

DEMAND MORE FROM DATA CENTER
MANAGEMENT SERVICES: FIND A PROVIDER THAT
BRINGS FLEXIBILITY, INNOVATION, AND
CLOUD-LIKE COST EFFICIENCIES

Stratecast

F R O S T  S U L L I V A N

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INTRODUCTION

As businesses increasingly turn to technology to compete in a fast-paced, hypercompetitive global economy, enterprise IT departments are feeling the pressure. New and evolving applications must be brought to market rapidly. Security threats are intensifying; data protection requirements are ever-changing. And disruptive IT delivery models, most particularly the cloud, require rethinking not only infrastructure and operations, but also processes and roles of employees—both in IT and Line of Business (LoB).

To free up staff resources to focus on strategic business initiatives, many IT leaders are considering engaging a services provider to help manage ongoing data center maintenance and optimization. But too often, data center management services fall short of expectations. Standard care services may be limited in scope and may not support the range of legacy hardware already in the data center. Conversely, complex managed or outsourced services may involve a costly, fully-customized engagement, in which costs are unpredictable, and control is wrested away from the enterprise. Finally—and perhaps most importantly—many data center management service providers seem to lack the innovative spark that will ensure continuous improvement to data center operations.



Enterprises need a data center management service that leaves enterprise IT in control of its infrastructure, security and workloads, while leveraging cloud technologies and processes to optimize costs and efficiencies.



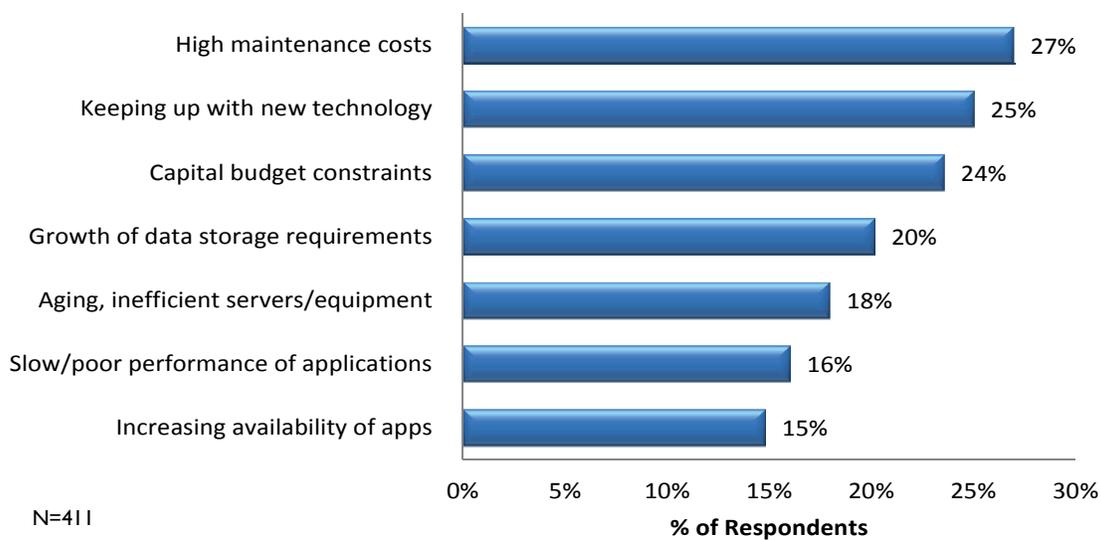
What enterprises really need is a data center management service that is a true partnership. A service that leaves enterprise IT in control of its infrastructure, security, and workloads—while leveraging cloud technologies and processes to optimize costs and efficiencies. They need a services provider that tackles data center challenges with the same energy and creativity as on-staff resources. In short, they need a data center services provider that thinks and acts like a member of the extended IT team.

In this paper, we look at the challenges facing enterprises looking to optimize their IT environment. We define the “ideal” data center service **from the enterprise (not provider) perspective**. Finally, we provide tips for choosing a data center management services provider that thinks like an extended part of the enterprise IT team.

