

Managed Services Drive Business Opportunities for Hosting Providers

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The global colocation market is expected to be worth \$51.8 billion by 2020. As it becomes less attractive for enterprise IT to own data centers, the trend for outsourcing or obtainment through cloud services or infrastructure-as-a-service continues. Consequently, the demand for multi-tenant data centers (MTDCs) is expected to soar.

Today, however, there is a distinct shift in what customers expect from a collocation provider. It's no longer about space and power, as these services have been commoditized. The competitive advantage of MTDC and hosting providers will now be determined by their ability to provide best-in-class connectivity and supplementary services.



A MTDC must differentiate itself with business models centered around emerging connectivity services and the development of a well-defined product and service portfolio that showcases its connectivity options. The ability to do both will be a crucial success factor as the market continues to evolve in the coming years.

Penny Jones, a analyst at 451 Research recently said that "for MTDC providers, it is all about enabling as many scenarios as possible while creating a targeted and focused offering that will appeal with a right mix of connectivity, scalability, service delivery, and geographical reach for the target audience. This has to be done at a price point that allows for continued service provider margins."

In the future, typical tasks from communication service providers will become increasingly relevant for high-quality data center services, as they will require process automation along with appropriate software support. Additionally, as data center providers' connectivity products and services portfolios become more extensive due to customer demands and the need for competitive differentiation, the portfolio's underlying technologies and the need for change must be managed.



[As cited in a recent 451 Research report](#), there are difficulties in managing workloads and data in multiple locations, and those challenges can create additional opportunities for providers. Hosting and managed services providers are playing an active role in helping enterprises evaluate execution venues, migrate workloads, set up networks, operate infrastructure and secure data and applications. With demand for space increasing from public cloud firms, service providers and enterprises – data center colocation providers are benefiting.

A powerful data center management tool will be essential to equip infrastructure management

teams to innovate and lead their companies' network evolution toward modern infrastructure with intra- and interconnectivity. An important feature to look for is a centralized database that documents all IT assets and connections across all the data center's networks. This database should be dynamically updated as change occurs and provide planning capabilities with what-if scenarios, so all IT users are accessing the same accurate, up-to-date data on which to base critical business decisions.

Growth Strategies

Managing the expanded colocation product portfolio drives new business opportunities; however, it also comes with challenges in design, delivery and operation. Infrastructure management teams must be able to quickly and efficiently analyze, plan, implement, change, document, and monitor all technology activity in the colocation center.

With a central data repository in place, complete visibility and transparency throughout the data center network infrastructure can be achieved. Thus, managing multiple sites in a location-independent tool will enable infrastructure manager to work hand in hand and improve the overall service quality. Network managers can receive immediate insights into all the data connections in their networks and data center infrastructure, independent from the underlying hardware vendor technology, and confirm customers have the right network connections and uptime and that SLAs are being met.

The [colocation](#) connectivity operations that can benefit from software-supported optimization include the installation and maintenance of new capacities, provisioning connectivity and cross-connects between ecosystem peers, and incident management.

Installing and Maintaining New Capacities

By performing a capacity analysis of existing network infrastructures, managers will have complete knowledge of the service hierarchies on the transport network and the ability to implement and route new connections through appropriate hardware. This is fundamental to increase bandwidth and reduce latency for connectivity services.

Provisioning Connectivity and Cross-Connects

The planning and cabling of different partners or partners and a platform in the data center through cross-connects and meet-me-rooms is fundamental. Fast and automated routing and patching can help to speed-up service delivery tremendously and generate higher incomes through the amount of connects delivered to peers.

Incident Management

Fast root-cause analysis leads to a quick problem resolution and helps to avoid penalties because SLAs are not met. This is especially interesting when analyzing errors and their impact not only in active and monitored infrastructure environments, but also in passive elements. Impact analysis and routing through the entire facility infrastructure within a central database of documented assets is essential for a quick problem resolution.

Network Capacity Expansion Best Practices

While the market is growing and internet traffic is increasing, MTDCs need to be sure their communications network can withstand the added pressure of new customer demands. Implementing the right software solution to support the successful execution of their differentiation strategy is key.

Planning and performing a network capacity expansion can be a seamless process with a software solution like FNT Command. The appropriate solution will enable the analysis of network capacities to determine the need to increase network bandwidth. Infrastructure operations teams can easily identify this need based on the integrated dashboard analysis and warning thresholds provided by the implemented solution.

After visually navigating the schematic network – operation teams can then view all of the components needed to be installed in the rack view. An appropriate software solution can generate a specific report for connected services that can be used to understand which customers and services will be affected when the node is switched off for the capacity expansion and maintenance measures. All services provided through this specific node can be easily displayed, including all service hierarchies.

Third, the installation of a new card to expand network capacities can be planned by the responsible network infrastructure manager visually within the rack view and based on the integrated asset library that comes with a solution such as FNT Command. An integrated asset library is essential for providing predefined components and devices for IT, data centers and telecommunications. The software solution can also determine whether a card will need to be taken out of the warehouse or whether a purchase order must be triggered.

With a comprehensive solution in place, all changes performed in the planning view can be recorded and necessary work orders for the field technician on site can be automatically generated. All steps for the planned work order will be provided in a clear list and all assets to be installed can be easily identified with relevant technical details. This enables the entire planned work order and all technical data to be quickly and efficiently passed to the on-site field engineers for installation as a PDF file or a Microsoft Excel file. After the field engineers have installed and patched the card, the status will be switched from 'Planned' to 'Realized' and transferred to the "As-Is" documentation view. This approach ensures always correct, comprehensive documentation of the network infrastructure.

Lastly, a comprehensive software solution must offer billing and incident management functionalities. Customers can then be assigned to their respective connectivity services within a central database and automatically be informed if a connectivity failure or other incident occurs. These functionalities are vital for informing affected services and customers when maintenance is planned, and also make it possible to provide all relevant service and performance data for the customer billing process.

The quantifiable outcomes MTDCs will benefit from include the avoidance of manual rework, the improved quality and faster execution through automated work orders, the comprehensive documentation of heterogeneous technologies of transport networks from different vendors into one central database, and the consolidation and replacement of various legacy solutions into one integrated inventory database.

Putting Customers Center-Stage

Overall, it is crucial for MTDCs and hosting providers to put the customers center-stage when defining the service portfolio in a highly competitive market. From a customer's perspective, value is determined by the service quality and associated delivery parameters as well as clear presentation of the options available (i.e. available variants such as space, power, storage, third party services, hybrid options, version of IP, access, security, remote hands, back-up, etc.), performance parameters, contractual terms and pricing.

MTDC and hosting providers must be able to deliver these services and products with a standardized level of quality, at clearly defined prices, and with defined service levels in order to win in a competitive environment. A product-oriented approach will overtake the traditional project focused response. Soon, we will see more providers using product catalogues to present available services rather than start a new service from sketch over and over again.

To stand out with connectivity products and services, infrastructure management teams and network operations managers need to properly plan, manage and document the network and communications infrastructure in one central network and asset database. An appropriate solution can provide complete visibility and transparency throughout the data center, ensuring optimal power consumption, network connection, uptime and that SLAs are being met.

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