

COLOCATION

An Ultimate Buyers' Guide

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Let's get started...

If you're in the market for colocation, there are many considerations to keep in mind. This buyer's guide presents important factors to consider while choosing a colocation provider, along with buying criteria to help you make the best decision for your organization's unique needs.

What is Colocation?

Colocation refers to the practice of housing your servers and devices in a professional data center in order to access economies of scale, advanced infrastructure, greater bandwidth, lower latency, specialist services and systems, constant security and a whole host of additional advantages. This arrangement can also include service and maintenance as well as planning and deployment of additional equipment as customer needs change.

Benefits of Colocation

While building a new data center has advantages and disadvantages, knowing the advantages of colocation can help you make the right decision for your business.

Colocation benefits:

- Typically, lowest up-front cost option
- Implementation can occur quickly
- Client can take advantage of already implemented policies
- Technical and business flexibility
- No long-term commitment



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eBook

OneNeck IT Solutions Colocation Stories

This eBook contains several success stories straight from our customers, who have leveraged colocation to augment their data center space.

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Is Colocation Right for My Company?

Colocation is an excellent strategy for mid-market to enterprise-size companies. In these organizations, CIOs play a vital role leading strategic operational initiatives and would rather not be bogged down with day-to-day IT issues. In selecting a colocation partner, the primary objective is to ensure that the company meets their strategic needs, is reliable, secure and can offer expanded services as business needs change.

How do you know if your company is a candidate for colocation? First, assess your organization's goals. Colocation is a solid strategic option if your goals include:

- Pushing business and technology integration
- Championing innovation
- Significant growth and expansion
- Extending CIO influence within the organization
- Enabling the corporate vision
- Concentrating on core competencies
- Leveraging strategic partnerships

The next step is to understand the roadblocks that may be preventing you from reaching your goals. They often include things like time and budget constraints, lack of in-house expertise, ever-increasing drive for efficiency, cost-cutting efforts and a focus on innovation.

While building a data center is right for some companies, others find that leasing colocation space makes sense. Many organizations are starting to recognize the high costs associated with running a corporate-owned data center and are looking for alternatives that may involve cloud-based solutions. High-performance data center colocation providers are equipped to offer security and networks that are both future-proof and carrier-neutral, creating an environment that is ideal for various cloud hosting plans.

Making the Case for Colocation

Third-party colocation facilities are an excellent solution to augment data center space and eliminate the need for significant capital expenditures for IT infrastructure and additional sites. In addition, concerns can be minimized by transferring responsibility to a qualified colocation partner, an expert with the expertise and dedicated resources to address all these challenges.

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Infographic

OneNeck IT Solutions Build vs Buy Infographic

Today, CIOs and IT managers are faced with that all-important decision: Does it make sense to invest in an in-house and managed Infrastructure as a Service platform?

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Here are four financial benefits you can utilize when making the case for colocation to your leadership team:

1. CapEx vs OpEx: Leasing space in a colocation facility is less expensive

Building your own data center is expensive. The planning and designing phase alone can cost between 20 and 25% of the construction expenditures. Forrester estimates the costs to build the actual building, if you're not using an existing structure, at \$200 per square foot.

Additional setup costs include fire safety systems, building permits and local taxes, capital expenses like hardware and installation, and network connectivity. Once you are up and running costs are difficult to project and include power, maintenance and staffing on an ongoing basis. The cost of power alone, taking into account regional variations, generally accounts for 70-80% of total operation costs.

Colocation providers lower your overall expense of running a data center by providing economies of scale and sharing the physical building expenses, such as climate control, and lowering the overall burden that comes with maintaining your own enterprise data center.

2. True scalability is easier to achieve

When building a data center on-premises, organizations need to predict their future needs to determine what size to build. This may mean that you have hardware sitting around that is underutilized or you don't have enough capacity at peak times. Either way is costly. Colocation provides the ability to right size your data center to your needs today and the ability to pay as you grow without idle or insufficient capacity.

