WHITE PAPER

5 Key Considerations
When Choosing a Managed Hosting Provider
CONTENTS

Introduction 3
Consideration #1: Price 4
Consideration #2: Contract Terms 4
Consideration #3: Strategic Alignment 5
Consideration #4: Performance 5
Consideration #5: Support Model 6
Conclusion 7
5 Key Considerations When Choosing a Managed Hosting Provider

Introduction

“Managed hosting” has traditionally meant a physical server with an operating system. A vendor in this case manages appropriating hardware, licensing software, and patching security vulnerabilities. Essentially this is just managed compute — one slice of the larger hosted environment pie in today’s complex IT environments. Managed hosting has expanded in recent years to represent a wide variety of infrastructure components as the advancement of management practices has evolved for IT vendors. It encompasses a broad range of infrastructure variables, going beyond traditional managed servers to include managed storage arrays, web, middleware, databases and perhaps, most notably, the management of business applications.

Today, service providers must work with customers’ environments, unique challenges, and particular requirements to build hosting ecosystems. While these hosting ecosystems offer many benefits, finding the right service provider can be a confusing process. It’s typical to find out later that your service contract has locked you into something you don’t need because you overlooked a seemingly minor detail. This paper aims to help you avoid these kinds of pitfalls and mistakes. Although each company’s managed hosting needs are different, there are five universal considerations that should be taken into account when choosing a managed hosting provider.
Understanding Pricing

Let’s call out the elephant in the room for what it is — price. Price is an obvious deciding factor in choosing a provider. Unfortunately, price can be a misleading variable with hidden challenges. When comparing prices, you need to make sure that you are comparing like services with like services, apples to apples. A key problem arises when comparing bundled services to à la carte services, so we encourage you to take the time to understand exactly what each provider will include for a given price. Some providers may offer lower prices by omitting features, so unless you check the service details, you may later discover that key features are omitted or are à la carte, increasing costs. Conversely, bundles might include services that you don’t need, wasting money that would be better spent elsewhere.

Consider all aspects of proposed services when making comparisons, requesting to know what specific services the provider delivers. For example, if you manage the data center infrastructure, find out who will deliver the network. If you are migrating and optimizing infrastructure, determine whether you will require a systems integrator. It’s critical to work with a provider that enables you to leverage your core competencies while complementing your environment to build out the hosted ecosystem specific to your business.

Additionally, when comparing against keeping it in-house, it is essential that all costs associated with internal implementations are fully vetted against using a provider’s service. These include not just the cost of hardware, but any associated resources, including salary allocations, added power consumption costs, as well as costs associated with upkeep and maintenance.

All of these pricing considerations come down to knowing exactly what you need and comparing that to what a service provider offers. But don’t get tunnel vision. Price is important but it’s not the only consideration.

1. Price Considerations
- À-la-carte or bundled
- Breadth of services offered
- Off-the-shelf or customized offerings
- Compare against all related internal costs from salaries to upkeep

Understanding Contract Terms

Your contract determines who does what, when, and how. Understanding the specifics of a service contract can save you time and effort down the road. Pay particular attention to the termination language. Often, your business needs change, and a provider’s flexibility to change with you may be critical. Lastly, and hopefully rarely, a service provider may not live up to the contract. If you find that your service provider can no longer meet your needs, regardless of the reason, you need to find a new provider. Be careful, however, as you may find that terminating the service contract comes with severe penalties.

Before signing a contract, check for amicable terms that will give you the flexibility to migrate between services without penalty. Service-level agreements are also important, and critical in times of crisis, and need to be in the contract terms. Never assume

2. Contract Considerations
- Amicable termination language
- Include exact SLAs needed
- Flexible terms

“It’s not an all-or-nothing game where the provider is coming in and moving everything to their data center. It’s really about how they work with the customer’s environment and their specific challenges or requirements to build a hosting ecosystem.”

Brian Mistretta, Director, CenturyLink
that a service provider will meet particular SLAs, even if you have discussed them. Make sure that the contract specifies the exact SLAs that you need. As part of that, check to see if the SLAs are simply boilerplate or if they can be customized. If you need SLAs tailored to your business, make sure that the contract spells out your exact requirements.