DATA CENTER CHALLENGES

In a recent Frost & Sullivan survey,¹ IT leaders ranked the top challenges they face in managing their data centers. The range of responses, shown in Figure 1, reflects the struggle to keep the data center running optimally, maintaining current services while deploying new technologies—all within a limited capital budget.

Figure 1: Top-Ranked Data Center Challenges Cited by IT Decision-Makers



Source: 2015 Frost & Sullivan Cloud User Survey

At the same time, IT leaders have embraced their role in supporting strategic business goals. To support business innovation and market agility, IT organizations are looking to transform themselves to provide greater flexibility, accelerated time to market, and efficient data growth management (see Figure 2).

Figure 2: Drivers Cited as Very Important to the IT Transformation Effort



Source: 2015 Frost & Sullivan Cloud User Survey

¹ 2015 Frost & Sullivan Cloud User Survey of IT decision-makers

The conundrum for enterprise IT leaders is this: Properly configured and continually optimized infrastructure is essential to achievement of strategic business goals. However, IT does not have or cannot divert enough time, budget, or skilled resources away from maintenance activities to focus on strategic initiatives such as mobility, collaboration, social business, or the next business-enhancing technologies. Furthermore, IT does not necessarily have the right support structures in place (from a capital budget, procurement, or system perspective) to move as quickly as the business needs.

Why the Public Cloud Hasn't Solved the Problem

Unfortunately, few can turn to the public cloud as the only (or even primary) way to solve the data center challenge. Although the public cloud's budget-friendliness, scalable capacity, and fast time-to-market make it a viable part of most enterprise IT strategies, the public cloud is not the appropriate environment for all workloads. When assessing cloud suitability for specific workloads, IT decision-makers consider factors such as:

- **Security issues** – Security remains the greatest inhibitor to public cloud adoption, with 64% of IT decision-makers surveyed by Frost & Sullivan saying that concerns about unauthorized access to their data has kept them from placing one or more workloads in the cloud.
- **Compliance issues** – 61% of IT decision-makers cite concerns that the public cloud does not provide sufficient compliance assurance.
- **Application performance issues** – 56% of IT decision-makers cite concerns over application performance as driving their decision to keep their most performance-sensitive applications and storage in their private data center.
- **“Cloud-readiness” of applications** – Many complex legacy apps, such as ERP systems, would likely require extensive recoding to be ready for the public cloud.
- **Total Cost of Ownership** – About a quarter of IT leaders cite concerns that the cloud initiative will not provide sufficient return. In fact, for certain workloads, the pay-per-use public cloud can have a higher TCO than a well-equipped data center.

As a result, even as IT leaders explore public cloud for specific workloads, they are adamant about retaining the right mix of workloads in their private data center facilities.

ACHIEVING PUBLIC CLOUD-LIKE BENEFITS FROM YOUR PRIVATE DATA CENTER, WITH THE HELP OF THE RIGHT DATA CENTER MANAGEMENT SERVICES PROVIDER

What enterprises need is a data center environment that combines the **scalability, budget-friendliness, speed, and efficiency** of the public cloud with the **control, security, and visibility** of the traditional on-premises data center.

And they don't want to run it alone. In recent years, there has been a rise in the number of IT leaders that are turning to outside experts to support their efforts to transform—with fully 91% of IT decision-makers in the 2015 Frost & Sullivan survey saying they have or plan to turn to a third-party for assistance in developing and executing their IT strategy.

The primary reasons to engage a data center management services provider include:

- **Staffing/budget constraints** – As noted, few organizations have sufficient available staff (or money to hire) to simultaneously handle “run the business” and “improve the business” activities. As a result, IT leaders are making a solid business case to support calling in a data center management services provider to handle infrastructure maintenance, while focusing their own staff on initiatives that support business growth.



Savvy IT leaders understand that an expert services provider will continue to leverage new technologies and best practices, thus promising a steady stream of productivity-enhancing data center innovations.



