

Customer Case Study

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– Sankar Nayar
IT Manager, Gamestop

Gamestop



Strencom Service

Private ADSL

Industry

Retail – (PC & Video Games)

Geographies

Ireland & UK

The Need

GameStop has aggressively expanded throughout Ireland and into the UK in the last three years. With the increase in shops, the communication infrastructure between locations became fragmented. As a result, GameStop sought a strategic IT partner. It needed a business IP provider to supply and manage an evolving network. Strencom was selected based on its ability to grow with GameStop and its capabilities to add value by offering solutions in the UK.

At the time when Strencom first won the business, GameStop Ireland had 19 locations nationwide and was implementing a new point of sale system across all branches. In order to retain a competitive edge in the Irish retail marketplace, GameStop needed to streamline costs and increase its operational efficiencies. It required a fully integrated system that connected all branches and provided head office with a real-time view of all transactions such as a cash sale in Rathmines or a stock-count in Portlaoise.

GameStop - Company Overview

GameStop Ireland was originally founded in 1994 by Kevin Neary and Michael Finucane as Gamesworld. Gamesworld began trading at the rear of an established bookstore in Dublin and grew organically during its first nine years to eleven stores.

In 2003 Gamesworld was approached by GameStop, which resulted in a controlling interest purchased by GameStop. The organisation re-branded and was tasked with carrying out an aggressive expansion plan throughout Ireland and into the UK.

Solution

Strencom's solution to GameStop took place in two stages.

Stage 1

Strencom provided GameStop with a Private ADSL, using similar technology to Broadband ADSL, enabling ordinary phone-lines to operate at very high speed. The voice and data traffic does not travel over the Internet and as a result there are no security issues or requirements to put a firewall on every site.

At first, Strencom only supplied the network as GameStop had made the decision to manage it themselves. This option was the cheaper alternative for GameStop, from a bottom-line perspective. However, as the number of outlets increased, it became evident that in the long run this was not financially astute. In their cost management estimations, GameStop overlooked the need to redeploy resources to manage a rapidly expanding wide-area-network (WAN). It became apparent that GameStop would have to recruit a network engineer to manage the network. Sankar Nayar, GameStop's IT Manager estimated the salary of €50k would be needed to hire a person with the relevant specialised skills.

Stage 2

Within six months of signing the original contract with Strencom, GameStop made the decision to outsource the entire management of the network to Strencom. Strencom took over the day-to-day monitoring of the network between branches, providing proactive support to ensure an always connected network.

In the past, GameStop was involved in the daily fire-fighting of dealing with network problems as they arose. Now, Strencom can identify issues in advance and address them before they become problems. As a result, the complexities and headaches of the WAN for GameStop are removed. Whether there are twenty or one hundred and twenty shops, the core communications

structure remains the same. New outlets can be easily and securely linked into this Private ADSL high-speed WAN via existing phone lines

Outcome

Strencom's private ADSL and managed solution has increased the efficiency of communication around GameStop's entire network. GameStop's previously fragmented communications infrastructure has been transformed into a cohesive and scalable network. Its IT department has been freed up to concentrate on its core role. The integration of the system has resulted in savings of both time and money for GameStop, an estimated €50k a year in an IT Salary.

GameStop now has a real-time view of stock, point-of-sale and cash information for each shop at the touch of a button. The European and Irish head office, based in Dublin, can access a snap shot of stock and accounts information across all locations. In the past, this information could take up to two weeks to circulate, which inhibited GameStop's ability to meet customer expectations. For example, some of the best selling games were often sold out in some locations as reordering cycles were delayed. This encouraged customers to go to alternative suppliers. GameStop can now identify buying trends and anticipate demand in advance.

The decision to change from self-managing the network to passing the responsibility to Strencom has proven to be the right choice. Sankar Nayar, IT manager for GameStop said, "Strencom has taken over the day-to-day monitoring of the network between our branches. By capitalising on Strencom's engineering network expertise, the IT department is freed up to attend to our core needs." He continued, "Strencom's solution has enhanced GameStop's service offering to our customers. It's now possible to access stock information immediately, allowing us to consistently meet the expectations of our customers. This is a must have in today's fast paced retail environment".

About GameStop

GameStop is the largest specialist retailer of games in the world. The Company operates over 4400 stores throughout the US, Austria, Australia, Canada, Denmark, Finland, Germany, Italy, Ireland, New Zealand, Norway, Puerto Rico, Spain, Sweden, Switzerland and the United Kingdom. In addition, the company owns a commerce-enabled Web property, GameStop.com, and the Game Informer magazine, a leading video and computer game publication.