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Break Into Europe

The digital security specialist's guide
to colocating on the continent

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Executive Summary

Data center colocation is a hot sector today because organizations want the ability to expand their IT footprints without the costs and complexities of building out their own facilities. As digitization becomes essential for sales, marketing, supply-chain management and collaboration – affecting pretty much every aspect of doing business – it's more important than ever that you make the right choice of provider. And for SaaS security providers that depend on constant scanning for threats, having low-latency connections and secure hosting will help serve customers with a slick experience.

For information security companies coming to Europe, or growing in the region, choices are complicated, however.

You will need to be confident that you have the compute capacity, bandwidth and interconnectivity to deal with anticipated growth and geographic reach. But beyond that you will likely also want a partner that is built to last, provides strong security credentials, and will help you navigate the challenges of understanding local taxation, language, culture, pricing, energy supply and more.

Look not just for physical characteristics but also for colo providers that will go beyond the basics of providing space, power and cooling. Engage with a trusted partner that understands your business strategy and will work in tandem with you to make your vision a reality.

Why Europe?

As the world digitizes, running IT operations has become increasingly important, leading many organizations to look to third-party specialists for their expertise, facilities and cost effectiveness versus in-house operations. Europe in particular is capitalizing on colo popularity with four of the five biggest colocation data centers, by data center volume, based in the region, according to market data researcher Cloudscene.

Why? Because Europe is a growing economy and because north American companies typically view it as a natural second market to address. In this guide we will look specifically at what information security companies coming to Europe or seeking to expand here need to be considering, and especially the opportunities for security-as-a-service providers.

Colocation also appeals to companies as a way to gain a foothold in foreign markets and, where data center providers act as true partners, can accelerate time to market, reduce energy costs and even go some way towards mitigating and understanding regulatory, data sovereignty and other challenges.

Increasingly, the demand is for colo providers that are true business partners and can provide the knowledge and counsel to help firms decide where to locate themselves and deal with local culture, taxation and other aspects.

For security as a service providers in particular, having a fast, efficient infrastructure is critical. They can't risk annoying customers with services that slow down operations and they rely on being 'always on'. But what should companies consider when choosing a data center partner to colocate in Europe? In short, a mixture of 'hard' and 'soft' factors from quality of facilities, to ease of doing business; not just of racks, power, servers and connectivity, but what it takes to do business in Europe.
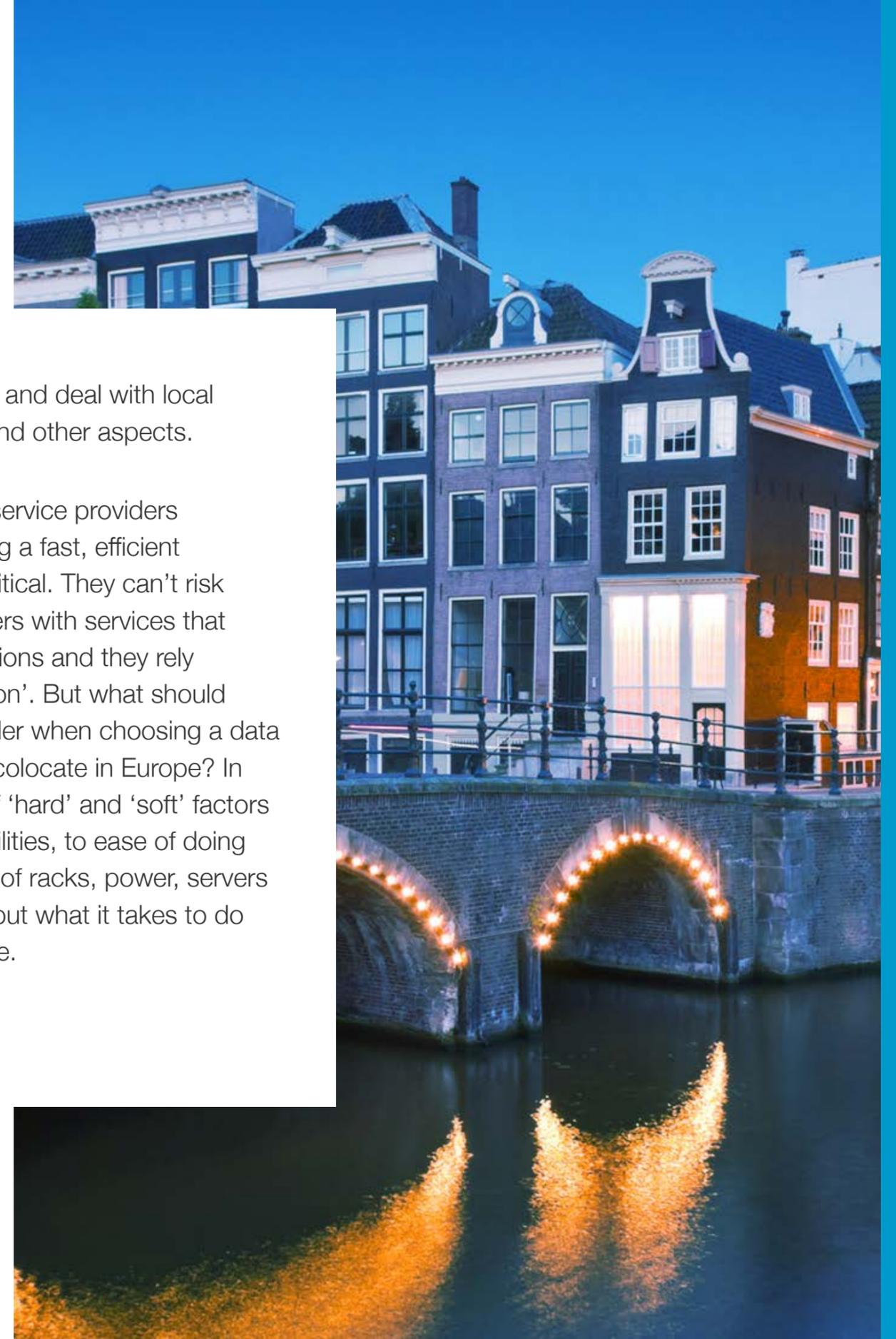
Physical characteristics of a great partner

