

REPORT REPRINT

Dear datacenter industry, let's get back to the basics

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The datacenter industry has a way of fixating on topics and chasing trends. Customers are still looking to colocation providers for DR and improved uptime and reliability. The good news is that the things customers want from colocation are the very things that datacenter providers are good at.

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Introduction

The datacenter industry has a way of fixating on topics and chasing trends. It's almost as if the entire industry is looking for a problem to solve. The reality is that datacenter customers are still looking to colocation providers for what they always have: disaster recovery and improved uptime and reliability, and our recent Voice of the Enterprise: Datacenters 2019 survey illustrates this nicely. The survey also unearthed the reasons enterprises are choosing colocation over company-owned facilities and the public cloud, which we discuss in this report. The good news is that the things customers want from colocation are the very things that datacenter providers are good at. We just need a re-focusing on the basics.

451 TAKE

If you've attended a datacenter conference in the last few years, you've heard topics such as the public cloud, IoT, the edge and hyperscale. What you haven't heard are discussions about disaster recovery. We get it – the desire to be thought leaders – and it's fun and interesting to kick around ideas for the future. That said, the datacenter industry thrives on customers looking for help with disaster recovery, first and foremost; maybe we should all spend some time talking about it. DR isn't sexy, but at the end of the day, it's what customers want, so maybe it is sexy after all. DR has proven to be a 'gateway drug,' time and again, to other services and workload placement inside the datacenter, making it an area that providers should be spending some time on, and looking for ways to innovate. Perhaps the reason DR is not considered sexy is because all the traditional ideas have gotten a little stale. So again, let's talk about hyperscale demand, but understand that it can be alienating to the base, and completely off-topic from what actual customers are doing.

Context

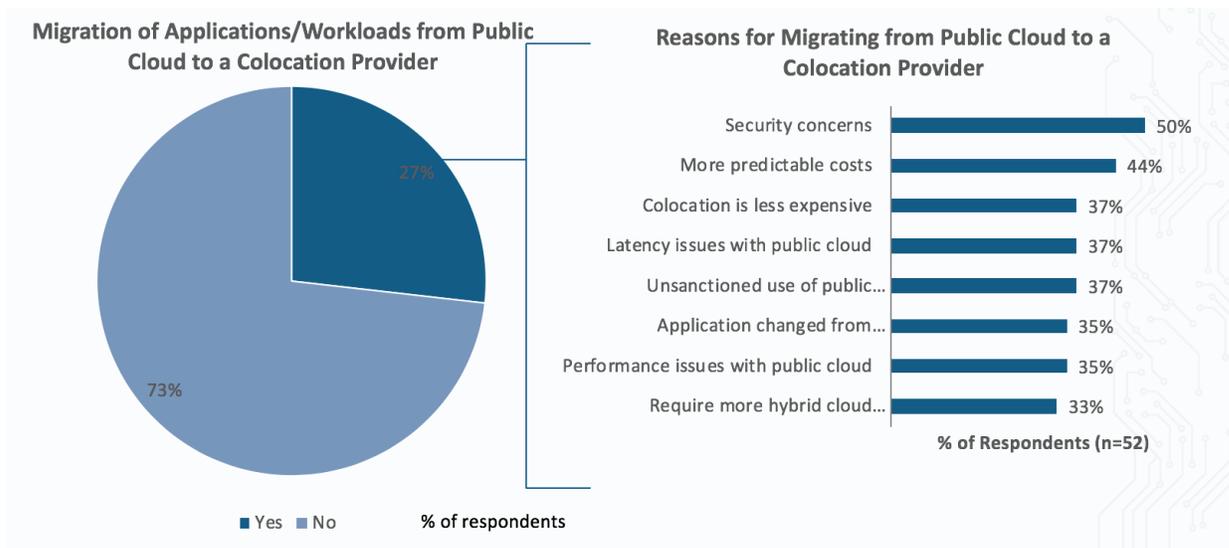
451 Research has completed its Voice of the Enterprise: Datacenters 2019 survey, and we wanted to spend some time focusing on a few key points. The number one reason that organizations choose to rent space from a colocation provider is for disaster-recovery purposes (a full 53% of respondents, in this most recent survey). Interestingly, but perhaps unsurprisingly, no matter how we've asked this question over the years, the responses have always been the same – companies need space for disaster recovery, and IT managers want to improve reliability. If this is why enterprises are choosing colocation, the question should then be, what can multi-tenant datacenters do – or rather, what services can they provide – to support this. We will address that question shortly, but first let's take a look at how colocation providers are winning against other venues.

