

facing the wind of change*



***Businesses cannot stand still for long and survive; the real test, though, comes when it's time for change. LeaseWeb, a server hosting specialist, had worked with Interoute for more than two years when it became obvious that they had outgrown Interoute's standard Internet transit product. Interoute took a novel approach to address the situation.**

The renowned business philosopher, Tom Peters, declared that “excellent firms don't believe in excellence – only in constant improvement and constant change.” Netherlands-based LeaseWeb realised at the start of 2006 that the significant growth in their business necessitated a change: they had to choose how they would handle their fast-growing IP traffic.

Not that Con Zwinkels, LeaseWeb's Managing Director, was perturbed by the need to change a key element of his business; he is rightly proud of his company's growth. “In eight years we've grown to the point that we are about to break into the top 30 ISPs on the internet. We've done this by focusing on ensuring we deliver the content for the many sites we host. We utilise the latest technological developments, enabling us to offer the very best broad spectrum internet services. And we do all this at very competitive prices – in fact we often undercut our competitors by as much as 30-50%.”

LeaseWeb had been using Interoute's pre-packaged IP Transit service for more than two years, benefiting significantly from Interoute's service wrap and its brand new MPLS network. However they decided that the relentless growth of their traffic meant that they needed to create some economies of scale that were simply not possible from any fully managed IPTransit product.

A New Direction

This was a key moment in the development of the relationship between the two companies. Interoute, recognising the

growth in LeaseWeb's business volumes, realised an alternative could be developed that would offer some vital benefits to LeaseWeb to support their growth. The new arrangement would take advantage of LeaseWeb's in-house expertise to reduce costs whilst still enabling them to continue to take advantage of Interoute's ever-growing, high quality network. Peter Goodman, Interoute's Ethernet services product manager, explains: “We have built our business on putting our customers first and genuinely providing them with solutions. So, in this case, we suggested that the volume of LeaseWeb's local traffic would justify their own membership at major peering points, but they would still need to buy an external service for their global traffic.

We suggested that they could use our Ethernet service to transport local traffic from their central server site in Amsterdam into several of the largest internet peering points across Europe. The Ethernet Service would provide service levels usually only associated with SDH circuits, but at much lower cost. LeaseWeb could then use their own Layer 3 routers (housed in Interoute's co-location facilities) connected to a totally reliable Layer 2 service.”

“Using Interoute’s Ethernet service and network, LeaseWeb has achieved its technical and financial goals”

Con Zwinkels, Managing Director



LeaseWeb’s rapidly expanding Data Centre

This proposal offered LeaseWeb the opportunity to build their own bespoke service, something which Goodman recognised that LeaseWeb were technically able to do. “Building your own IP transit service is not something we would propose to many organisations. Even if you have the required technical skills, it really is very time-consuming. Most customers definitely benefit from our broad range of co-location and web-hosting services as well as our pre-packaged internet services, which are easy to use and quick to set up. But we recognised LeaseWeb had evolved and were different and we responded accordingly.”

Zwinkels welcomed the innovative proposal with enthusiasm: “In effect we have moved from an IP transit service from Interoute to a self-managed service, based around Interoute’s network. We have achieved savings of more than 50% because we can settle large amounts of local traffic at major peering points but using top quality hardware and services is vital for our success – cheap usually means you’re storing up problems for the future. Being able to use Interoute’s network and still achieve such significant savings through managing our own IP traffic meant we could continue our massive programme of installing quality routers to prepare ourselves for the growth of the European Union.”

