



THE IT EXECUTIVE'S GUIDE TO

Outsourcing Data Center Operations

Why handing over enterprise data center management is the key to unlocking greater productivity, flexibility and profitability in the Digital Age.

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Adapting to a data-driven world

The world runs on data. Every business, in every industry, in every location depends on data as the foundation of its business decision making and operations. And the companies who can collect, process, store and operationalize data the fastest and most efficiently will enjoy a competitive advantage over less data-driven organizations.

But managing the flow of data and IT infrastructure in on-premises enterprise data centers is more time-consuming and expensive than most businesses can afford. Today's data centers run increasingly larger, more complex workloads that challenge even the most experienced IT teams. Worse, self-managing a data center takes valuable resources away from more important activities such as product and service innovation or continuously enhancing the customer experience.

As a result, enterprises are increasingly turning to third-party data center solutions providers to unburden themselves of daily core operations and free vital IT resources for higher-value initiatives and programs. This guide will provide IT and business leaders the information they need to understand when, why, and how to outsource their data center operations for maximum efficiency, cost-effectiveness and support for their larger business objectives.



Global data production will reach 175 zettabytes by 2025, with nearly 30% of the data requiring real-time processing.¹

Why outsource data center operations?

Third-party, non-corporate data centers aren't new. There are thousands of data center facilities worldwide operated by data center experts that offer easy access to the space, power and computing capacity — including some degree of connectivity with network providers and cloud services — today's businesses demand, but without the added expenses or headaches of operating it in their own offices.

While colocation — housing core infrastructure in someone else's building — allows businesses to centralize their IT operations and create an efficient architecture that can reduce costs, it also better positions companies to respond to a rapidly changing global market.

IT infrastructure strategy and business demands have changed

One primary reason more enterprises are looking to third-party data centers for support is that the demands of modern businesses have fundamentally changed. Every year that data production grows means companies scramble to add capacity to capture, store and mobilize it. The extra space and hardware are costly, and the manpower needed to maintain it will strain already overburdened IT teams.



38% of enterprise IT leaders have a somewhat or very difficult time finding qualified candidates for their open positions.²

More importantly, the type of workloads involving that data is different from years past. The explosion of software-as-a-service (SaaS) applications highlighted the need for high-performance and highly resilient networks because even a minute of downtime can cost the average enterprise more than \$5,000.³

In those businesses, data workloads are often spread out across multiple data centers to minimize the risk of disruptions. But that kind of a setup done internally would require enterprises to find additional space and then double their capital expenditures (CapEx) so that each facility has the same capabilities and capacity.

Of course, more physical infrastructure also means more manpower to deploy, manage, monitor and optimize operations in every location — a cost too great to bear for budget-conscious organizations.



Over 50% of enterprises reported the average hourly downtime cost of their servers as being between \$300,000 and \$1 million.