Finally, make sure that the contract is flexible. Don’t lock yourself into capabilities that you won’t need in the future, but don’t lock yourself out of capabilities that you will need. You’ll want to balance locking down every detail with giving your company room to grow, and since you can’t always predict your future needs, flexibility in the contract is key to smooth operation down the road.

Contract flexibility is key. Don’t lock yourself into capabilities that you’ll outgrow or that you may need in the future.

Understanding Strategic Issues

Strategic issues are broad concerns about how your company and your prospective service provider will operate together. Geographical location is one such strategic issue. In today’s mindset of cloud services and global reach, it’s easy to overlook the real issues that enterprises face with geography and data sovereignty.

Colocation facilities, for example, should be neither too close nor too far away from your facilities. If they are too close, then they are more likely to be affected by local disasters such as flooding. If they are too far away, they may suffer latency issues. Geographical concerns also affect the interactions of on-premise infrastructure and outsourced components causing potential latency issues. Also, you may have infrastructure in a third-party data center that needs to stay there. If so, make sure that your prospective service provider can work with it.

Evaluate the technical capabilities of service providers. Their proposals should appear reasonable given their own infrastructure. If a claim sounds too good to be true, it probably is. Question absolute claims such as 100% uptime. Absolute claims sound good on paper, but the real world is not always quite as neat. Measure claims against realistic expectations.

Corporate mentality is another key strategic concern and one that is not always readily apparent. Two companies may both do excellent work, but that doesn’t mean that they can work together effectively. Spend some time getting to know the culture of your prospective vendor to see if your company’s way of doing business is compatible with how that service provider operates.

Understanding Performance

Consider each service provider’s performance as a company. One key aspect is longevity, how well established the service provider is in the industry. A provider with a long service history will probably continue that performance in the future. Past performance doesn’t always predict the future, but it’s a good indicator. Older, mature service providers are probably not going to go out of business suddenly, since they have had time to deal with growing pains. That’s not to say, however, that newer service providers are unreliable. They simply don’t have as much presence in the industry because they are new.

Newer providers may lack the stability of older companies, but they may tend to be more innovative, and service providers’ investments in technology and expertise are key indicators here. Newer providers need to differentiate themselves in the market, and they typically innovate via agile methodologies. That said,
Understanding the Support Model

Support is a tool, and like any tool, you need to understand how it works in order to use it effectively. Pay particular attention to three key areas. The first area is reaching support services. Some service providers offer 24/7 support, so you’ll be covered no matter when you need help. Others offer support only during business hours. Check the mean time to restore service, but note the outliers too. A good average doesn’t tell the whole story. Also, a service provider should avoid discussing just their own capabilities, but rather, they should focus on your objectives and requirements. Ideally, vendors should be asking you what you need.

The second key part of the overall support model is service flexibility. As your business grows and changes, your service needs will change as well, and your service provider will need to adapt in response. Make sure that your chosen provider can bring alternative platforms to bear as needed. Also, while you may start out with a traditional managed hosting model, you should be able to move to a cloud-based model as needed. You may find that you need a private, public, or hybrid environment in the future, so your service provider should have expertise in all of these areas even if you don’t currently need them. These issues demonstrate the need for strategic planning. You won’t be able to anticipate every need, but you should be able to hit most of the major potential issues that your business will face in the future. Plan for those, and make sure that your service provider can keep up with you.

The last crucial piece of the support model is security and governance. While security and governance are obviously vital issues for certain highly regulated industries like healthcare and finance, every company has confidential information to protect, from customer records to financial reports. When you entrust that information to a service provider, you need to be confident in the provider’s security practices. Find out how potential service providers encrypt data at rest and in transit. Compare those practices to industry standards.
Your data should also be safe during a disaster, which means that you have two more considerations. Firstly, offsite backup is a necessity for disaster recovery. No matter how secure a data center is, relying on a single facility puts your data at risk due to natural disasters like flooding, tornadoes, and hurricanes. And accidents can also cause irreparable damage, as can criminal tampering. All of these possibilities mean that your service provider needs to have offsite storage to protect your data.

Secondly, merely keeping data offsite is not enough. Business moves quickly, and so does your data. You need to know your service provider’s backup strategy: how data is backed up and what data is included. Understand their deduplication method, especially if you need to backup large amounts of data. Look into how the data is stored and whether it is secure enough for your needs. Also consider how the service provider handles restoring data. The provider’s recovery time objective (RTO) and recovery point objective (RPO) need to be sufficient for your operations. The RTO should be short enough not to adversely affect your operations. You don’t want to be in a position where you need your data in hours but have to wait weeks for it to be recovered. The RPO also needs to be small enough that any data lost between backups is relatively insignificant.