In the same survey, we asked whether respondents' companies had moved an application or workload from a company-owned datacenter to a colocation facility in the last 12 months. And if so, why? Forty-two (42%) of respondents stated that they had moved a workload in this way, and the top four reasons for the move were for improved reliability and uptime (42%), for improved business continuity and disaster recovery (42%), to consolidate company-owned datacenters (41%), and because business growth is outpacing datacenter space (39%). The good news is that these answers are all classic responses for the MTDC industry; nothing new here. Frankly, it's a good reminder that the selling points of the industry are still working and resonate with customers.

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More interestingly, we asked the same question, but from the public cloud perspective. Has your company moved an application or workload from the public cloud to a colocation provider in the last 12 months, and if so, why? For the 27% of companies that had moved workloads in this direction, the number one reason for the move was security concerns (50%). This stands out because moving a workload from the public cloud to a colocation facility over security concerns is to say that the systems administrator or IT leader can secure the application better in a more traditional infrastructure venue. This also smacks of the waning trust we're now seeing in the broader tech sector, and perhaps the secondary reason provided – more predictable costs (44%) – is akin to this, as well.

In the past 12 months, has your organization migrated from a public cloud provider to a colocation provider? Why?



Source: 451 Research, *Voice of the Enterprise: 2019 Datacenters*

Driving home disaster recovery

Given that corporations are choosing datacenter providers for disaster recovery already, and we can think of citing reliability and uptime as a way of saying corporations are choosing datacenters as a means of disaster prevention, it's safe to say that both of these notions are intrinsic to the industry. What providers should be thinking about are ways to drive this home with current and potential customers. Starting with reliability and uptime, providers should consider ways to be more transparent. Claiming to have 'five nines' of reliability is one thing, but being able to prove it is something else entirely. Claiming to be 'Tier III-ready' is one thing, but actually having a Tier Certification from the Uptime Institute (a division of The 451 Group) proves it. Claiming to care about operational excellence is one thing, but being able to back it up with a Management and Operations stamp from the Uptime Institute, or other well-known industry certifications, actually proves it to the customer. We could go on, but the point is that, in a world where trust is in short supply, transparency and proof go a long way toward winning it.

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On disaster recovery itself, think of ancillary services that can go along with colocation. An example of this could be something like providing Veeam repositories through the company's Cloud Connect service, for customers that already use Veeam as a backup platform. This enables customers to use the MTDC provider's infrastructure as a backup target, easily allowing them to get backups off-site. For those MTDC providers that have geographically diverse datacenters, this could be especially valuable, since it would allow customers to ship backups to an even more distant location, all programmatically. Previously, services like these were the territory of managed service-provider companies like OffsiteDataSync and iLand, but PhoenixNAP, a datacenter provider based in Phoenix, has recently gained notoriety with Veeam for the success it has been finding in bundling the product with other services. As a Cloud Connect provider, the door is open to also offer private cloud services, such as a failover location for customers in the case of a disaster. Really, the sky is the limit here, and this is well within the reach of colocation providers.

Interconnection has been major focus in the datacenter industry recently, as has providing connectivity between datacenter locations, and this has disaster recovery written all over it. Yes, this connectivity can be used for all sorts of applications, but connected, remote sites allow customers to setup and replicate to infrastructure in more than one location. Consider special pricing to get customers into more than one site. Also consider creating deployment examples that illustrate how customers can leverage your other datacenter assets.

Other DR ideas could be disaster-recovery planning, or full-on business continuity planning and consulting. There are many different directions a provider could take, and this is something enterprises are actually looking for.