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Business

EXECUTIVE BRIEF

Data Center Expansion Options – Should You Build or Buy?

Challenge

The demand on data centers is expanding constantly, while IT organizations face limited budgets and space, business growth and ever-changing requirements.

At Stake

To modernize and meet demands, IT must make one of three choices: build a new facility, retrofit existing space, or contract with a trusted provider.

Solution

IT and business must come together to determine future growth and evaluate the total cost of ownership that comes with each choice.

Today, data is a critical asset for virtually any business — and the need to house and maintain an ever-increasing amount of digital assets is growing exponentially.

When an organization is faced with the need to expand or modernize their data center, they must choose to either build

a new facility, retrofitting existing data center space or find a partner for colocation.

As with everything, a major consideration is cost. Often, a strong case can be made that choosing the right service provider can lower total cost of ownership, including moving capital expense to operating expense.

"Vendors that can develop products and strategies to help their customers 'right-size' their environment, provide enterprise-class DR solutions and act as a trusted adviser during this onslaught of new IT solutions are best positioned to win."

— Voice of the Enterprise Data Centers Analysis Report Q4 2014 — 451 Research®

Why Build Or Buy?

What's causing this need for data center growth?

- **Outgrowing current capacity** — From gathering more data than ever before to increasing development needs
- **Outdated equipment** — Technology moves in exponential leaps
- **Global expansion** — Growing a footprint while maintaining service levels everywhere
- **Market trends** — Enabling mobility and Internet of Things (IoT)

- **Mergers & acquisitions** — Reconciling disparate assets into a unified system
- **Spinoff enterprises** — Internal success creates a new business
- **The move to Big Data and Analytics** — Turning data into action
- **Disaster recovery** — Protecting digital assets, bottom line and more

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An Uncertain Future

As enterprises look ahead to modernizing current data centers or building out, determining future needs can be difficult. A significant capital investment today has repercussions that last for years.

- Workloads are continually moving to the public cloud. What will your capacity needs be in 5 or 10 years?
- Technology shifts constantly. What applications will be vital to your business in the future?

- The need for capacity isn't static in business lifecycles. Can you scale up or down dynamically with staff, budget and bandwidth?
- Time to market is more important than ever with an increased need for new applications and workloads. How soon do you need added capacity?

Data center needs are a moving target and careful consideration is needed before committing to capital expenses that include facilities, maintenance and power consumption.

The tide is shifting. Where are you putting your IT investment?

Shift — And Shrink — Your Spending

Unless data centers are the core of your business, they shouldn't require so much commitment. Partnering with a trusted provider to help with your data center needs will free up time and capital that's better spent on moving your business forward.

Empower IT
Transform your department from overhead to asset. With more time and budget, IT can help drive business initiatives forward.
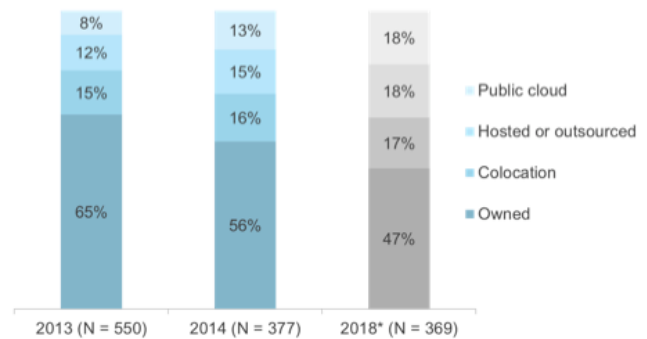
Mitigate the risk of success
Be prepared for the success or failure of technology proposals. Instead of spending capital on capacity for innovation, outsource for scalable space with a far shorter commitment.

Don't spend on empty space
As the cloud becomes more prevalent, data center needs diminish. Why build a data center that could be vastly underutilized in just a few years?

Shed responsibilities strategically
"What percentage of your infrastructure is in the following categories?"

	2013 (N = 550)	2014 (N = 377)	2018* (N = 369)
Public cloud	8%	13%	18%
Hosted or outsourced	12%	15%	18%
Colocation	15%	16%	17%
Owned	65%	56%	47%

*Asked in 2014 for a four-year projection
Base: Hardware decision-makers at enterprises;
Source: Forrester's Business Technographics Global Infrastructure Survey, 2014 and Forrester's Forrsights Hardware Survey, Q3 2013

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Free up capital

Providers have already invested in large-footprint data centers across the globe. Take advantage of their economy of scale and put your capital to use in growing your business or in reserve.

