

**Case Study: Financial Services**



***Principal Financial Group***

The Principal Financial Group, headquartered in Des Moines, is a global leader in financial services with offices across the United States and abroad. Maintaining reliable, robust and cost effective connectivity was deemed critical to the success and continued growth of the organization.

In October of 2005, The Principal Financial Group began an initiative to explore new and innovative ways to improve disaster recovery capabilities and improve both domestic and international connectivity. Utilizing the Fiberutilities Group Process, the Principal Financial Group began to explore the merits of a privately owned optical network capable of achieving four primary objectives:

- Secure long term connectivity between key metro data centers
- Improve corporate disaster recovery capabilities
- Establish greater carrier & geographic network diversity
- Create buying leverage for voice, data & Internet services

Fiberutilities Group began with a thorough investigative needs and capabilities analysis overlaid to a detailed and comprehensive financial and technological feasibility study. This study incorporated budgetary considerations, proprietary financial modeling and preliminary engineering work resulting in a formal recommendation to proceed with the creation of a Principal-owned optical network.

First, Fiberutilities Group successfully negotiated a 20 year Indefeasible Rights of Use (IRU) for several miles of metro fiber capable of connecting Principal's various Des Moines locations, most notably the key data centers. By doing so, Principal established a robust, redundant and resilient metro network for key corporate locations and data centers. Secondly, a similar IRU was negotiated for almost 1200 miles of interstate fiber connecting Principal to tier one carrier hotels in Chicago and Denver. With direct fiber access to over 50 domestic and international carriers and networks and hundreds of private enterprises, the Principal has tremendous flexibility and leverage with whom they choose for voice, video and data services.

Keith Kratochvil, IS, Voice and Data Functional Architect for The Principal said, *"Essentially, we've leveled the playing field. Because we own connectivity to Denver and Chicago, it's like The Principal is located in these cities from a telecommunications standpoint. The strategic advantages are significant—it puts us in a whole different position with carriers, both domestically and internationally. We can buy services to get anywhere in the world, where we couldn't from Des Moines."*



---

Fiberutilities Group and The Principal collaborated to design and engineer the network and subsequently Fiberutilities Group deployed the optical equipment required to light it. Utilizing both a 24 x 365 Network Operations Center and dedicated field technicians, Fiberutilities Group manages the physical, environmental and maintenance components of The Principal network, while the Layer 2 and Layer 3 responsibilities are managed internally by The Principal. The interstate optical transport network is currently capable of supporting 5 Gigabits, with a simple expansion and upgrade path for additional capacity.

Fiberutilities Group recently entered into a long term management agreement to ensure that The Principal continues to receive the unique expertise, uncompromised support and exceptional service provided by our partners, associates and staff.