



How Colocation Can Drive Cloud Transformation

The 451 Take

We know that enterprises are moving toward new ways of handling IT that encompass a wide array of accessible resources and platforms, and that a big part of the goal is a hybrid and multicloud IT environment that can span public, private and managed clouds as well as hosted resources and tie back to the central control locus. Enterprises also require security, governance, transparency and control.

Because colocation is a nexus of data centre capacity, interconnection and proximity to IT service provider partners and cloud providers, enterprises should consider it in their cloud migration and digital transformation planning. These characteristics can allow enterprises to safely and reliably connect with cloud resources and services in ways that increase operational efficiency without compromising physical control and oversight of IT assets. The combination of proximity to interconnection directly into a wide array of cloud providers and access to IT services is something enterprises should consider.

The Importance of Hybrid IT

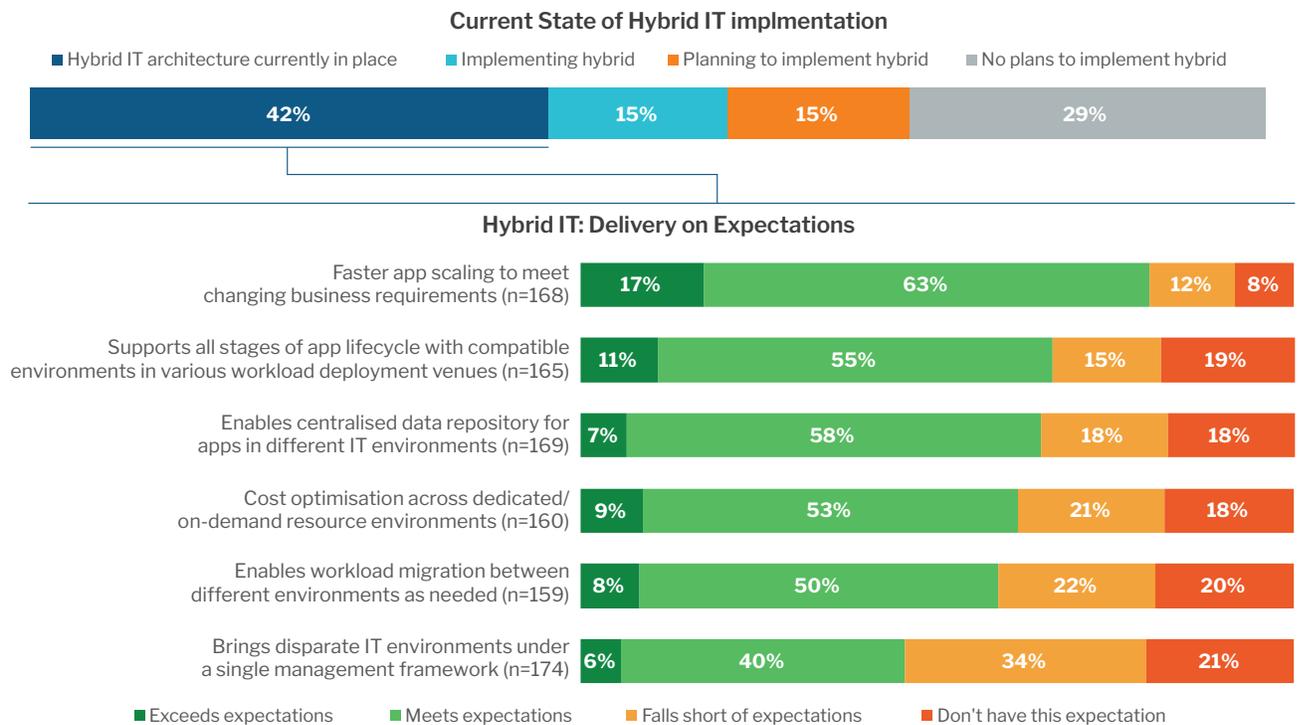
Source: 451 Research's Voice of the Enterprise: Cloud, Hosting & Managed Services, Workloads & Key Projects

Q: Which of the following describes the current state of your company's IT environment?

Base: All respondents (n=462)

Q: For each of the following intended outcomes, please indicate whether your hybrid IT environment is meeting, exceeding or falling short of your expectations.

Base: Respondents with hybrid IT infrastructure in place



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Business Impact

Enterprises are encompassing diverse (physically and technically) platforms and locations in their IT management. It's not hard to see why: there's viability for enterprise workloads across the entire range of IT technology – distributed applications purpose-built for the public cloud, secure and performance-driven private cloud platforms, and integrating legacy applications and data and modern cloud services. In our study, the majority of enterprises said that hybrid IT meets or exceeds their expectations across many fronts (see figure above) – speed and agility, cost optimisation and efficiency, protecting and managing key data stores, etc.

There's no magic bullet or best practice. Each organisation has its own unique challenges in reaching that goal of efficient, transparent, reliable hybrid/multicloud management and operations, and it's generally a long, multi-step process that requires a lot of planning and care.

Colocation has become a viable way to accelerate the process of transforming the IT organisation. Colocation removes almost every aspect of physical plant operation from operations: construction and building maintenance, physical security, power, cooling, emergency failover systems, etc. IT is responsible only for installing and maintaining its compute and storage hardware; many facilities also have various service and installation packages for common use cases such as backup and disaster recovery.

Major colocation providers have become de facto hubs of enterprise information flow. They provide interconnection between public clouds – direct, secure connections that don't traverse the internet – and private and hosted private clouds, often in the same facility. Colocation facilities are heavily consumed by cloud and IT service providers, and colocation providers cultivate close working relationships with major vendors and those same IT service providers. This can shorten deployment and migration scenarios significantly if the enterprise is willing to engage with those vendors in concert with the colocation provider. Compatible IT infrastructure may already be available for staging or sandboxing workloads during or when planning a hybrid IT strategy, as well as the necessary skills and expertise if the organisation has a skills gap.

Colocation provides ways to short-circuit common tasks during a cloud migration. Chances are high the interconnection capacity is already present and available, negating negotiations with the ISP for bandwidth and waiting for truck rolls and cable/fibre rollouts. The same often holds true for compute and storage infrastructure maintained by partners and resold or facilitated by the colocation provider. These kinds of capabilities can replace a non-trivial amount of business process with a line item on the bill.

Colocation providers usually provide flexibility on service levels. Services can start and end with facilities operations and maintenance or extend to higher levels of managed services and hosted IT infrastructure, or some mix thereof. This can make it possible to consolidate and streamline the enterprise data centre while maintaining legacy systems side by side with modern platforms.

The move to colocation will likely require a thorough restructuring of IT costs. Long-accepted buying and planning cycles will likely need to change, and many well-practiced workflows and purchase orders may go by the wayside. Organisations need a realistic assessment of how much business process change the move will entail along with the associated costs. They should approach the move to colocation in a rational way and at a controlled pace.

Looking Ahead

Colocation is increasingly playing a key role as the intersection of a hybrid cloud strategy for enterprises. Providers' ability to harness vendor partnerships and interconnection means they can play a key role in supporting hybrid/multicloud/digital transformation efforts. According to 451 Research's survey data, more than 30% of enterprises are occupying colocation space today, with the great majority of them planning to continue or increase their footprint. The combination of public cloud interconnection, private cloud enablement, vendor partnerships and available services make colocation a realistic and cost-effective option for enterprises to attain the benefits of cloud computing. Providers will continue to adopt and facilitate sophisticated software-driven technologies with technology vendors, which means the enterprise doesn't have to.