3. Colocation is less complex to maintain

Building and maintaining your own data center consumes a great deal of not only capital resources but human resources as well. It is difficult and expensive to find the depth and breadth of IT expertise needed to operate your data center 24/7, provide business continuity, enhanced security, disaster recovery and optimize applications and systems. The colocation shared resources model means that the expertise is always on hand to optimize your systems and offload core IT functions to free up internal staff to devote more time to mission-critical initiatives

4. Organizations save money by reducing downtime

The average cost of a critical application failure has been pegged at \$500,000 to \$1 million per hour, according to IDC. Reliability is a key evaluation criteria. To ensure optimal uptime, the best choice in colocation provider will have data centers in multiple locations for failover, business continuity and disaster recovery in the case of natural disaster, human error or equipment failure.

Buyers' Considerations

Data centers may appear to have only minor differences but in reality, can differ widely in terms of physical location, connectivity, security and additional services provided. Determining which colocation provider to use can have a great impact on your ability to meet your goals and ultimately your organization's success. These are the critical colocation considerations for your unique business requirements.

Location: Where is this data center?

Location. Location. Location. If milliseconds matter, it's best to select a data center that is close to where you do the most business. For example, if you are a financial services firm sending large volumes of data to the data center where every fraction of a second matters, distance can affect the transmission time. If your business can tolerate latency you have more options for location and can look for the most competitive options.

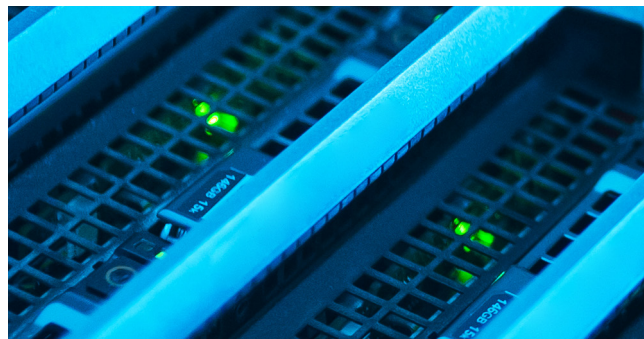
Look for locations that are outside of flood zones and offer resilient power connectivity where in the event of an emergency your business will remain operational. Ensure the location is easily accessible from an airport or highway. You will also need to consider the physical facility itself. Has it been renovated in the last five years? What were the construction standards—windowless, hurricane resistant, how many pounds per square foot is the floor load?

Connectivity: What options do we have?

When it comes to connectivity, you want a data center that provides you with options — including seamless connectivity to your on-premises data center and to your provider's other collocated data centers. The collocated facility needs to provide a high level of reliability, offer high performance and allow you to control traffic prioritization as well as meet all of your application needs and provide carrier diversity.

Items that should be on your checklist include:

- Carrier neutral
- Carrier agnostic
- Multi-home transit routing
- Multiple private connections to other data centers
- Enterprise-grade blended Internet bandwidth
- Full end-to-end network visibility
- Tier 1 connectivity and Quality of Service (QoS) capabilities
- Advanced global IP-based MPLS network



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RFP Template

OneNeck IT Solutions
Data Center RFP
Template

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Security and compliance: How does the provider ensure security?

In this age of the data breach, securing sensitive data is a top priority for all organizations. When partnering with a colocation provider they must view security as an essential element of the service they provide. It is critical for any outside provider to provide additional layers to your existing cybersecurity and physical security measures to mitigate your risk.

Another priority for a collocated data center is that they help you meet compliance regulations like HIPAA and PCI-DSS and back their claims with third-party audits.

Physical security needs should include biometric authentication, video surveillance, on-site guards, alarm systems and reinforced physical structures.

Additional services: Support, customer amenities and environmental controls.

