

# IS THE TIME RIGHT FOR YOUR BUSINESS TO LOOK AT DATA CENTER OUTSOURCING?

Outsourcing non-core activities is commonplace in American business today. Most organizations are comfortable hiring expert services to replace internal assets that are focused on non-core tasks. A good example is payroll processing. Why have in-house experts in payroll rules, taxes, benefits, etc. when you can purchase that service in a reliable, cost-effective manner?

If you're in business, then you probably have at least one information technology (IT) system that is foundational to your organization. Whether it be your website, a mobile app, billing, A/R, A/P, manufacturing software, etc. ... every business depends upon mission-critical tools that require near 100% uptime in our 24x7 world. Given the rapid rate of change in technologies (e.g. iPad and other mobile devices), a business' IT systems not only need to be reliable, they need to be flexible, too.

Many companies are comfortable outsourcing information technology (IT) capabilities from a variety of perspectives, especially when it comes to project work. "In 2010 ... external

services accounted for 31% (\$749 billion) of total IT spending."<sup>1</sup> Companies have completed the analysis and come to realize that internalizing many aspects of their IT solution set is cost prohibitive. Outsourcing physical assets that comprise an organization's "data center" is a next logical step in the progression of moving non-core IT activities into more capable, more flexible, and more economical hands.

To meet those expanding needs, a new cadre of companies has sprung up in the HIAAS (Hardware Infrastructure as a Service) space. HIAAS operators provide enterprise-level infrastructure capabilities at a fraction of the cost of providing them in-house with anywhere approaching an enterprise level of capacity and reliability. If the timing is right, it may make sense for you to consider their services for your business. How do you know if the time is right?

According to Gartner, it makes sense for an organization to look at their current data center solution whenever they address issues like,

“spatial constraints, legacy technologies, legal requirements for storage and rising energy costs.”<sup>2</sup>

### SPATIAL CONSTRAINTS

Is your current data center too small or are you looking to move your entire operation to new digs because of limited space? You will certainly have a broader range of spaces to consider if the need to house a data center is not part of the mix. Need to move again in a few years because you are still growing? No worries! You can move as often as you need to without worrying about the expense of rebuilding a data center - or potential downtime - if you are outsourcing.

### LEGACY TECHNOLOGIES

Are you going to replace existing technology platforms with new systems? Do you need access to a level of telecom services that is not available at your current location, requiring you to consider a relocation?

### RISK MITIGATION

Have you come to recognize a need for 24/7/365 uptime in a highly secure environment? Have you come to understand how much that would cost to provide with in-house resources? Outsourcing is a potential solution.

### LEGAL REQUIREMENTS FOR STORAGE

Has the regulatory environment created a substantial change in your storage requirements?

### RISING ENERGY COSTS

Are rising energy costs - electricity for your existing data center and/or any other energy demands including HVAC for your facilities in general - causing you to consider relocation?

### IN CONCLUSION

If you are considering a relocation for any reason, or if you are facing a major upgrade in your existing data center to meet new technology or capacity requirements, the time is right for you to consider outsourcing your data center. A professional data center will deliver higher redundancy and performance through managed infrastructure resulting in more reliability than most can afford on their own. When coupled with the flexibility it brings, data center outsourcing must be part of the discussion for any plan you are considering.

### ENDNOTES

<sup>1</sup> Outsourcing Key Initiative Overview; Frances Karamouzis; Gartner, Inc.; July 2011

<sup>2</sup> Data Center Modernization and Consolidation Key Initiative Overview; George J. Weiss and Drue Reeves; Gartner, Inc.; July 2011

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