

MARKET INSIGHT – DATA CENTERS: BUILDING THE FOUNDATION FOR AN AGILE IT ENVIRONMENT

A White Paper by Frost & Sullivan



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Technology is moving towards a more fluid environment. Rapid digital transformation and a changing business landscape are driving companies to focus on evolving customer needs and increasing competition. A significant challenge most IT departments face is determining the strategic organizational value each technology offers in enabling business innovation. IT Managers and CIOs are under increasing pressure to reinvent themselves and embrace digital technologies to enhance customer experience, boost productivity and even transform the way to do business. More and more companies undergoing the digital transformation across IT infrastructure, operations, and business models, are turning to data centers as key business parameters.

The primary factors driving demand for data centers include shrinking IT budgets, the need to establish business redundancies, refresh current facilities, and enhancements in enabling infrastructure through initiatives such as the national broadband plans underway in most economies. These challenges are further complicated by the unprecedented pace and complexity of technological innovations driving organizations to outsource and consolidate their data center requirements to larger, more established and secure third-party data center service providers. Data centers play a critical role in expanding enterprise capabilities; enabling organizations to achieve more with much less. Valued third-party service providers are helping companies to reduce organizational capital expenditure while delivering real savings on labor, management, power and cooling, and real-estate costs. The deployment of more data-intensive applications, including mission-critical workloads can also be easily integrated into the organization's requirements even for disparate business demands or processes.

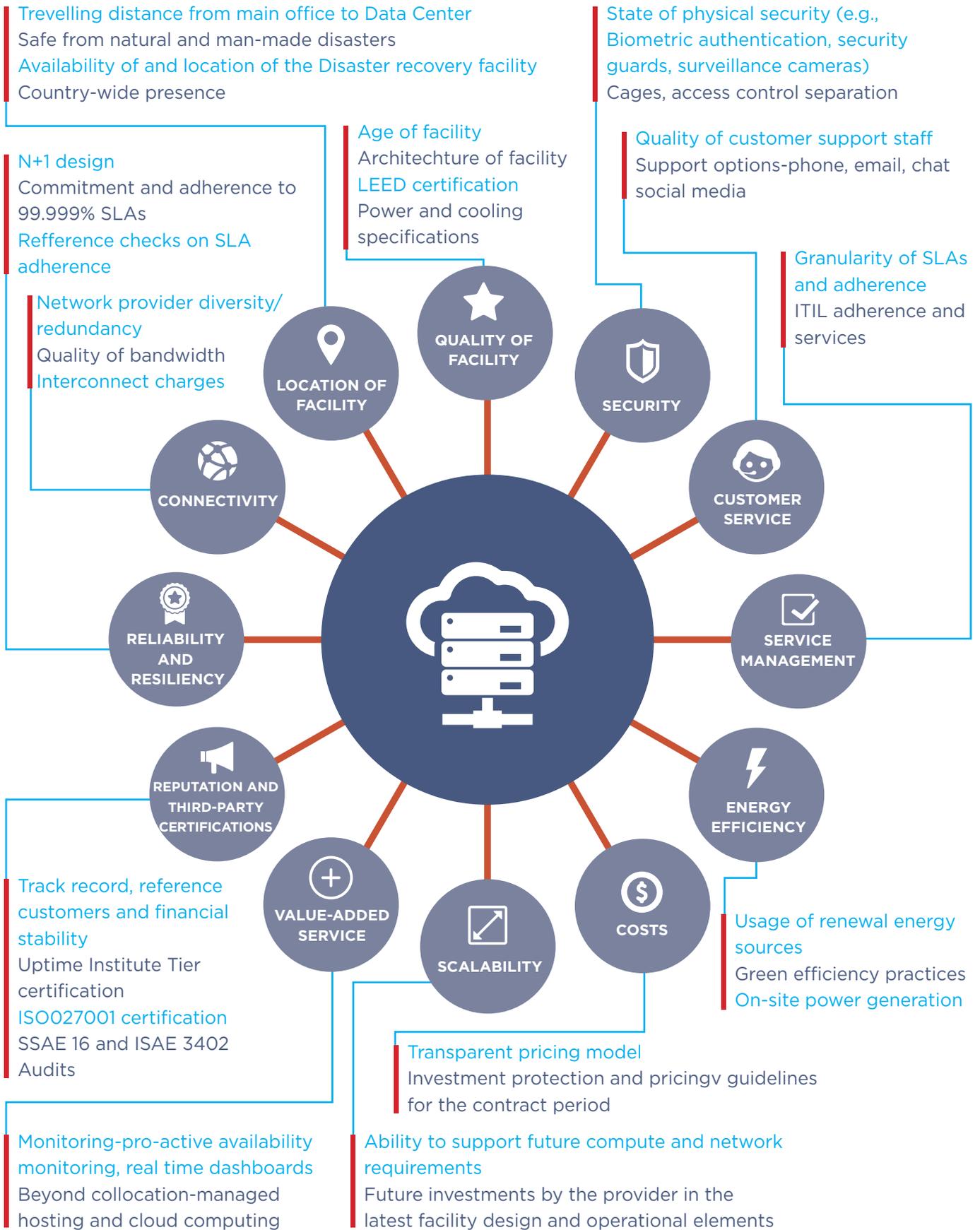
Although the bulk of data centers is still captive, the Asia-Pacific data center services market has been achieving robust growth over the past three years as an increasing number of organizations outsource their data centers to third-party service providers. The amount of data being stored and transferred across regional networks is growing strongly as management of data emerges as a competitive advantage for many businesses. The consumerization of IT via the use of mobile devices, social media, and video for commercial purposes has been one of the largest contributors to the rapid growth in data usage in the region. Regulatory compliance requirements and business continuity planning also have a multiplying effect on overall data usage, resulting in a significant upsurge in data center demand.

