


# Data Centre Outsourcing – *a Buyer's Guide*


The inside guide to deciding whether to outsource your data centre facility and operations and how to select an appropriate partner.



# This Guide will help you



Determine  
whether outsourcing  
is right for your  
business



Discover  
the use cases and  
benefits of colocating  
your data systems



Gain a better  
understanding of  
data centre  
outsourcing  
services



Ask the critical  
questions of a potential  
service provider

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## Seven Key Considerations

- 1 Understand your data centre service options
- 2 When should you consider outsourcing?
- 3 Discover the benefits of data centre outsourcing
- 4 Determine your TCO (Total Cost of Ownership)
- 5 Other key factors
- 6 Taking a 'green' approach
- 7 Selecting the right data centre partner

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# 1. Understand your data centre service options

There are two main options for housing your key data storage and processing infrastructure. Either locate it in private, in-house facilities or colocate within purpose-built public data centre space.

## In-House

### Pros

- Perceived higher level of control over facilities
- Complete responsibility for infrastructure lies within the organisation

### Cons

- Lower visibility of true cost
- Cost of maintaining internal skills within a changing environment
- Diverts internal resources from core IT priorities

### Pros

- Leverages economies of scale available to a specialist DC provider
- Leverages the skills base of a dedicated provider
- Improves security, efficiency, connectivity and availability<sup>1</sup>
- Pay for what you use
- Enables best use of internal resources

### Cons

- Takes a level of trust in the supplier
- May require a long-term engagement
- Direct control

## Colocation

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<sup>1</sup> Colocation within a Tier III certified data centre offers very high levels of availability, reliability and protection due to the optimal environment they provide. This includes redundant power and cooling systems, and other equipment such as fire suppression systems.

## **Data centre service options *cont.***

With the benefits of a highly secure and reliable environment, colocation is suitable for all IT infrastructures and applications including:

- Mission critical operational processing
- High performance computing
- Data backup and archiving
- Disaster Recovery and Business Continuity
- Connectivity to telecommunications services
- Webserver/website hosting
- eCommerce transaction processing
- Private cloud
- Hybrid cloud

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## 2. When should you consider data centre outsourcing?

Organisations often turn to outsourcing their data centre facilities and operations when they need:

### **BUSINESS AGILITY**

*Focus on core capabilities not facility management*

### **COST SAVINGS**

*Through consolidation of in-house facilities*

### **REAL ESTATE**

*Changes require relocation of facilities*

### **FACILITY UPGRADE**

*In-house facilities become end of life*

### **POWER DENSITY**

*New IT equipment exceeds limit of in-house power*

### **DISASTER RECOVERY**

*Compliance requires data to be housed off site*

### **PRIVATE COMPUTING**

*Demands closer proximity to network capacity*

### **SEEKING EFFICIENCY**

*Outsource data centre services to free up head count*



To review **YOUR** options with a data centre professional please email us at

[info@nextgengroup.com.au](mailto:info@nextgengroup.com.au)

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### 3. Discover the benefits of data centre outsourcing

Data Centre colocation offers a highly secure and reliable environment, with a range of benefits including:



#### Greater communications connectivity

Highly connected data centres have massive amounts of bandwidth. Look for bandwidth available in speeds up to 100Gbps



#### Improved power and cooling reliability

Tier III data centres provides redundant cooling and uninterruptable power with diesel backup



#### Highest levels of access control

Multilayer security including perimeter, building and physical rack space access control – with physical, electronic and biometric security



#### 24x7x365 Support

Monitored by dedicated technicians and engineers with online reporting tools for clients



#### Simpler performance management

Public data centres usually provide an SLA, which should guarantee specific uptime, service response, bandwidth and physical access protections



#### Improved equipment life

Cold aisle/hot aisle separation ensures that equipment operates at a lower temperature. Gas-based fire suppression systems do not harm your equipment



#### Simpler cost management

Colocation services are generally provided for a fixed monthly cost

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## Benefits of data centre outsourcing *cont.*

IT managers and CIOs are increasingly achieving business agility by outsourcing to data centres to provide quality, flexibility and connectivity which is next to impossible to achieve in-house. We recommend visiting a modern, Tier III-certified, high-density outsourced data centre to see the potential value to your business.

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### Insight!

Data Centres are rated in tiers, according to their levels of availability, starting from Tier I to Tier IV. In the ideal data centre environment, redundancy is built into power, network and cooling systems to ensure maximum availability of your servers, data storage and network equipment. These ratings should be certified by an appropriate authority, such as the Uptime Institute.