Source: Statista.com. March, 2020

Cloud introduces new capabilities, but also new challenges

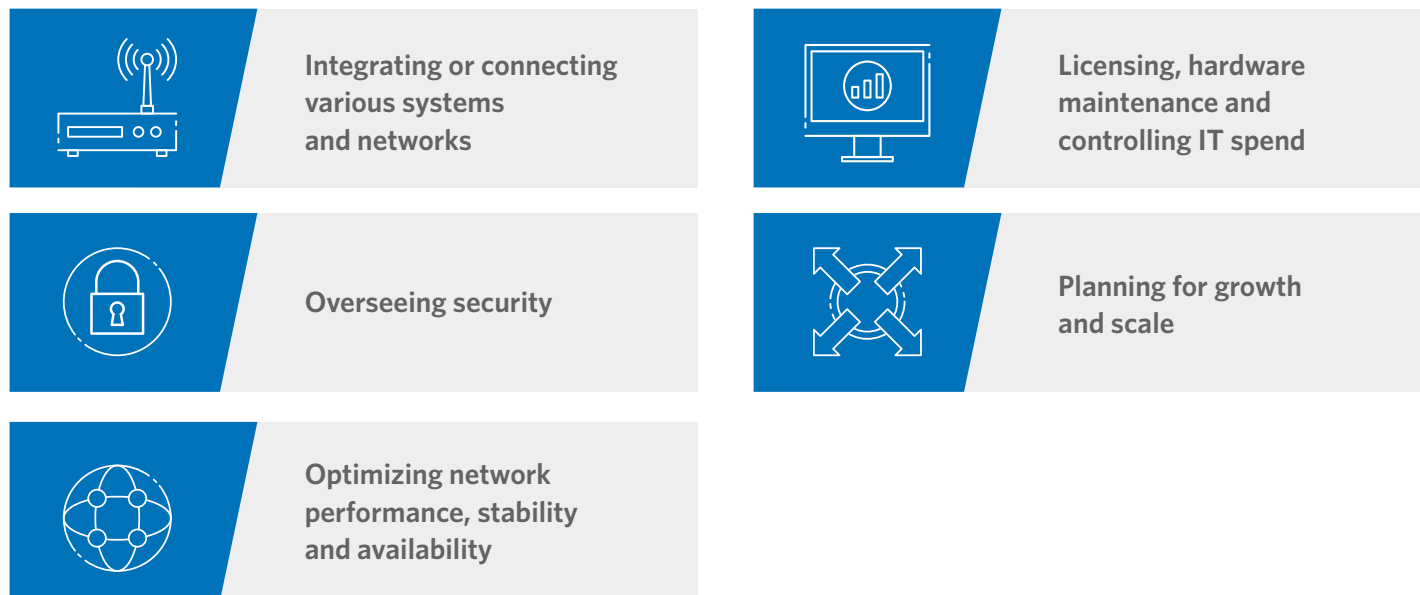
Among the biggest changes in today's business landscape is the rapid and widespread adoption of cloud computing. Already, 95% of today's enterprises rely on at least some cloud infrastructure because of how easily it scales and almost 85% have a multi-or hybrid-cloud strategy that uses an average of five cloud platforms at a given time.⁴

For later cloud adopters, research shows that nearly 90% of organizations with on-premises data centers will be moving at least some of their workloads to cloud — either through managed hosting or colocation — in the next three years.⁵

More systems and more stress for overworked IT teams

The mass migration to cloud makes sense for enterprises in search of greater scale and lower initial operating investments. Cloud platforms — both public and private — provide easy, reliable access to data anytime, from anywhere and are ideal for disaster recovery and business continuity, since workloads can be moved from one availability zone to another or from cloud to another in case of a disruption.

But internal IT staff is already overburdened managing existing infrastructure. Adding more apps, more clouds and more workloads to manage only stretches them further beyond their limits. Worse, many of the most critical cloud responsibilities like configuring application storage may fall outside the team's core skill set, creating a steep learning curve as they continue to handle their other responsibilities such as:



Further overloading already overburdened teams with more work and new responsibilities is a recipe for poor performance, lapses in security and overlooking critical cost management opportunities.

The bottom-line benefits of outsourcing data center operations

Like other core business operations, sometimes outsourcing to a third-party makes the most sense. For enterprises struggling to balance efficiency, cost management and planned growth, outsourcing data center operations can be a boon to the business.



Outsourcing lowers TCO



Enables faster scale



Achieves better network reliability and performance



Improves security



Outsourcing lowers TCO

Cost control is a major factor in the health and success of any business. Outsourcing data center operations helps enterprises lower the overall total cost of owning their infrastructure by eliminating initial capital expenditures and lowering ongoing operating expenses by spreading the cost of power, space and redundant infrastructure across multiple tenants, which is much more cost-effective than directly maintaining separate facilities.

Third-party data centers offer planning and support for initial infrastructure deployment as well as ongoing remote hands services that reduce the number of IT resources and employees required to manage data center space.

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Achieves better network reliability and performance

Availability is an important IT factor, no matter the size of the business. Third-party data center solutions providers take on the burden of providing adequate power, network and cooling infrastructure so overtasked internal IT teams don't have to.

