



An Appia Case Study

Family-owned American Mattress is one of the largest specialty furniture retailers in the U.S. The company has 200 employees and 87 stores in three regional markets: Chicago, Indiana, and Houston. A warehouse is located in each market. With its far-flung network of retail stores and warehouses, American Mattress relies heavily on voice and data communications.

Business Challenge

In 2003, after more than a decade of growth, American Mattress had a Citrix-based data network and a traditional PBX voice system at its headquarters, with separate phone lines for each retail store and warehouse. Each facility had its own phone system, dial plan, and long-distance carrier.

With so many facilities, American Mattress ran frequent Citrix Telnet sessions to conserve bandwidth and minimize WAN costs. While the data network functioned smoothly, voice communications were costly and inefficient. With retail stores in constant contact with headquarters and the warehouses, intracompany calls represented 75 percent of the company's phone bill.

Moreover, with so many phone plans, administrative costs were high and a unified, interconnected workforce was unachievable. To accommodate its rapid growth, American Mattress needed a more efficient, flexible, and less costly voice network.

"Our phone system had not kept up with the company's growth," said American Mattress president Scott Michelsen. "We needed a solution that would cut costs, simplify intracompany calling, and have the flexibility to grow with us."

The Appia Solution

By the time it had become an Appia Communications partner in 2003, network consultant NE Communications had worked with American Mattress for several years. NE Communications immediately recognized that an Appia hosted solution was ideal for the company. Free intracompany calling, minimal overhead costs, and the scalability of IP communications met the company's critical needs.

Each American Mattress retail store has two employees and a single phone line.



Because the company conserved bandwidth with Citrix, voice could be added to the WAN using the existing 64K links to retail stores and warehouses. American Mattress employed just one IT manager prior to the conversion and did not want to add staff to manage the new network. Appia's hosted solution not only eliminated the overhead and inconvenience of in-house management, but also increased network reliability and lowered the company's total cost of ownership of its communications infrastructure. Plus, American Mattress would deal with only one vendor – Appia - instead of multiple vendors.

The Results

Appia's solution has met and exceeded expectations. By eliminating intracompany calling costs and reducing long distance charges, American Mattress saves 40 percent on its overall voice communications costs; about \$150,000 annually. IT Manager Andy Merges noted, "Free calls between stores save us a huge amount right there. At this rate of savings, the Appia solution will pay for itself in less than two years."

American Mattress has also realized significant soft-cost savings, including a reduction in the company's total cost of ownership of its IT systems. Dealing with a single vendor has lowered administrative costs. If the company has a question or problem with its phone service, American Mattress makes one call to Appia.

In addition to cost savings, American Mattress has benefited from the scalability of its Appia solution. The company has opened several new stores since converting to IP communications. Besides phone installation, adding a new facility requires only router and server reconfiguration by NE Communications and Appia.

Organizationally, the IP network's easy four-digit intracompany dialing has unified American Mattress' widely-dispersed workforce. "It's one thing everyone liked," added Merges.

Since the conversion, the company has not experienced a significant outage. The Appia distributed IP network also assures business continuity in the event of an outage at any location. If a store or warehouse loses service, calls can easily be routed to other company locations.

American Mattress president Michelsen summarized the IP networks business value this way: "The Appia hosted IP network has delivered everything promised and then some. Besides sharply cutting our phone bill, it has reduced administrative costs, provided flexibility for future growth, and strengthened our organization."