**Experience the benefits of a next generation data centre for yourself. To arrange a visit please email us at [info@nextgengroup.com.au](mailto:info@nextgengroup.com.au)**

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## 4. Determine your Total Cost of Ownership (TCO)

Leasing data centre space can help avoid the high cost of managing your own facilities. Whether or not your data centre requirements should be outsourced or managed in-house depends on a number of important considerations:

### REAL ESTATE

*Real estate can be a hidden but very real cost – consult your property manager*

### POWER AND INEFFICIENCIES

*Energy costs are a significant contributor to the TCO. An inefficient facility can double your power bill*

### CONNECTIVITY

*In a cloud-centric world, connecting data to the ecosystem becomes a significant cost.*

### CONSOLIDATION

*Small-scale facilities can be decommissioned.*

### SECURITY

*Consider whether your existing in-house facility generates additional security costs for your business.*

### SCALABILITY

*Take into account the cost of significant upgrades or creation of an entire new facility for growth*

### PEOPLE COSTS

*Managing facilities requires a pool of specific skills and specific roles.*

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## Your TCO *cont.*



To have a data centre professional  
prepare a complimentary TCO analysis  
of YOUR data centre options please  
email us at **[info@nextgengroup.com.au](mailto:info@nextgengroup.com.au)**

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## 5. Other key factors

Some of the other key factors to consider in developing your data centre strategy include:



### Location

Your information systems should be located on a different sector of the power grid from your core business operations, with minimal risk of natural disasters such as flooding and seismic activity.



### Flexibility

Leasing data centre space gives you the flexibility to only pay for what you use, adding space as, when and where you require it.



### Capital

Many companies prefer to minimise the upfront investment by opting for an operational expenditure model.



### Expertise

By outsourcing data centre requirements, you can access cost-effective technical expertise that may not be available or may be hard to retain in-house.



### Service Levels

You can hold the data centre operator accountable for a failure to meet particular service thresholds through SLAs.



### Insight!

Data Tier III data centres provide dual-powered equipment and multiple uplinks with expected availability of 99.982%, or only around 1.5 hours of annual downtime.

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## 6. Taking a 'green' approach

### An opportunity for your business



A reduction in carbon emissions is a key objective for most businesses. Given the energy consumed at a data centre represents a large proportion of a company's overall electricity use, any carbon reduction strategy should start with your data centre.



Nextgen is committed to creating a better future by using energy more efficiently. Our next generation data centres are developed using BladeRoom™ technology. Our data centres have been designed from the outset to maximise energy efficiency, using natural 'free air' to minimise the need for air conditioning, delivering a proven PUE as low as 1.14 in some locations including Melbourne, Adelaide and Canberra.



**At these levels, Nextgen is able to achieve some of the lowest carbon emissions in the market today.**



### Insight!

Power Usage Effectiveness (PUE) measures the energy efficiency of a data centre. A PUE of 2.0 means that for every watt of IT power, an additional watt is consumed to cool and distribute power to the IT equipment. A PUE closer to 1.0 means nearly all of the energy is used for computing.

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## 7. Selecting the right data centre partner

Colocation comes with many intrinsic benefits, but it is important to judiciously select your data centre partner. In particular look for:



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## Selecting the right data centre partner

Not all outsourced data centres are created equal, so it's important to understand your options. You should evaluate any potential provider against the following list of questions:

- Are your data centres interconnected with national high-speed fibre communications?
- How many other data centre providers are connected to your data centres ecosystem?
- Are your facilities certified for Tier III availability by an external authority?
- How many data centres do you operate, and how long without an outage?
- Do you have an in house team of IT professionals managing your data centres and network?
- How can you assist with transitioning into the data centre?
- How can we be assured you will have scalability and room for our growth?
- Do the locations of your data centres reduce our exposure to catastrophic events?
- Do you have facilities in several cities?
- Will we have 24x7 access and control?
- How will you help us adhere to industry standards and meet compliance?
- How could you reduce our corporate carbon footprint?

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## About Nextgen



Nextgen is the trusted data services partner for Australia's leading businesses, government agencies and telecommunications carriers. We operate the country's largest network of premium data centres through our fully owned subsidiary Metronode, backed by our Tier 1 national fibre network spanning more than 16,000 kilometres. This combination offers our customers a truly seamless solution for managing and storing their vital information.



With nine data centre facilities across Australia - more than any other operator - we also offer a complete range of data centre services including low- density co-location, high- density rack space and wholesale space. Custom installation options are available in each data centre to accommodate customers' Specific IT needs.



### Contact Us

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