Beyond basic power and cooling, data center providers may also offer private connections among multiple data centers and direct connections with cloud providers to:

- Reduce latency – up to 44%!
- Improve resource utilization
- Provide redundancy and automatic failover for disaster recovery

The interconnectivity means that tenants in the data center have the flexibility to strategically locate business operations closer to end users to improve app and network performance by reducing the physical distance — all supported by contractual agreements for service levels and network uptime.



Data and storage predictions for the year 2025

- The storage industry will ship 42ZB of capacity over the next seven years.
- 90ZB of data will be created on IoT devices by 2025.
- By 2025, 49 percent of data will be stored in public cloud environments.
- Nearly 30 percent of the data generated will be consumed in real-time by 2025

Source: IDC: Expect 175 zettabytes of data worldwide by 2025. Network World. December, 2018.



Enables faster scale

Managing growth — both unexpected spikes in demand or planned expansion — is vital to the health and sustainability of a business. But trying to manage on-premises hardware and cloud connectivity isn't easy.

Colocating infrastructure with an outsourced data center partner enables companies to grow their physical footprint when they need more on-prem capacity, while also instantly tapping into cloud services providers' additional compute and storage capacity thanks to direct cloud connections from within the same facility.

Managing a hybrid infrastructure from a single location makes it easier to quickly and securely move workloads among different platforms to optimize performance and strategically add capacity where and when necessary.



Improves security

In the age of increasingly sophisticated cyber threats, moving operations off-premises can improve the level of protection for sensitive assets. While most security efforts deal with firewalls and other digital security measures, protecting the physical assets over which those networks run is crucial.

Data center providers can offer new levels of physical security that enterprises otherwise might not have been able to offer or afford on their own in a self-managed, on-site facility.



Types of physical security measures at third-party data centers

- Security officers
- Restricted access
- Security cameras
- Bio-scanners and man traps



Getting started: How to choose the right data center partner

The data center colocation market is on a steady and predictable growth track. In fact, research projects that the Data Center Market will grow more than 17% annually through 2023.⁶ But not all data center solutions providers are the same and as enterprises look for new partners to put their businesses on the fast track to sustainable success, there are several factors to consider:

Start with reputation

Core infrastructure is the glue that holds a business strategy together. And as more organizations worldwide undertake digital transformation initiatives, their need for reliable technology solutions providers increases exponentially.

The most successful data center partners will have a reputation for service excellence, technical expertise and reliability. They'll have a roster of happy customers who'll talk publicly about the company's ability to adapt to the changing demands of the global economy by delivering the scalable infrastructure, business agility and security their customers need to remain competitive and relevant in an evolving global economy.

Location, location, location

Data center solutions providers geared for the Cloud Age should have locations across the country — especially in edge markets — to help customers execute digital transactions and bring core processes physically closer to their end users.