- **Knowledge/expertise constraints** – Optimal data center operations are not a “one and done” investment. The responsible staff needs to continually adapt to changing market conditions, changing business priorities, and technology enhancements. Instead of assuming the ongoing commitment to keep their own staff trained sufficiently to assure optimal operations, IT leaders are choosing to transfer that burden to outside services providers. Furthermore, savvy IT leaders understand that an expert services provider will continue to leverage new technologies and best practices to evolve its services on behalf of enterprise clients, thus promising a steady stream of productivity-enhancing data center innovations.
- **Shift in IT role to service broker** – More IT organizations are shifting their focus from asset managers to service brokers, which utilize both in-house resources and services provider resources to efficiently serve business needs. This shift is driving IT to consider services provider engagements, not simply as a top-line expense, but as an investment toward achieving business goals.

All Data Center Management Services Providers are Not Alike

There are hundreds, perhaps thousands, of IT vendors, service providers, and consultants who would love to help you manage your data center. Unfortunately, most offer a fixed set of services that are more aligned with the provider's capabilities than with your needs. In fact, it is rare to find an IT services provider that is fully aligned with the enterprise's own objectives—that is, a services provider that accepts accountability for continually driving data center performance, flexibility, and cost-efficiency, and that is willing to share the risk as well as the rewards.

As IT leaders research their options, they may become discouraged by the inflexibility of existing service offerings from well-known IT providers. For example:

- **Data center and IT services** are often limited in scope, sometimes simply comprising “break/fix” maintenance contracts designed to keep your existing hardware working (or worse: to fix it reactively after a problem arises). Many infrastructure vendors offer data center services only in conjunction with sales and installation of their own hardware. If you have other vendors' hardware on the floor, such services providers may perform custom integration work, but generally fall short of assuring performance.
- **Managed IT services** often charge a fixed fee to monitor your existing infrastructure. Because the fee is generally based on numbers of endpoints or types of equipment rather than your actual usage, the services provider has no incentive to optimize the data center to make it more efficient.
- **Professional services** can help you design and implement the ideal, optimal data center configuration—for a specific point in time. But your usage and needs fluctuate.
- **Hybrid cloud** service providers may offer a platform to “seamlessly” link your on-premises IT infrastructure with the services provider's hosted cloud infrastructure. Often those platforms are not quite as seamless as they imply, which means you have to expend resources to use the cloud center for failover or bursting.

Furthermore, regardless of service type, most services providers are not able or willing to help with the challenge of a limited capital budget, nor with the cumbersome procurement process. In each of these cases, the enterprise is still tied to inflexible capital-intensive hardware—guessing how much capacity it will need, and paying up front. Even if the service provider can optimize infrastructure performance, the enterprise bears the upfront costs, as well as all the risk for unused capacity.

CHOOSING THE RIGHT SERVICES PROVIDER: FIND A DATA CENTER MANAGEMENT SERVICES PROVIDER THAT THINKS AND ACTS LIKE AN EXTENDED PART OF ENTERPRISE IT TEAM

In order to unburden the IT department from the top data center challenges, a services provider needs to think and act like an extended member of the enterprise IT team. The services provider must commit to the enterprise's own goals and priorities when it comes to achieving business outcomes. The provider should optimize infrastructure, while creating an environment that facilitates business agility and innovation. The provider should harness the benefits of the cloud model—particularly cost-effective, on-demand capacity and scalability—while limiting upfront capital investment. Finally, the services provider should provide valuable expertise, while leaving control for workloads and budget in the hands of the enterprise.



