

/DATA CENTRES



# DATA CENTRE ON DEMAND

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Data centre  
service providers  
are offering  
a range of  
services to help  
enterprises  
manage demand  
for capacity.

WITH BOOMING VOLUMES OF DATA, MANY ORGANISATIONS ARE STRUGGLING TO KEEP UP WITH THE COMPLEX TECHNICAL DEMANDS OF PROVIDING ENOUGH DATA CENTRE CAPACITY TO HANDLE THE GROWING WORKLOAD. DATA CENTRE SERVICE PROVIDERS ARE HELPING TO FILL THE GAPS AND PROVIDE SERVICES THAT GO BEYOND WHAT COMPANIES CAN PROVIDE THEMSELVES.

BY KERI ALLAN

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 Orixcom's Grenville says that all types of enterprises utilise the company's data centre services.

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 Mohammed: IT experts are understanding the need for cloud and its benefits.

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 du's Aly says that the scale of services delivered depends on an organisation's size and demand.

Large organisations are seeing much greater demands to manage data and deploy applications, and in turn are seeing a growing need for data centres to house the IT hardware required.

Building and managing a data centre is a major overhead in terms of cost and expertise, so many service providers, offering everything from remote management of in-house data centres to full outsourcing to the cloud, have sprung up to help companies manage these needs.

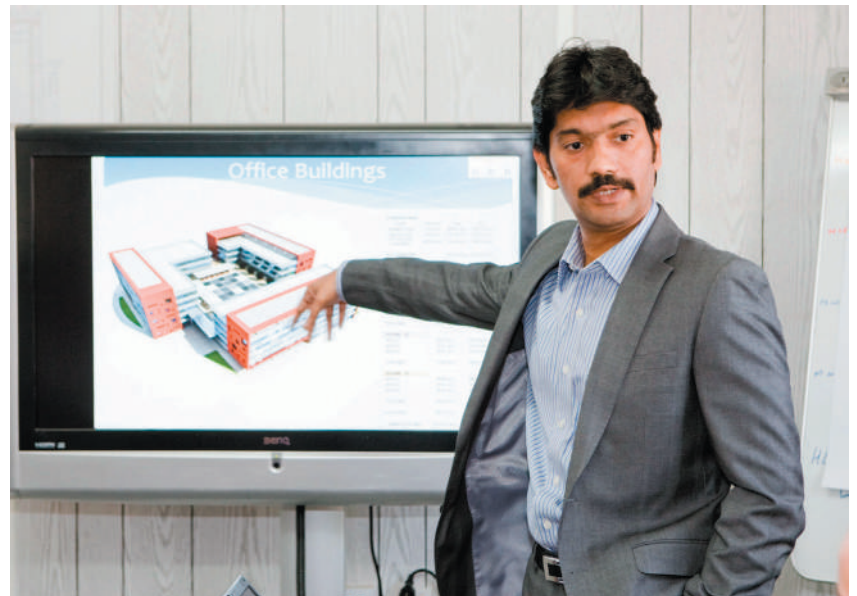
A recent survey by Frost & Sullivan indicates that the data centre market earned revenues of more than \$231.7 million in 2012 and estimates this to reach \$706.3 million in 2018. This shows a clear upward trend.

“More and more Middle East customers are seeking help from expert companies for IT services, and in turn using more and more external locations for their needs,” says Andrew Grenville, CEO of Orixcom. “Very few enterprises can match the security, high availability and economic benefits that a

quality data centre offers, and as IT becomes ever more mission critical we anticipate this trend to shift to the data centre will strengthen.”

“Over the past few years, we have witnessed that data centre services in GCC has risen to the forefront,” continues Yasser Zeineldin, CEO at eHosting Data-Fort. “In fact, the trend continues to grow as more and more organisations look to cut down on capital expenditures involved in setting up IT operations. We have also noticed that organisations are increasingly turning to the expertise and infrastructure services of data centre service providers.

“The increase in demand for



our services can be attributed to the need for enterprises to easily scale their operations up or down and access the latest technologies without huge capital outlays. In order to keep up with constantly evolving technologies, organisations are further outsourcing their IT requirements to data centre service providers.”

“IT experts are understanding the need of cloud and its benefits in terms of cost saving, which is a big shift,” adds Himmath Mohammed, manager of strategies and alliances at Gulf Data Hub.

Another reason that data centres are ‘filling up’ is the growth of consumer consumption of cloud services and service providers expanding their footprint to support this rise in usage. Orixcom is just one of the vendors noticing this and expects this trend will follow suit across the region as the adoption of these services picks up the pace.

The customer base for data centre services is ever expanding. Interestingly there is not any specific vertical that is leading this increased demand, but rather customers from all industries are looking to outsource some of or all of their IT requirements.

Furthermore, vendors are also finding that organisations of varied sizes are showing an interest in their offerings as they



“UNDERSTANDING THE NEEDS OF ENTERPRISES, VENDORS HAVE DEVELOPED A PORTFOLIO OF DATA CENTRE SERVICES THAT TAKE THE PRESSURE OFF IT MANAGERS’ SHOULDERS.”



begin to realise the importance of these services and are opting to begin using them.

“We are finding all business types and sizes are adopting this technology,” says Hany Fahmy Aly, executive vice president for enterprise business, du. “The desire is strong across SMEs, large enterprises and government, however, the scale varies depending on their size and demand.”

