing facilities. The power draw is minimal, which is a bonus as well.”

Overall, Topping says he has been extremely impressed by the Fujitsu equipment and services.

“Fujitsu has been an excellent partner for us,” he concludes. “The FLASHWAVE 7420 platform has delivered exactly what Fujitsu said it would, and the Fujitsu monitoring and services have been top notch as well. We couldn’t have chosen a better partner.”



The following chart provides a detailed, five-year analysis.

Project Summary							
ROI	799%						
Payback Period (in months)	5						
Cumulative Net Value	\$3,466,224						
Net Present Value	\$2,615,803						

Project Costs	Start Up	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Initial investment in FLASHWAVE 7420 hardware	\$294,000						\$294,000
Annual support including monitoring		\$28,000	\$28,000	\$28,000	\$28,000	\$28,000	\$140,000
TOTAL PROJECT COSTS	\$294,000	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000	\$434,000

Benefits	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
12 10G wavelengths are avoided	\$720,000	\$741,600	\$763,848	\$786,763	\$810,366	\$3,822,578
Administrative savings	\$14,625	\$15,064	\$15,516	\$15,981	\$16,461	\$77,646
TOTAL BENEFITS	\$734,625	\$756,664	\$779,364	\$802,745	\$826,827	\$3,900,224

Financial Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	
Net Value	(\$294,000)	\$706,625	\$728,664	\$751,364	\$774,745	\$798,827
Cumulative Net Value	(\$294,000)	\$412,625	\$1,141,289	\$1,892,652	\$2,667,397	\$3,466,224

Return on Investment (ROI) is the percentage return expected over a specified period of time. ROI is the total benefit divided by the total costs. This ROI metric is good for assessing the multiplier provided by the benefits relative to the total investment and costs.

Payback Period (or breakeven) is the timeframe it takes for the project to yield a positive cumulative cash flow. Payback period is a key measurement of risk but does not take into account cash flows after the payback period.

ROI and Payback should be used in conjunction to understand the rate, size and timing of the return.

Net Value (or Net Benefit) is the benefit delivered to the organization for the investment made in the project. Net Value is calculated by taking the total benefit minus the project costs.



About Hypermedia Systems

Hypermedia Systems, Inc. is a developer of Internet solutions, specializing in video chat, rich media, and eCommerce systems utilizing cutting-edge technology and advanced development techniques. Based in Los Angeles, its primary business targets are the Japanese and other Asian markets.

About Fujitsu

Fujitsu is a leading provider of Information and Communications Technology (ICT)-based business solutions for the global marketplace. With approximately 170,000 employees supporting customers in 70 countries, Fujitsu combines a worldwide corps of systems and services experts with highly reliable computing and communications products and advanced microelectronics to deliver added value to customers. Headquartered in Tokyo, Fujitsu Limited (TSE:6702) reported consolidated revenues of 4.6 trillion yen (US\$50 billion) for the fiscal year ended March 31, 2010. For more information, please see: www.fujitsu.com.

Fujitsu Network Communications Inc. is an innovator in Connection-oriented Ethernet and optical transport technologies, and is a market-leading provider of SONET, WDM, and packet optical networking solutions. Fujitsu enables its customers to migrate to fully converged packet optical networks that improve performance and profitability. Many of the world's largest carriers have deployed Fujitsu network elements across the globe. Fujitsu maintains a longstanding and highly-regarded position as a market leader by providing best-in-class data networking solutions optimized for Ethernet aggregation, transport and service delivery. For more information, please see: <http://us.fujitsu.com/telecom>.

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