

TDS and the anatomy of datacenter relocations

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One of the most significant barriers to moving from an in-house to outsourced datacenter services model is migration. We've said it before and will say it again: datacenter relocation projects are not short and easy projects to tackle on an evening or weekend. These projects require careful planning that can take months or even years. For this reason, companies are offering datacenter migration services as a way to ease the burden and help IT organizations to understand their options and guide them as they migrate to new environments. We discussed datacenter relocation services with Transitional Data Services (TDS) as more companies choose to leverage alternatives to owning in-house datacenters.

The 451 Take

TDS has demonstrated its ability to migrate datacenters successfully for clients in a number of industries, including multi-tenant datacenter (MTDC) provider customers. We believe that TDS ought to target hosting companies as well. The company realizes that the physical datacenter is undergoing fundamental changes with the wide adoption of cloud services and has expanded its expertise beyond physical relocation to include migrations to cloud services, SaaS and virtual migrations. We also believe developing partnerships with cloud services and hosting providers would be very worthwhile for TDS, considering the company's hybrid datacenter migration offering. With these partnerships established, TDS can navigate enterprise clients away from single-tenant facilities into a multi-tenant facility, and eventually deploy workloads into third-party environments operated by their partners.

Context

Mike Bullock and Craig Macfarlane launched Westborough, Massachusetts-based TDS in 2002. TDS provides professional services that include cloud migrations, datacenter migrations and consolidation, network and infrastructure design, and technical operations. The company provides a wide range of professional services from datacenter design to evaluating build vs. lease decisions to managed IT operations.

Although TDS did not disclose its revenue for 2014, it did report that its revenue breaks down to about 50% for its Data Center Services practice, 35% for its IT Infrastructure Services practice and 15% for its Enterprise Applications practice. It also reported that last year's revenue doubled Y/Y and the company expected revenue to increase by 50% in 2015. TDS also reported that over 90% of its datacenter relocations involved customers relocating from legacy datacenters to MTDCs and customers leaving from one colocation facility to another colocation facility.

TDS claimed that not long ago it would receive three or four RFPs in a year. The company now sees several RFPs in a month. The type of datacenter migration has also changed. In the past, TDS saw RFPs for primarily physical datacenter migrations. More customers have at least partially virtualized environments and now physical moves are taking a back seat to virtual ones.

Datacenter migration projects are costly, risky and increasingly complex as virtualization plays even a greater role in workloads today and have the potential to end careers for enterprise IT staff that lack the experience, knowledge and tools to plan and execute them successfully. Companies like TDS working in collaboration with IT organizations now play a critical role in the success of datacenter migration projects.

Datacenter relocation projects

Datacenter relocation projects range from multi-year projects involving migrating large enterprise customers into new datacenters to moving smaller SMB and midmarket customers into colocation facilities. Regardless of the size of the project, TDS, working with its customers, follows its methodology that includes the following phases: move strategy, discovery, analysis and planning, and execution.

TDS described a large project that involves an enterprise customer on the West Coast relocating to Texas. The project's timeline spans three years, involves thousands of applications and includes no physical moving of hardware, with only a partially virtualized environment. The new datacenter is being pre-staged with all new cabling, cabinets, servers, storage appliances and networks. TDS is working with the customer's IT organization to coordinate and migrate logical groupings of items

and events throughout the execution phase.

A smaller datacenter relocation project may involve relocating into a colocation facility with six racks and 75 applications. TDS typically groups 30 to 40 applications into a logical 'move bundle,' so the project would consist of two physical moves. In the move strategy phase, TDS would work with the customer to address budgeting, site selection, communication plans and define acceptable downtime windows.

In the discovery phase, TDS engages the IT organization's SMEs and obtains physical/virtual inventory, application inventory and dependency mapping. In the analysis and planning phase, TDS and the customer SMEs perform a dependency analysis, create move bundles and events, benchmark applications and create the automated runbook containing all move-related tasks for each event.

In the final phase, execute, TDS and the customer perform a simulated move confirming each of the runbook task priorities and steps. A command center is created to provide real-time communication for when each move bundle is migrated and a post-move verification is performed to confirm datacenter move results meet client expectations.

TDS reported that the timeline for the example above would take roughly three to four months. The more organized and knowledgeable the customer and the length of time between the two move events would either shorten or lengthen the timeline. The timeline would likely range from around 12 to 14 months for a larger migration project of say 15,000 square feet with about 1,000 applications.

TransitionManager tool

TDS stressed that its primary differentiation over its competitors is its proprietary Web-based software, used for planning and managing all aspects of physical and virtual datacenter migrations. The company has gained significant datacenter relocation experience by being involved in datacenter moves involving over one million square feet of datacenters and developed a relocation tool it calls Transition Manager, based on its experience. Transition Manager provides the following in real time during the move:

- Asset tracking throughout the move
- Pre-move planning

- Defining move bundles
- Staff planning and monitoring throughout the project
- Rapid incident escalation
- Web-based dashboard that reports high-level, continuous, real-time status of all assets
- Supervisory console with labor management and redeployment capabilities
- Wireless barcode scanners to ensure accuracy and reduce overall downtime window

TDS also uses the TransitionManager tool for application migrations for hybrid environments of physical, virtual, cloud and SaaS-based services.

Customers

TDS has delivered services for hundreds of customers across many industries, including the Boston Red Sox, Cedars-Sinai, InterGen, John Hancock, KAYAK, Liberty Mutual, Pioneer Electronics and Devon Energy. TDS has also done work for several multi-tenant datacenter providers including Internap Network Services, Sentinel Data Centers and Digital Realty Trust, to name just a few.

Competition

TDS competes with a myriad of smaller companies located in cities across the country. It also competes with other datacenter relocation companies like Computer Design and Integration (CDI) and the David-Kenneth Group (DKGroup). On a national basis, TDS reported that it competed on RFPs mostly with larger IT service providers like EMC, HP, IBM and Oracle that have datacenter migration practices.

SWOT Analysis

Strengths

TDS has a solid history of successful datacenter relocation projects for enterprises and large organizations. The company and its clients also benefit from its proprietary TransitionManager tool to plan and manage all aspects of physical/virtual datacenter migrations, which differentiates its services.

Opportunities

TDS should develop more partnerships with cloud services, hosting and MTDC providers. With partnerships established, the company could guide enterprise clients away from single-tenant facilities into MTDC facilities, and deploy workloads into third-party environments operated by their partners.

Weaknesses

TDS competes in a marketplace with much larger IT service providers like EMC, HP and IBM that have datacenter migration practices and benefit from greater brand recognition. The company would benefit from building greater brand awareness nationally.

Threats

With the growth of cloud services, hosting and MTDC services, more enterprises and organizations are moving away from owning in-house datacenters. With the growth opportunity provided by datacenter relocation services, more companies will offer migration services and create greater competition.

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