



InterOptic

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◆ CASE STUDY:

GOVERNMENT CHANGES YEARS OF BUYING BEHAVIOR DUE TO TRANSCEIVER VALUE

CLIENT: Multiple Military Branches

LOCATION: Worldwide

DATE: 2009 - Present

BACKGROUND

The U.S. Federal government plans for the long-term. When they begin a major new initiative the goal is to build infrastructure that will last for decades without obsolescence. This was certainly the goal for a major new networking initiative embarked upon one of the branches of the military in early 2009. At that time they were looking at their need for deploying next generation communication and intelligence infrastructure that would carry them through the mid-21st century.

Up to early-2009 this branch of the military, like all others, would author contracts with the help of major data and telecommunications vendors. Although most efficient in their development of contracts, these vendors tended to have the contracts written "in their favor" so that ensuing open bidding for the contract blocked true competition for majority of the equipment delivered.

SOLUTION

InterOptic (IO) in early 2008 began to examine opportunities in the U.S. Department of Defense (DoD), and other Federal initiatives. Given InterOptic's heritage of more than two decades of building the largest optical networks in the world for major service provider worldwide, it became obvious what the data equipment providers were trying to accomplish in Federal contracts, namely, stifling open competition and hiding lowest-cost, high-value opportunities for the Federal government.

InterOptic went on the offensive and began briefing all branches of the DoD on the history of optical components and interface standards development. This history was important because over the previous two decades data equipment vendors were able to exploit the advances of telecommunications companies



in lowering the cost of optical interfaces and promoting plug-n-play standards now upheld by the IEEE standards group. Yet, in the end, these data equipment manufactures never passed along the cost savings they enjoyed to even their top customers like the DoD. IO was able to brief network technologists within the Federal government up to those reporting to the Joint Chiefs of Staff. This activity resulted in the first major Federal contract written that specifically broke out the optical transceivers as separate line items. Why? Because the DoD recognized that this cost component can account for 40% to 60% of total network equipment expenditures; transceivers are both critical to network performance and, at the same time, one of the highest leverage economic component in any network deployment.

RESULTS

In the end, this branch of DoD is enjoying significant savings by utilizing InterOptic Tier 1 transceivers. This spans both legacy transceivers for their existing networks and the newest 10Gb and 40Gb data interconnects. InterOptic is honored to provide these services to the U.S. Government Defense branches given all that they return to our country and its citizens.