Additionally, your service provider should have regular and comprehensive security audits. These audits will ensure that your data has not been compromised. But make sure that the audits are meaningful and not just cursory checks. Service providers should follow industry standards for security audits, and they should have the appropriate certifications for their respective markets. Certification can be an issue with some regional service providers. In some cases, these regional providers may not have the depth of understanding to orchestrate infrastructure to accommodate industry certification standards. As always, make sure that your chosen provider meets your needs.

5. Support Considerations
✓ Hours of operation
✓ Guaranteed response time
✓ Onshore vs. offshore
✓ Service flexibility
✓ Security and governance
✓ Backup locations and strategy
✓ Security audits

“If you're making decisions solely on the provider for the moment, based only on your current needs and low price point, you will likely need to go through the whole exercise again in a year or two. Rather, look for a provider who has the flexibility to grow and evolve with you, and one who brings alternative platforms to the table.”

Chip Freund, Director, CenturyLink

Conclusion

Before you sign a contract, carefully evaluate a service provider in these five key areas. Outline exactly what you receive for the price, and make sure that you have what you need without paying for extraneous services. Understand the contract terms by making sure that they don’t lock you into that one provider, check that the SLAs are explicitly stated and tailored to your needs, and leave room for future requirements. Neither lock yourself into nor out of future capabilities. Consider the strategic issues facing service providers, and examine the actual geographical locations of data centers to make sure that they fit your requirements without interference. Scrutinize the service provider’s technical capabilities and corporate mentality as well, making sure that they are compatible with your business. Evaluate the service provider’s performance, including the company’s longevity, track record, workload support, and service road map. Finally, learn the overall support model, and determine
whether it’s a good fit for your company in terms of support, service flexibility, and security. With these five considerations covered, you should be well on your way to choosing the service provider that is right for your business.

CenturyLink is a full service provider that brings you the flexibility required to deliver the solutions you need today and the vision to help you get where you need to be in the future. We have made substantial investments to address key enterprise pain points, and we run an application-aware MPLS private network that can be leveraged to connect on-premise devices with hosted assets. CenturyLink also has interconnections with colocation providers and managed hosting providers in the market. Many of our peers have CenturyLink network terminations in their data centers.

We have the intellectual property and in-house expertise to run our own cloud environment and to work with other environments. Our global reach spans North America, Europe, and Asia to provide quality end-user experiences with low latency, fast page loads, and more.

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**About CenturyLink Business**

CenturyLink, Inc. is the third largest telecommunications company in the United States. Headquartered in Monroe, LA, CenturyLink is an S&P 500 company and is included among the Fortune 500 list of America’s largest corporations. CenturyLink Business delivers innovative private and public networking and managed services for global businesses on virtual, dedicated and colocation platforms. It is a global leader in data and voice networks, cloud infrastructure and hosted IT solutions for enterprise business customers.

For more information visit [www.centurylink.com/enterprise](http://www.centurylink.com/enterprise).

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CenturyLink partners with market leading technology providers to deliver best of breed servers and storage for your managed hosting, cloud and advanced application needs, all delivered in an OPEX model. With CenturyLink, you can plan your Hybrid IT environment across all your managed and cloud requirements, with the flexibility to pivot as your business grows, all connected by a global network.

Our footprint includes over sixty global data centers, a global network that delivers high levels of security and availability, and a seasoned team of professionals who deliver IT solutions that improve business performance. Our areas of specialization include colocation, managed services, cloud, security and networking.

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**CenturyLink Managed Hosting**

- Dedicated hardware
- Windows and Linux OS included
- Hosted within CenturyLink data centers
- Multiple levels of security, 24/7 monitoring
- Web-based portal for 24/7 access
- Geographic diversity

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**Global Headquarters**
Monroe, LA
800-784-2105

**EMEA Headquarters**
United Kingdom
+44 (0)118 322 6000

**Asia Pacific Headquarters**
Singapore
+65 6768 8098

**Canada Headquarters**
Toronto, ON
1-877-387-3764