Happily, SaaS security providers are also enjoying strong demand for their services as witnessed by rapid revenue growth, venture capital investments and regular IPOs. But for those growing in Europe, what are the physical characteristics of potential colo partners to look out for?

You can't, of course, ignore the key attributes of facilities that make them fit for purpose. Let's look at these in brief.

Scalability

You will need a provider that can keep pace with the growth of business and have the capacity to deal with that. Smaller data center operators can't do this so seek out those that have the physical space, compute capacity, bandwidth and storage on tap so you don't hit a ceiling and can't scale to meet needs. A strong partner should be able to scale across countries to provide region-wide reach. Without that coverage, there is a strong chance that you could be restricted in options and cramped for growth options.

Power availability, density and redundancy

Access to power, density and redundancy are critical. Look for providers that offer the flexibility to serve customers. Modern data centers and larger data centers will typically have stronger options across all three factors.

Power management

Devised by The Green Grid consortium, Power Usage Effectiveness (PUE) provides a useful numerical indicator how capably a data center deals with energy. However, it is not fool-proof and needs to be seen in context with IT workload, ambient outdoor temperature, and quality of the connected power network.

Availability

A related aspect of running a successful data center is ensuring high levels of uptime in facilities' designs that have high availability built in.

Cooling

In these days of heavily aggregated blade servers, other compact equipment and expensive real estate, cooling has become a huge issue. Modern data centers should be efficiently cooled through smart design and using some combination of heat sinks, fans, liquid and free-air cooling (where local ambient temperatures are typically low) to ensure equipment remains stable.

Physical and network security

Colo operators should provide appropriate levels of information relating to the measures put in place to secure their data centers.

ISO 27001

The ISO 27000 family are the key standards relating to safeguarding information assets and 27001 is the big one relating to information security management. Look for this certification for colo providers that have adopted appropriate workflows, controls and processes.

Cloud connectivity

Increasing availability of dedicated network connections accelerate performance to the major compute clouds. Microsoft Azure, for example, has a service called ExpressRoute while AWS offers Direct Connect and Oracle OCI FastConnect. Support for these is an important benefit for firms using colo and is a boon for security as a service providers as they increasingly target protecting customers running the biggest cloud services.

Carrier options

Not all networks are created equal and different carriers will be stronger in different countries and cities. Some telecoms operators that operate colo will push buyers to use their services but 'carrier neutrality' means buyers have the freedom to select their provider of choice at any facility. Just as important is access to a mix of connectivity providers in each facility, from international carriers to mobile telcos to local loop providers.