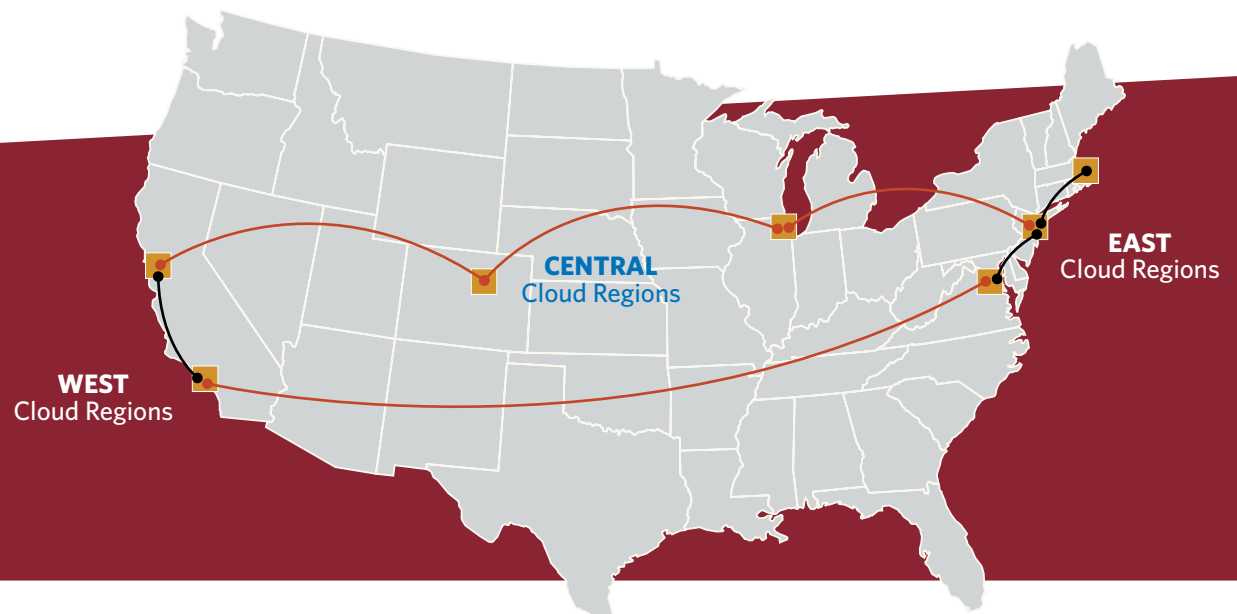
A widespread and strategically designed geographic footprint makes it easier for enterprises to minimize data travel times to lower latency and deliver better app performance and enhance the user experience. A data center provider with an expansive network is especially beneficial to latency-sensitive businesses like:

- Autonomous vehicles
- Stock trading/financial transactions
- Augmented/Virtual Reality
- Gaming
- Online learning
- Streaming content

In addition to improved network performance, a data center partner should also offer physical workspace in each data center to allow business leaders to work directly on their own infrastructure when or if they want.

Extend Your Network Reach

High-performance network architecture with dedicated low-latency connectivity to multiple cloud regions



Future-proof planning with hybrid capabilities

Perhaps the most important aspect of choosing the right data center partner is finding one that has its customers' long-term business health in mind rather than just focusing on the present. That means looking a provider with “hyper connected” data centers, which feature all the characteristics digitally-enabled businesses require in a single facility, such as:



Sufficient power density to scale physical infrastructure without additional floor space



Completely interconnected edge market locations for closer proximity to users



Direct cloud on-ramps for easy, reliable access to additional storage and compute capacity or bolt-on services from other network providers

These modern facilities serve as the central meeting place — complete with physical infrastructure and comprehensive interconnection options — for efficiently exchanging traffic and data among various networks and cloud providers in strategic locations that are physically closer in proximity to end users and customers.

This arrangement allows organizations to tap into infrastructure half a world away without having to build out their own facilities in those regions while creating dedicated connections with partners and providers within the same location to dramatically reduce latency and improve performance.

Modern services and infrastructure for the digital enterprise

Back in the good old days of on-premises IT infrastructure, the life of IT professionals was much simpler. There were fewer systems to manage, applications to configure and endpoints to secure.

But yesterday's infrastructure wasn't built to support today's business demands. IT teams still trying to manage their on-premises infrastructure by themselves along with getting ramped up in the cloud are wasting time and money that could be better spent on developing new and innovative products and services or improving the customer experience.

Outsourcing data center operations management to a qualified data center solutions provider with extensive colocation offerings provides IT teams with all the physical and cloud infrastructure options they need to modernize and optimize their IT environment for business success without any of the hassle or additional expenses of managing it themselves.



ABOUT CORESITE

CoreSite Realty Corporation (NYSE:COR) delivers secure, reliable, high-performance data center and interconnection solutions to a growing customer ecosystem across eight key North American markets. More than 1,350 of the world's leading enterprises, network operators, cloud providers, and supporting service providers choose CoreSite to connect, protect and optimize their performance-sensitive data, applications and computing workloads. Our scalable, flexible solutions and 450+ dedicated employees consistently deliver unmatched data center options — all of which leads to a best-in-class customer experience and lasting relationships.

Visit www.coresite.com or contact us at **866.777.CORE** to learn more about how outsourcing your data center operations can help improve business agility, efficiency, and profitability.

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