“From an EMEA perspective, many enterprises we deal with that are re-architecting IT and going through a transformation today sit within financial services, namely capital markets, retail banks and wealth management,” says Jeroen Schlosser, managing director at Equinix Middle East.

“Additionally outside financial services we see huge growth coming from industries such as manufacturing, retail and distribution, professional services and healthcare, bio-sciences and pharmaceuticals to name a few. However, Equinix’s solution caters for any enterprise organisation, from small to medium enterprises through to the largest multinationals.

“Our customers vary immensely,” adds Grenville. “We have enterprises running critical applications on our virtual machines, or using Orixcom as a disaster recovery location, backing up servers and storing large data files, to content players looking for a regional hub to distribute content. We even

## THE BENEFITS OF DATA CENTRE SERVICES

Hany Fahmy Aly, executive vice president for enterprise business, du runs through some of the key benefits data centre services can offer.

- **Scalability:** Infrastructure should never get in the way of growth. Services are quickly scalable to meet the demands of customers’ businesses.
- **One-stop shop:** Adopt and integrate a wide arrange of services through a single supplier relationship.
- **High-availability services:** Services are delivered from a top tier data centre designed to deliver almost 100% service availability.
- **Technical skills:** Technical experts fill in the gaps within a company’s IT infrastructure and compliments their delivery capability.
- **Reduce time-to-service:** With infrastructure, network and management systems in place, provisioning of virtual cloud services happens in a matter of minutes and not days or weeks.
- **Pay-as-you-grow:** Many services are provided on a subscription-based OPEX model allowing customer investments in cloud services to grow with the business, thereby reducing costs and increasing business value.



eHDF's Zeineldin says that high demand for data centre services is being seen in the GCC.

means of connecting to cloud services IaaS, platform as a service (PaaS) and software as a service (SaaS).”

Each vendor offers its own unique set of solutions and may specialise in specific areas. For example, alongside the co-location and hosting services, eHosting DataFort also offers disaster recovery (DR) and business continuity services.

“Our state-of-the-art data centres are the backbone of our disaster recovery services and we allow customers to choose from a range of DR services including disaster recovery sites, disaster recovery seats and comprehensive hosted disaster recovery replication solutions,” highlights Zeineldin.

With demand going from strength to strength, it is clear that the benefits to adopting data centre services are high. IT managers can sleep better at night knowing their data centre service solution is giving them strategic, financial and operational benefits.

Zeineldin highlights just some of the many benefits these solutions can offer.

“With co-location services, organisations can reduce huge capital investments in building data centres by leasing data centre space and converting CAPEX to OPEX with predictable monthly fees. The option to purchase the amount of space depending on the business requirements helps in scaling the service as required. The dynamic scaling also reduces the time to market, which is imperative in today’s fast growing business environment.

“Managed hosting and managed private cloud enables staff to focus on core business rather than spending time on backup, storage, monitoring and other mundane operational activities.



It also reduces capital expenditure on hardware components by converting those expenses into operating expenses through the leased hardware model. Other benefits include round the clock operations and monitoring services that eliminate troubleshooting for hardware and network failures as it is all managed by dedicated and skilled technical experts who provide 24-7 support services.”

**“ANOTHER REASON THAT DATA CENTRES ARE ‘FILLING UP’ IS THE GROWTH OF CONSUMER CONSUMPTION OF CLOUD SERVICES AND SERVICE PROVIDERS EXPANDING THEIR FOOTPRINT TO SUPPORT THIS RISE IN USAGE.”**



As we have seen, the demand for secure data services has grown significantly with the digitisation of economy and increased awareness of the benefits they offer. There has been a dramatic increase in the available data centre space in the Middle East but views differ as to whether capacity currently meets customer need.

“No [there isn’t enough local capacity] says Himmath Mohammed. “There isn’t a purpose-built data centre with carrier neutrality that can also address high power density racks,” he notes.

Things are looking up, though, as Grenville highlights that several projects are currently underway to increase regional capacity.

“[Presently] the build and operational quality varies, but a few are operated to world-class standard. For example we locate some of our telecom and cloud equipment in the Equinix data centre in Dubai with a 99.999% availability SLA. Other newer data centres also have great strengths, for example Gulf Data Hub has both the UAE telco operators connected, which is a huge plus for customers who want choice,” he concludes. ■

## SUCCESS FACTORS

Data centre services provider CyrusOne has released a report highlighting the seven critical success factors customers need to examine when considering a data centre provider.

“With more and more forward-thinking companies across all industries seeking data centre services to lower their firm’s capital and operating expenses, business leaders can’t assume all data centres are created equal,” says Anubhav Raj, vice president, Treasurer and Investor Relations, CyrusOne.

“The intent of this report is to give key decision makers important criteria they can use when choosing a data centre provider, which is typically one of the most critical decisions they will make.”

### CYRUSONE’S SEVEN-POINT CHECKLIST:

1. Company experience
2. Financial stability
3. Physical infrastructure
4. Physical security
5. Customer service and support
6. Service level agreements
7. Pricing plans offered

*The report can be downloaded in full at <http://www.cyrusone.com/info-center/executive-reports/7-factors-for-choosing-a-reliable-data-center-provider/>.*