Your colocation provider's SLA should go beyond the basics to make sure that your equipment is safe, your data is secure and your staff is comfortable. Backup and recovery procedures need to be spelled out in detail and meet your specifications.

Customer amenities should include private suites, conference rooms, Wi-Fi access and emergency services. Engineer consultations need to be available 24/7 to ensure uptime and manage installations. Environmental controls that include fire detection and prevention, lightning protection, leak and leak detection and an energy efficiency environment are required to protect your organization's investment.

Pricing: How much is it going to cost me?

There are many ways that pricing can be structured when negotiating a colocation agreement. Here are a few common pricing options to consider when it comes to collocating space:

- **Cabinets** – Individual locked cabinets and cabinet-equivalent spaces are sold under two models:
 - **Bundled** – Monthly price includes cabinet space and all utility consumption.
 - **Unbundled/Metered** – Monthly price includes cabinet space; utility consumption will be metered and invoiced monthly based on actual usage by client. Your provider should not mark up your utility consumption, and you should only be invoiced for what you use.
- **Cage** – Private locked caged space is available as metered space (meaning utility consumption will be metered and invoiced monthly based on actual consumption). The space is sold under a per square foot, per kW available or per cabinet equivalent model.

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Data Sheets

OneNeck IT Solutions Colocation Data Sheet

How Much Downtime Can You Really Afford?

How Much Downtime Can You Really Afford?

Painting the Picture...

There's no question that this is the future of the modern business, and without access to it for even a minimal amount of time can devastate the bottom line. But how much is it really?

To really understand the impact, we don't have to look for recent headlines:

- In March of 2016, major and Apple Store outage caused by a configuration change resulted in an estimated \$200 million in lost revenue in just 12 hours. [Source: \[2016\]](#)
- Google's Cloud Platform outage was 2016, costing the company millions, when credits for 10% of their monthly service credits were charged and 25% of their monthly VPS charges. [Source: \[2016\]](#)
- On May 11, 2016, Dell EMC, San Jose, California, experienced a huge outage that impacted a huge number of clients. The outage was linked to a database failure in one of their 41 cloud instances, specifically SMLA, which prevented a critical database from being updated. SMLA database would not release the number of customer or operator affected by the outage, but using Twitter it's clear it was a significant and possibly damaging to customer's reputation. [Source: \[2016\]](#)
- On August 8, 2016, Delta Airlines lost power at its Spicewood Center in Atlanta, closing their loading system to 100,000 passengers in Atlanta. They had to cancel about 1,000 flights. They had to re-assign 1,000 flights over the two days.

These are just a few examples of what happens when mission-critical IT infrastructure fails and the system doesn't kick in quickly enough, resulting in major impact on the business. Bottom line, we're in for the impact on customer satisfaction and reputation.

These incidents also bring to light the existing infrastructure that power today's businesses, leading to what could be catastrophic failures. Outdated technology and inadequate disaster recovery (DR) planning will lead to more failures if the proper steps aren't taken.

What is your plan?

Obviously, avoiding an outage should be high on the list of priorities. However, in case of an outage, DR and business continuity (BC) plans are also the business' preferred approach. Latest generation and investments in infrastructure can help organizations avoid, or at least more quickly recover from, downtime.



In Summary

We hope that you take away from this eBook some basic must-haves when selecting a colocation provider. Maybe you're looking for basic colocation services or a more encompassing solution that includes cloud services for your organization. No matter what you're looking for, we're here to help... standards and compliance regulations is very difficult.

About OneNeck IT Solutions

OneNeck IT Solutions provides world-class, hybrid IT solutions for thousands of businesses around the globe. From cloud and hosting solutions to managed services, ERP application management, professional services, IT hardware and top-tier data centers in Arizona, Colorado, Iowa, Minnesota, Oregon and Wisconsin, OneNeck has the expertise to help customers navigate the cloud to get the right application on the right cloud at the right time.

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