Platform for Growth

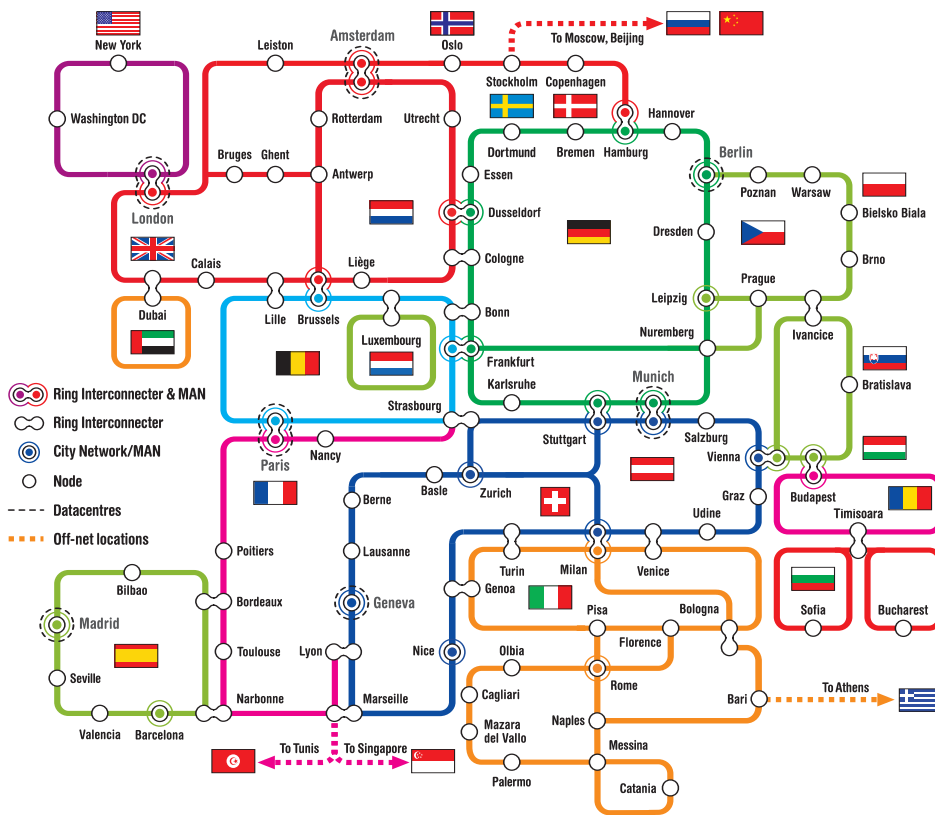
Interoute delivered the ports towards the end of 2006 and the implementation was complete within a couple of months. The net effect is that LeaseWeb now has, as Zwinkels describes it, “a hugely scalable platform for growth”, which, given that LeaseWeb’s traffic is growing at nearly 2Gb a month, is an important foundation for the future of LeaseWeb’s business. “From where we were early in 2006,” concludes Zwinkels, “we have

achieved a classic win/win/win scenario – using Interoute’s Ethernet service and network, LeaseWeb has achieved its technical and financial goals, our customers get an improved service, and Interoute keeps us as a customer.” Further evidence, if any were needed, of the wisdom of Tom Peters’ paradoxical assertion.

Interoute provides LeaseWeb with:

- Low cost Ethernet access via Interoute’s 21 metropolitan networks
- Ethernet PoPs across Western and Central Europe, Dubai and the United States
- Third party access protected by Managed CPE
- Bandwidths from 2M bps to 10Gbps
- Flexible burst billing
- Credit backed SLA including round trip delay and monthly availability
- Monthly Availability 99.95% for diverse solutions, 99.3% for non-diverse
- Point-to-Point or Multiple Point-to-Point over a single fibre

Interoute network



Five things about Interoute

- We own and operate Europe's most advanced, densely connected voice and data network.
- We're widely acknowledged as one of Europe's fastest growing technology companies.
- Our network covers just about every major European, Eastern European and Central European business centre as well as the USA and Dubai.
- We handle more than €1 billion of eCommerce through our data centres every day, making Interoute a key part of Europe's Digital Supply Chain.
- We're the choice of all major incumbents, governments around the world, and 12,000 corporate customers including BMW, BBC, Chrysalis, Deutsche Post, El Mundo, La Sexta, Universal, Virgin Media and DoubleClick.

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This information was correct at the time of going to press. However, because of the rapid growth of Interoute's business, details are likely to change.
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