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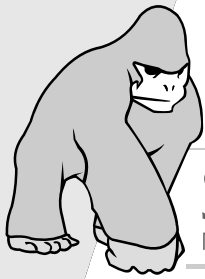
## Benefits of Outsourced Managed Services for Data Center Hosting

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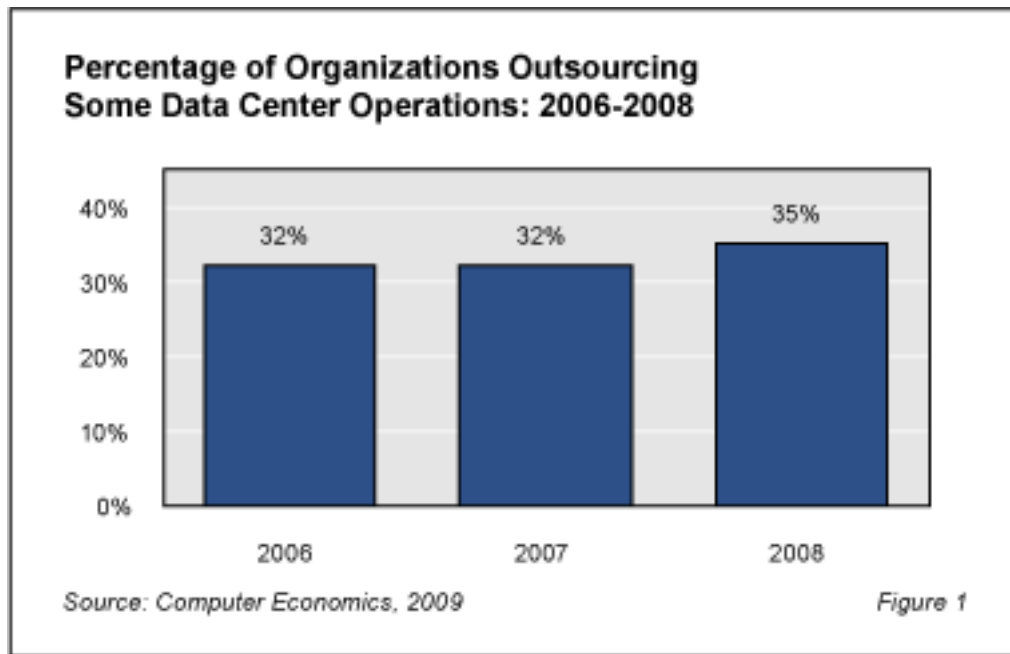
Data center hosting has traditionally been divided into two general categories, **Managed Service Provider (MSP)** and **Colocation (Colo)** with corresponding levels of IT service delivery to the hosted customer environment. MSPs typically provide a range of IT Services up to complete IT management of the hosted environment and in some cases will even provide customer application administration and support services. Colo providers on the other hand may lease data center space, bandwidth, equipment, etc. with IT Services typically limited to Remote Hands providing basic functions only such as machine power cycling or inserting/removing media for a fee.

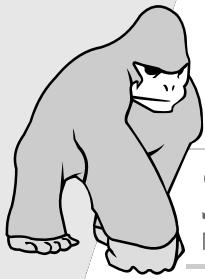
With today's trends toward increased outsourcing of Data Center Hosting and IT Services driven by economic efficiency concerns and cost containment initiatives, Service Providers must become more flexible and scalable across a broad range of customer needs. In this whitepaper we will examine these trends and the outsourcing options available to help maximize customer satisfaction and manage costs with outsourcing providers.



### Data Center Outsourcing Expected to Grow

Data Center Operations outsourcing has grown steadily over the previous decade to levels as shown in Figure 1 below. With over one third of Data Center Operations outsourced in 2008 the outsourcing model has been proven to be a cost effective means of reducing IT capital expenditures and labor costs while providing rapid scalability (up or down) to meet the needs of the business and as a viable, low risk method to respond to economic fluctuations. With increased economic pressures in 2009, analysts predict the growth rate of outsourcing will increase more rapidly than ever before as companies are compelled to explore conservative, low-risk IT options while simultaneously required to provide higher levels of customer service and competitive pricing to their end customers.



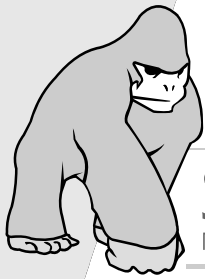


## Outsourcing Services and Options

Outsourcing options must be carefully explored to ensure the provider meets the business needs and provides the range of services needed. The list of Managed Service Provider service offerings available varies widely from one provider to another and has grown to include the following:

- \* Systems and Network Monitoring
- \* Managed Integration Services
- \* Managed Network and IP Addressing
- \* Managed Security, Firewall, VPN and Remote Access
- \* Fault & Performance Management
- \* Build and Configuration Management
- \* Server Maintenance and Health Management
- \* Managed VoIP and PBX Services
- \* Managed Wireless LAN (WLAN)
- \* Asset Management
- \* Managed Videoconferencing
- \* Managed Intrusion Detection
- \* Threat Detection and Incident Management
- \* Vulnerability Scanning
- \* Anti-Virus & Spam Management
- \* Secure Messaging/E-mail
- \* Managed Business Continuity and Disaster Recovery Service
- \* Software as a Service (SaaS)

With a broad array of available MSP service offerings most any configuration can be found, however, the services available from pure Colocation providers typically places most of the administrative and systems management burden on the hosted customer's internal IT staff. While Colo can be considerably less expensive, customers must weigh the real costs of staffing against the potential efficiencies of scale achievable by using a MSP, or by taking a hybrid approach of hosting in the less expensive Colo facility and engaging Outsourced Managed Services (OMS) partnered with the Colo providers.



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### **Outsourced Managed Services Benefits**

Outsourced Managed Service providers can be tailored to fill gaps in existing internal IT expertise, provide after hours support and response, and provide tiered levels of service not practical within a company's existing IT staff. OMS thus becomes a virtual IT staff for the Colo hosted customer capable of responding instantly to increasing or decreasing demand and allowing greater flexibility of physical site selection for a Colo provider (OMS provides onsite staff or employs staff who can be onsite at the Colo facility within a predetermined response time). Further, OMS can reduce a company's internal risks associated with staffing costs, inadequate technical training, downtime due to staff availability, and adherence to regulatory or security compliance requirements.

### **Data Center Services Selection**

With the vast array of options for data center hosting and services, each company must weigh the options and benefits specific to their business and customer requirements. There are no easy templates to determine the best configuration and choices for data center hosting and services given the complexity involved. However, the options are available to meet the needs of most any business regardless of scale or complexity. Successful and cost effective results are being achieved by a growing number of businesses through thorough research and careful planning.

### **About the Author**



Don Small is a 20 year veteran of the IT and Operations service delivery field. Don has built Managed Services organizations that support 100's of customers worldwide including Fortune 500, government, and high security, regulated industries.