Communities of interest

Data center providers with ready formed communities of customers provide can have a positive financial impact for your business. Not only can you save money from close proximity connections to your business partners, but other colocated enterprises offer a potential new revenue stream for your business.

FEATURED CUSTOMER:

SINGLEHOP

In response to worldwide demand for its cloud services, Chicago-based service provider SingleHop needed to expand its global footprint. Around 40% of SingleHop's 5,000 or so customers are based outside North America. Realising that a significant proportion of them were keen to serve users from infrastructure based in Europe, SingleHop decided to complement its three US data centres with a European presence.

Attracted in particular to Interxion's cloud and carrier neutral offering, SingleHop decided to start their journey in the Amsterdam campus. SingleHop took advantage of Interxion's extensive knowledge of the European markets to help "figure out" Europe, especially in the beginning.

A major priority for SingleHop when expanding into Europe was to guarantee its SLA to its customers. With the majority of its staff back in the US, SingleHop relied on Interxion's European staff to meet this demand and satisfy its customers and shareholders.

"Amsterdam offered the best blend of commercial and regulatory factors coupled with a skilled workforce; and Interxion was the best fit for technical, operational and business reasons."

SingleHop co-founder and CMO Dan Ushman

Don't forget the 'soft' issues

As well as considering the hard 'speeds and feeds' aspects relating to physical characteristics of data centers, don't forget the 'soft' issues…

European know-how

Above all, it is critical to use a colo provider that has a deep understanding of the often perplexing rules relating to languages, taxation regimes, regulatory rules, energy tariffs, data protection law, politics and culture in the region. Look for partners that will share that knowledge openly as part of the relationship and help you decide where to locate your workloads.

Commercial flexibility

Colo contracts can be hard to navigate and there can be some nasty surprises lurking in the terms and conditions. Don't get caught out by long-term contracts that limit flexibility or impose high penalties for decommissioning. Define responsibilities clearly; be proactive about asking for terms to be re-worded and beware of providers that won't budge.

Ease of doing business

Help getting set up; providing easily digestible terms and conditions in contracts, service level agreements and master service agreements; having good chemistry between teams; and offering a clear exit strategy if the customer wants to end their agreement – these are all good signs. The same goes for rapid comeback on queries and issues and a willingness to discuss matters without prejudice and at a high level.

Stability

Look for a partner that is going to stay around for the long haul and has a strong balance sheet that is publicly available. Financially stable partners provide peace of mind and minimize risks.
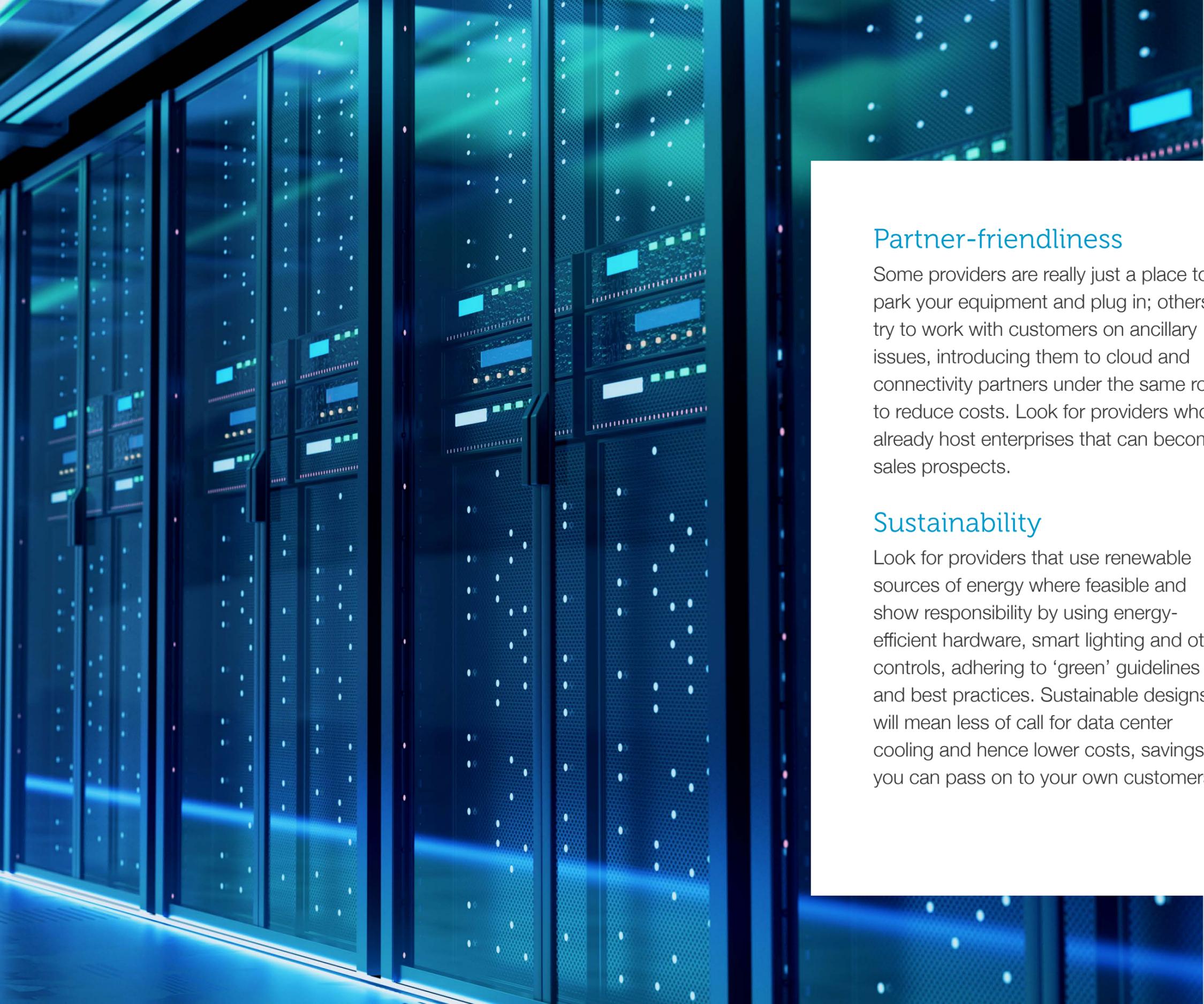
Partner-friendliness

