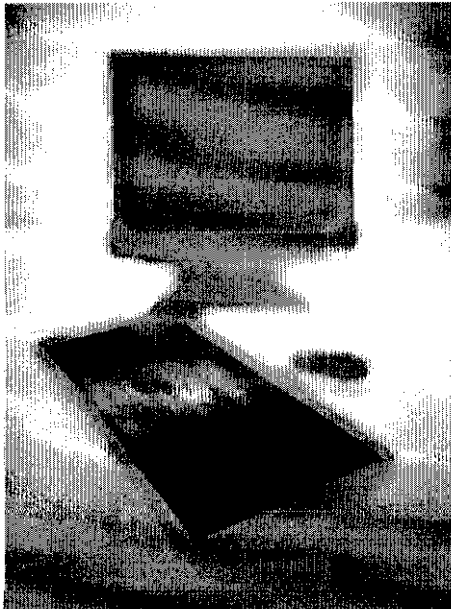




Apache Hose & Belting Co. Inc.



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Client Needs

Cost containment as company expanded from regional to worldwide operation

Technology Solutions

MIS with VoIP leverages the company's investment in data services to add cost-effective voice capability

Business Value

Thirty to 40 percent reduction in telecommunications costs with no loss in quality

Industry Focus

Industrial Distribution

Size

\$40 million in annual revenues

About Apache Hose & Belting Co. Inc.

Apache Hose & Belting Company, Inc. has expanded from a regional distribution center to a worldwide marketer of belts, hoses, clamps, gaskets and other industrial supplies. Founded in 1963 by Bob South, the company since 1985 has been owned by its 170 employees working from five Midwest locations.

Customer's Situation

As employee-owned, customer-driven Apache Hose & Belting expanded its market reach from a single location to a worldwide operation, its communications costs soared. The company was looking to lower its telecommunications costs without sacrificing quality.

Our Solution

With AT&T Managed Internet Service with Voice over IP (MIS with VoIP), Apache Hose & Belting uses its IP data access connection for voice and fax transmission. MIS with VoIP converts the company's voice calls to IP packets with business-class voice quality. The company also uses AT&T Long Distance, Toll-Free Service and DSL and is in the process of adding Local Services at its Cedar Rapids headquarters.

Return on Communications

Apache Hose & Belting saw an immediate savings of 30 to 40 percent in pure telecommunications costs after deploying AT&T MIS with VoIP – with no noticeable decline in voice quality. Apache IT Manager Bob Beer implemented the service without notifying any potential users. "I wanted to get a true reaction to the quality of the calls," he said, "and the quality was fine. Nobody has complained about it." He was pleased that the switch to VoIP caused no comments or complaints – evidence that the quality was up to Apache's high standards. And company officials noticed the immediate cost savings.

With VoIP, Apache gets more predictable telecommunications costs, and maximizes the return it gets on its investment in Managed Internet Service. "It's a good way for us to be able to expand our Internet access at a minimal cost," Beer said. Apache uses a T1 connection for its MIS with VoIP and for a Virtual Private Network (VPN) Internet and intranet solution to connect its five locations.

Working with AT&T has been a positive experience for Apache. "AT&T has always been our primary vendor," Beer said. "When we began the VPN integration, we knew we would need AT&T. Nobody else has the backbone in the areas we wanted to implement DSL service." Apache also chose AT&T because of the scope of its product portfolio. "We also use AT&T Long Distance, Inbound Toll-Free services and DSL at each of our facilities, and we're currently in the process of adding AT&T Local Services to our Cedar Rapids location," Beer said.

AT&T solutions are extremely important to Apache operations, Beer said. Using Voice over IP has enabled the company to expand its market reach significantly, and he likes using the Internet to be able to monitor monthly VoIP use. He says he relies on the skill of his AT&T account team to help him resolve business issues. "If they don't have an answer, they will always find somebody who will answer for me," Beer said. "Not every person can know every piece of what AT&T does, but they can always find the right person and get the issue resolved or give me what I need to make an informed decision."

Beer also appreciates AT&T's ability to scale solutions. "That's one reason we selected the solution," he said. "We are able to scale the T1 if we want to, so if our VoIP or VPN was taking too much bandwidth we were able to scale the T1 easily to get additional capacity." Apache is in the process of exploring the addition of burstable bandwidth to its AT&T services.

The Apache IT team uses quarterly reviews with its AT&T account representatives to keep abreast of new service offerings and technological developments. "We like the meetings because we get to look at where we are and where we're going," Beer said. "The idea of VoIP originally was brought forward at one of these quarterly meetings. We read about the services and want more information about how it works. The reviews are beneficial for getting us the information."

Apache chooses to stay with AT&T because of the strength of its legendary network and AT&T's stability in the marketplace. "There are a lot of things happening in the telecom industry," Beer said. "We're concerned about sticking with somebody who has been around for a while."

"We're very satisfied with the services," he added. "We've been a customer at least since 1985 and always been happy with our relationship with AT&T." Would he recommend AT&T MIS with VoIP to a colleague? "I'd highly recommend it," he said, "because it's an easy solution, it's managed, and it doesn't require technical skill on our part. It provides you with all the information you need on a timely basis. You can access the web to find out how many minutes you're been using. They make it very easy."

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