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To identify a data center management services provider that thinks like an extended part of enterprise, enterprise IT leaders should establish service requirements based on their greatest data center needs and challenges. The “ideal” data center management service would likely address the following enterprise-centric goals:

- **Provide expert infrastructure maintenance/management** – IT should be able to trust the data center management services provider to keep the data center in optimal operating condition, while in-house staff technicians are reassigned to more strategic initiatives.
- **Optimize use of what's on the floor** – The service should accommodate current usable infrastructure, regardless of vendor, allowing IT to leverage sunk costs without compromising performance and efficiency.
- **Ensure instant scalability** – The service should ensure that your data center infrastructure always has a sufficient capacity “buffer” to handle traffic spikes—without requiring over-provisioning of hardware.
- **Require minimal capital investment** – The service should be budget-friendly, limiting pressure on the constrained capital budget.
- **Offer visibility and control** – The service should provide IT, and even LoB staff, with visibility and control over all aspects of infrastructure utilization.
- **Provide multivendor support** – The service should cover a heterogeneous IT environment, providing support for infrastructure components from multiple vendors.
- **Provide support for hybrid cloud** – The service should support a hybrid IT environment, offering flexibility to burst, migrate, or failover applications into the public cloud, as needed.

- **Bring new solutions to old problems** – The service should support continuous improvement in your data center, incorporating proven and new processes and technologies in ways that meet your business goals.



The data center management services provider should help the enterprise address its toughest data center challenges, while accepting accountability for its decisions the same way an enterprise does.



To show that it truly thinks like an extended part of the enterprise, the data center management services provider should help the enterprise address its toughest data center challenges, while accepting accountability for its decisions the same way an enterprise does. As businesses track expenses at an increasingly granular level, and allocate costs to organizations based on actual consumption, rather than an algorithm, IT is being called on to better align costs with usage. That means tightly managing capacity in such a way that the enterprise does not pay for idle capacity. To support such a “pay per use” model in the private data center service, the data center management services provider must be willing to stand shoulder-to-shoulder with enterprise IT, sharing the risks as well as the rewards of a well-managed data center.

Questions to Help Determine if a Data Center Management Services Provider Thinks Like an Extended Part of Enterprise

As you conduct research into the many services providers that offer some sort of data center management services, the challenge will be to weed out those that are unprepared to meet your needs. Use probing questions to see whether the providers truly understand enterprise challenges and priorities, and have designed their data center services with you in mind.

To determine which data center management services providers think like an extended part of enterprise, try asking questions like these:

- Do you offer a standard data center infrastructure management service, in which capacity is truly priced based on usage? Can you provide customer references and testimonials?
- How will you ensure that my applications will always have sufficient capacity to run, without requiring me to overbuy infrastructure?
- How can you minimize my capital expenses, without impacting data center performance?
- How will you demonstrate “skin in the game” in terms of sharing risks and costs for infrastructure investments?
- Do you provide visibility into capacity usage (hardware and software)? In near-real-time, via portal? Is the interface simple enough for LoB users?

- Can you provide services for my full data center infrastructure (e.g., servers, storage, network)?
- Do you have the staff and expertise to optimally support my multi-vendor environment?
- How will you support a hybrid cloud environment?
- Can you support multiple vendors in structuring the datacenter capacity?
- Can you support my data centers globally?

Finally, ensure that the factors that are most important to you are reflected not just in the marketing brochures, but in the contract and service level agreements.

THE LAST WORD

Enterprise IT leaders want it all. A fully equipped data center—without depleting the capital budget. Continually optimized, efficient operations—without tying up their own technical staff. On-demand capacity—without over-buying equipment. Full control over data center infrastructure—without paying for idle resources.

And given the critical importance the data center plays in achieving strategic business goals, enterprise IT leaders should not have to compromise on their requirements.

The answer is to engage an expert services provider to help manage the data center. The right data center management services provider will leverage cloud technologies and cost-efficiencies, while leaving the enterprise in control of its infrastructure. Most importantly, the right services provider will think like an extended part of the enterprise, sharing goals, accountability and risk, to achieve an IT environment that supports business flexibility, agility, and innovation.

To support intensifying business requirements, enterprise IT leaders need to find a way to balance the old and the new: optimal data center management with innovative business-enhancing technologies. With an innovative data center management services provider, the business can have it all.

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