Some providers are really just a place to park your equipment and plug in; others try to work with customers on ancillary issues, introducing them to cloud and connectivity partners under the same roof to reduce costs. Look for providers who already host enterprises that can become sales prospects.

Sustainability

Look for providers that use renewable sources of energy where feasible and show responsibility by using energy-efficient hardware, smart lighting and other controls, adhering to 'green' guidelines and best practices. Sustainable designs will mean less of call for data center cooling and hence lower costs, savings you can pass on to your own customers.

Customer focus

'Green' accreditations such as support for the European Code of Conduct for Data Centres, ISO standards, ITIL and technical support administration qualifications are all sources of confidence. Having a single point of contact helps international buyers meet these mandates that can sometimes be unwelcome distractions.

Comfort factors

Accessibility, including proximity to major roads and transport hubs, plentiful parking space and provision for meeting rooms are useful additions.

Support Services

Remote hands, disaster recovery and other services provided by the colo provider directly or through partners will add to convenience.

Where to go?

Not all countries are created equal when it comes to where to colocate your data and this will be a particular concern for SaaS security providers. Differing laws, languages spoken, proximity to customers and their primary data centers, currencies and tax regimes, proximity to the customer's offices, culture, 'green' rules, power transmission stability and prices, transportation costs, connectivity, political stability and even geopolitical factors are all relevant.

Look for providers with strong regional coverage to minimize latency, especially if your application is particularly bandwidth-sensitive. A wide geographical spread also means that even if you don't need multiple sites today, if your needs change you are covered.

Germany is often favored because it is central to the continent, has Europe's largest economy and a large banking center in Frankfurt but also because it has Europe's tightest data governance data regime. This will satisfy the demands of