Stay agile

The time it takes from spending approval to an operational data center can't keep up with time-to-market needs. A provider already has the necessary infrastructure to help get applications and workloads out to support your business quickly.

How Much Capital Can You Save?

When you choose to manage your business, not your data center, the cost savings can be impressive.

Create a personalized cost savings analysis with the CenturyLink Build vs. Buy tool.

To create a personalized cost savings analysis, provide information on your organization below. Feel free to replace default values with actual values that are representative for your organization

Enter Your Company Information For Customized Results   *Required in order to print report* *

Company Name	Company Name *
Primary operations location	United States
State	---US Average---

General

Initial IT load (kW)	100
Expected final IT load (kW)	500
Ramp up time to final load (years)	5
Power density (kW/rack)	5
Internet bandwidth required (Mb)	200
Private network bandwidth (Mb)	20

Build   edit units   Price Per Unit

Data center capital cost (kW of capacity)	$13,000
Building lease cost (sq. ft./mo)	$5.00
Electricity rate (kWhr)	$0.10
Bandwidth price (Mb)	$200
Staffing (FTE/yr)	$100,000

Colocation   edit units   Price Per Unit

Power cost per kW / month	$365.63
Bandwidth price per Mb	$20.00
Remote hands cost per (per cabinet per month)	$50.00

Results

Manage your business, not your data center.

	Build	Colocation
Annual	$1,515,589	$503,550
10 Year	$15,155,886	$5,035,500

Estimated savings of: $10,120,386 over 10 years

Click to Enlarge
Build vs. Colocation 10 Year Comparison

$15.2
$9.1
$6.1
$3.0
$0.0
Millions

■ Build   ■ Colocation

Click to Enlarge
10 Year TCO Comparison

$15.2
$9.1
$6.1
$3.0
$0.0
Millions

● Build   ● Colocation

Next Steps

Detailed Report

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Let CenturyLink Help you Determine your Best Data Center Investment Strategy

Colocation: CenturyLink is a recognized leader in colocation. We bring more than 20 years of management experience to our services, providing a personal connection that enables you to be up and running quickly with the latest technologies.

With colocation services available in 60+ data centers located around the world, we offer one of the largest global footprints in the marketplace. Each data center provides carrier diversity, structured cabling, remote hands support, bulletproof security, and SLAs for temperatures, humidity, 100 percent power uptime. CenturyLink is also the only provider to commit to the Uptime Institute Management and Operations (M&O) Stamp certifiaction for all of our data centers worldwide. Many of the largest enterprises and financial institutions in the world use our services, including one-third of all Fortune 100 companies who leverage our data centers to support their business.

Managed Services: CenturyLink understands that there is no one-size-fits all solution to your unique business challenges. Our range of platform expertise makes CenturyLink an excellent partner to guide your IT transformation. Our diverse solutions are tuned to deliver to specific client needs and we can to deploy a true hybrid environment that allows some tiers to move to cloud, while others tiers, such as databases, can stay on physical infrastructure for compliance and security standards.

Each solution is backed by experienced professionals who support these Web environments for some of the largest and most recognizable brands in the world.

CenturyLink has also made a significant investment in our organizational support of the operating systems and applications we offer on the CenturyLink Cloud. This means we can deploy live, human support in the same flexible, on-demand model that the cloud delivers for infrastructure.

Cloud: CenturyLink Cloud offers on-demand infrastructure services that make it easy to create and scale applications. What's more, these services are designed to meet common enterprise requirements for security, governance, and data sovereignty.

CenturyLink's public cloud includes a variety of compute, storage, and networking services. Combined with our powerful management interface — the Control Portal — users manage hundreds of servers quickly and easily. CenturyLink Cloud can be securely connected to on-premises data centers, colocation gear or hosting environments, enabling hybrid IT configurations common to many businesses.

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.

Hewlett Packard Enterprise

Gold Partner

Service Provider

Contact us for more information:
http://info.centurylinkforbusiness.com/HPContactUs.html

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