

## The Independent Purchasing Cooperative for SUBWAY® Restaurants Takes a Fresh Approach to High-Availability Services

### Executive Summary

#### Company

**INDEPENDENT PURCHASING COOPERATIVE**  
A purchasing cooperative for SUBWAY® Restaurants in the US and Canada operating from Miami, Florida, USA.

[www.ipcoop.com](http://www.ipcoop.com)

### Business Challenge

Ensure high availability for the SUBWAY® cash card program, providing franchisees with 24x7 access to their accounts.

## Terremark Solutions: Terremark Managed Router Services Terremark Professional Services—Remote Hands

### Business Results

- Achieved 100-percent uptime and Internet connectivity
- Greatly reduced risk of external threats to data security
- Gained flexibility to easily deploy new franchisee services

### Quote:

“We are very impressed with Terremark. They run a first-class data operation — from guaranteed power and environmental controls to the secure, purpose-built facility. Terremark took a very progressive stance in providing us with the technology infrastructure that we needed.”

— George Labelle, Chief Information Officer

“From the person operating the service elevator, to the receiving department, to the NOC — they are extremely conscious of our needs, polite, and professional. They understand our business and are committed to us as a customer. The customer service at Terremark is outstanding.”

— Tom Endter, Network Administrator

## **Taking a Fresh Look at Service Availability**

The SUBWAY® Restaurant system is the world's largest submarine sandwich franchise, with more than 27,600 restaurants in 85 countries. Franchisees of the 24,000 North American restaurants are members of the Independent Purchasing Cooperative (IPC), which has the charter of helping franchisees succeed and maintain a competitive advantage in the fiercely competitive restaurant industry. IPC negotiates optimal pricing for all of the goods and services that franchisees purchase. In addition, IPC helps monitor food quality and safety, manages a network of vendors and distributors to ensure timely product deliveries, and facilitates purchase transactions.

In 2006, the company launched an important initiative to introduce SUBWAY® electronic cash cards, which can be purchased and redeemed in any North American location. Because restaurants are owned by 11,000 different franchisees, the program required a significant investment in operational and financial systems to allow the cards to work seamlessly anywhere in North America while ensuring that each franchisee's account was safeguarded. In addition, franchisees must be able to easily view their account balances and reconcile them with their own point-of-sale data to ensure proper crediting.

In 2006, IPC decided to bring the program in-house, along with the IPC web site, to simplify program management and to develop the tools that provide franchisees with around-the-clock access to their account information. Prior to 2006, IPC had dedicated a portion of its office space to house its email and file servers. In addition, IPC had to invest substantially in dedicated electrical circuits to overcome problems with unreliable power.

“If disaster struck, our building was vulnerable to power outages and our systems would be at risk,” said George Labelle, IPC chief information officer. “In 2005 we experienced four hurricanes, including Wilma and Katrina. When an outage does occur, it really affects our business. In the past, we had discussed co-locating our servers in a data center, but the real tipping point came when we took ownership of the cash card program. Because the SUBWAY® cash card program is mission-critical for franchisees, it had to be available 24x7.”

## **IPC and Terremark—A Fresh Fit**

To meet its new high availability requirements, IPC undertook a detailed RFP process. Mr. Labelle and his team narrowed their search to four facilities and scrutinized every detail — from the facility specifications and size of the diesel tanks attached to the facility's generators, to security, price, and the company's financial stability. They chose Terremark and its NAP of the Americas.® The NAP of the Americas® is a fortress-style facility that provides state-of-the-art security and guaranteed power and environmental, and availability for peering, managed, and dedicated hosting services.

World-leading carriers, Internet service providers, and content providers are housed at the NAP of the Americas® enabling customers to take advantage of massive, carrier-neutral connectivity for extending their reach anywhere in the world. And the NAP facility itself is designed to withstand a Category 5 hurricane.

“I was surprised that we had decided to colocate services to avoid the effects of hurricanes and here in Miami we were touring a state-of-the art bunker that had been proven reliable one hurricane season after another,” stated Mr. Labelle. “We are very impressed with Terremark. They run a first-class data operation — from guaranteed power and environmental controls to the secure, purpose-built facility. Terremark took a very progressive stance in providing us with the technology infrastructure that we needed.”

Terremark’s Managed Router Service delivers reliable high-capacity, low-latency Internet Access and ensures IPC best performance routing across the world’s leading domestic and international Tier-1 carriers. With direct access to the backbones of leading European, Latin American, and Asia/Pacific Rim carriers, IPC is connected directly to the heart of the Internet. No other platform in the world offers this kind of redundancy and close proximity to routes on the public Internet.

With a global community of service providers located at the NAP of the Americas®, IPC can easily scale its Internet services up to 10 Gbps if necessary, giving it plenty of capacity for handling franchisee web site traffic. The Terremark Remote Hands offering enables IPC to receive help from a Terremark technician for basic troubleshooting and maintenance tasks when necessary.

“Terremark people go out of their way to help,” said Tom Endter, IPC network administrator. “From the person operating the service elevator, to the receiving department, to the NOC — they are extremely conscious of our needs, polite, and professional. They understand our business and are committed to helping us succeed. The customer service at Terremark is outstanding.”

### **A Fresh Approach Pays Off**

IPC successfully launched the SUBWAY® cash card program system-wide and recorded more than \$23,000,000 in cash card sales in 2006. The service also recorded 100-percent levels of uptime and Internet connectivity. Mr. Labelle no longer worries about data security either. While the office building is as secure as any office building can be, moving the data to the NAP of the Americas® significantly reduced the risk of external threat to the company’s data.

“We’re extremely pleased with their performance,” said Mr. Labelle. “Moving everything to Terremark was a huge relief for everyone.”

## Next Steps

Now that IPC's data and systems reside at the NAP of the Americas,<sup>®</sup> the organization is considering taking ownership of other mission-critical systems to further drive benefits for its franchisees.

"With Terremark, we now have those capabilities whenever we're ready, and that's a good feeling," said Mr. Endter. "We're always looking for ways to enhance franchisee services and reduce costs. It's now much easier."

## About Terremark

**Terremark Worldwide, Inc. (NASDAQ:TMRK) is a leading global provider of IT infrastructure services delivered on the industry's most robust and advanced operations platform. Leveraging datacenters in the United States, Europe and Latin America and access to massive and diverse network connectivity, Terremark delivers government and enterprise customers a comprehensive suite of managed solutions including hosting, colocation, connectivity and security services. Terremark's acclaimed Infinistructure™ utility computing architecture has redefined industry standards for scalable and flexible computing infrastructure and its DigitalOps® service platform combines end-to-end systems management workflow with a comprehensive customer portal. More information about Terremark Worldwide can be found at <http://www.terremark.com>.**