As organizations look to outsource an increasing number of workloads, co-location and managed hosting services are gearing up to provide a complete data center solution that is finished, furnished and functional. Operating and upgrading on-premise data centers are becoming progressively complex and restrictive as organizations face growing application demands, ever-increasing need for data capacity and soaring building costs.

Outsourcing to a third-party service provider and selecting a data center that is qualified, reliable, and secure are increasingly critical for the functioning of big enterprise businesses. With that view, Frost & Sullivan has developed a definitive data center selection guide¹ to help enterprises make a holistic evaluation of prospective data centers as illustrated in the figure below:

¹Source: Frost & Sullivan's Data Center Selection Guide

Figure: Frost & Sullivan Data Center Selection Guide



Source: Frost & Sullivan

The guide above covers 12 criteria that any data center, whether in-house or outsourced, should be evaluated against to identify the right fit for your organization’s unique needs. These factors together create the necessary and fundamental aspects that should form the foundation for any future data center decision-making. Data center service providers can go over and beyond the criteria mentioned in the guide. We take a look at how CenturyLink, the second largest co-location provider in the world, is differentiating itself from the competition and creating an unmatched value proposition when it comes to data center hosting.

CenturyLink has an extensive global footprint of more than 60 data centers across North America, Europe, and the Asia-Pacific. The company’s impressive portfolio provides a holistic approach to data center services and management that rise above conventional organizational system-level silos or as an external facility for information storage. While CenturyLink offers a differentiated data center value proposition through a unique combination of network, IT and cloud capabilities, it continues to remain carrier-neutral offering customers the choice and flexibility to manage their own network redundancy. This is a deviation from the traditional Telco operator-branded cloud models that are based on their network infrastructure.

In evaluating CenturyLink’s data center infrastructure, services and capabilities in the Asia-Pacific against the guide, we have uncovered three areas, among others, where CenturyLink goes beyond the standard requirements to deliver greater value as highlighted below:

SERVICE MANAGEMENT	CenturyLink’s data center facility management is engineered to support large and diverse business requirements and IT processes. Over the years, efforts to scale up data center-related skill sets to meet the most stringent requirements have increased CenturyLink’s customer service satisfaction levels and led business growth. With skilled ITIL and Six Sigma-certified teams and internationally-recognized certifications for data center expertise, CenturyLink is focused on its commitment to continuous learning in operational efficiency and process improvement. As the company reaches its service-driven maturity where data center activities are aligned with key business objectives, including the end-to-end SLAs variations for customers will ultimately drive optimal service levels in the Compute, Storage, Power, Cooling operations.
VALUE-ADDED SERVICES	By leveraging on the deep domain knowledge and data center operational skills, CenturyLink remains competitive in the data center landscape by differentiating between service levels and multiple value-added services ranging from co-location to managed hosting to cloud infrastructure-as-a-service to the full management of cloud-based infrastructure, database, and applications. CenturyLink’s capacity to extend proactive monitoring using in-house applications and tools for an end-to-end data center management ensures high-performance availability in creating and redefining models for IT capacity planning to support its services. In addition, CenturyLink is backed by global strategic partnerships and expert teams.
SCALABILITY	CenturyLink’s strength in building an aggressive roadmap of product features extends to its integration capabilities for co-location, managed hosting and

moving workloads to the cloud from a variety of business environments - from traditional on-premise consolidation to sprawling data center infrastructure. CenturyLink offers greater agility for enterprises across a broad range of workloads, from mission-critical business applications to application development and testing. The ability to orchestrate the delivery of timely, consistent and compliant services is crucial to meet the rapid and agile deployment of large-scale business delivery models, underpinning the evolution of customer demand and movement towards a more fluid data center technology environment.

Overall, CenturyLink performs well on most criteria in the Frost & Sullivan data center selection guide. It works collaboratively with clients to create tailored solutions to meet their long-term needs. Moving forward, the company is making significant investments in gaining the Uptime Management and Operations certification for all its facilities worldwide, reflecting CenturyLink's mission to go beyond the best practices to ensure consistently high level of infrastructure and services.

Its partnership strategy percolates down to the co-location business as well. CenturyLink has partnered with local data center specialists, such as NEXTDC in Australia and GDS in China. This approach reduces time to market, and expands its reach to new markets. While it is leveraging on partner data centers in these markets, it offers the same service levels, customer service and infrastructure that its customers are accustomed to across the globe. CenturyLink ticks all the right boxes for enterprises looking for a reliable data center partner in this region with the expertise, flexibility and scale to suit customers' evolving IT needs.

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877.GoFrost



myfrost@frost.com

APAC



(61) (02) 8247 8900



apacfrost@frost.com

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