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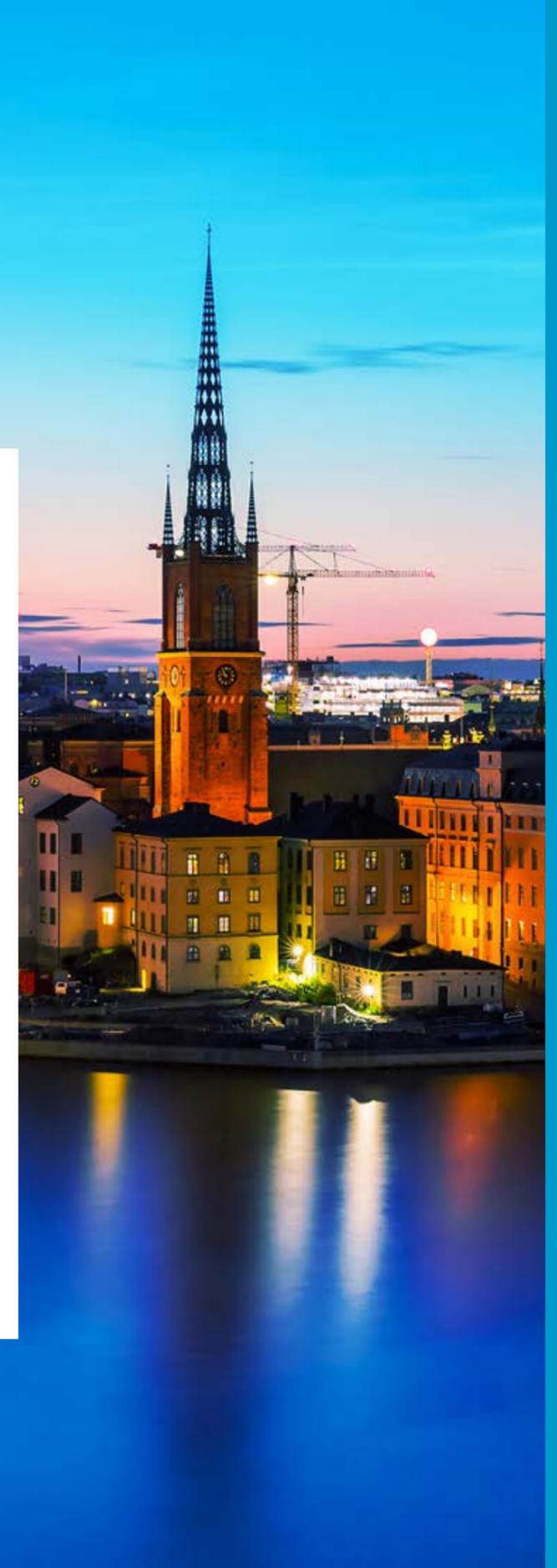
local businesses and regulators across the region at a time when the incoming GDPR rules are putting data protection, privacy, retention and sovereignty firmly under the spotlight. Germany led the way in implementing new data EU data protection rules, operates the Trusted Cloud Data Protection Profile and Cloud Computing Compliance Controls Catalogue frameworks to certify cloud providers, and it is regarded as the gold standard in data safeguarding, going above and beyond EU requirements.

The **UK** has a very wide choice of data centers, proximity to London and the City financial services hub and excellent interconnectivity while **Ireland** stands to be Europe's biggest English-speaking country after Brexit. **France** offers not just access to Paris with its strong data center scene and excellent interconnectivity but the south is also a convenient base for Middle

Eastern and African customers – as are **Italy** and **Spain**.

There are strong arguments also for the **Benelux** countries (multiple languages spoken, low power tariffs and strong interconnectivity), **Switzerland** (politically neutral, tax efficient and a banking center), **Scandinavia** (possibility of free-air cooling, access to Russia), **central Europe** (being at the heart of the continent) and other countries, depending on customer bases and other factors.

Security as a service providers will often pursue Europe's largest markets first for their choice of data center location, making Germany, the UK and France key locations but, ideally, a colo provider will offer a range of facilities across the continent to serve the needs of customers today and in the future.

GDPR rules are putting data protection, privacy, retention and sovereignty firmly under the spotlight.

What not to do: Common 'gotchas' and errors

DON'T have no plan

It's important to have a clear vision of what you're trying to achieve, whether that is to better serve European customers, target specific countries or areas, boost connectivity, improve failover and business continuity or to rationalize your own existing facilities.

DON'T think of the 'United States of Europe'

Europe is a complex and changing region so make sure you have a partner with deep roots there and displays a willingness to let you tap into their domain expertise about individual countries and their differences.

DON'T ignore carrier options.

As your business grows, so too will your dependency on connectivity providers. Future proof your IT with a carrier neutral provider

DON'T ignore community

Look for data centers with a close community of other security as a service businesses and vendors, giving you the best opportunity for success in Europe.

DON'T neglect to test your provider

You should seek proof of security, resilience, power density, scalability, skills and responsiveness to issues.

DON'T assume that anywhere in Europe will do

Instead, consider how you can best serve customers and partners and take advantage of the most cost-effective infrastructure.

DON'T stray too far from GDP

Proximity to end users matters. City-center locations ensure you are always close to your customers.
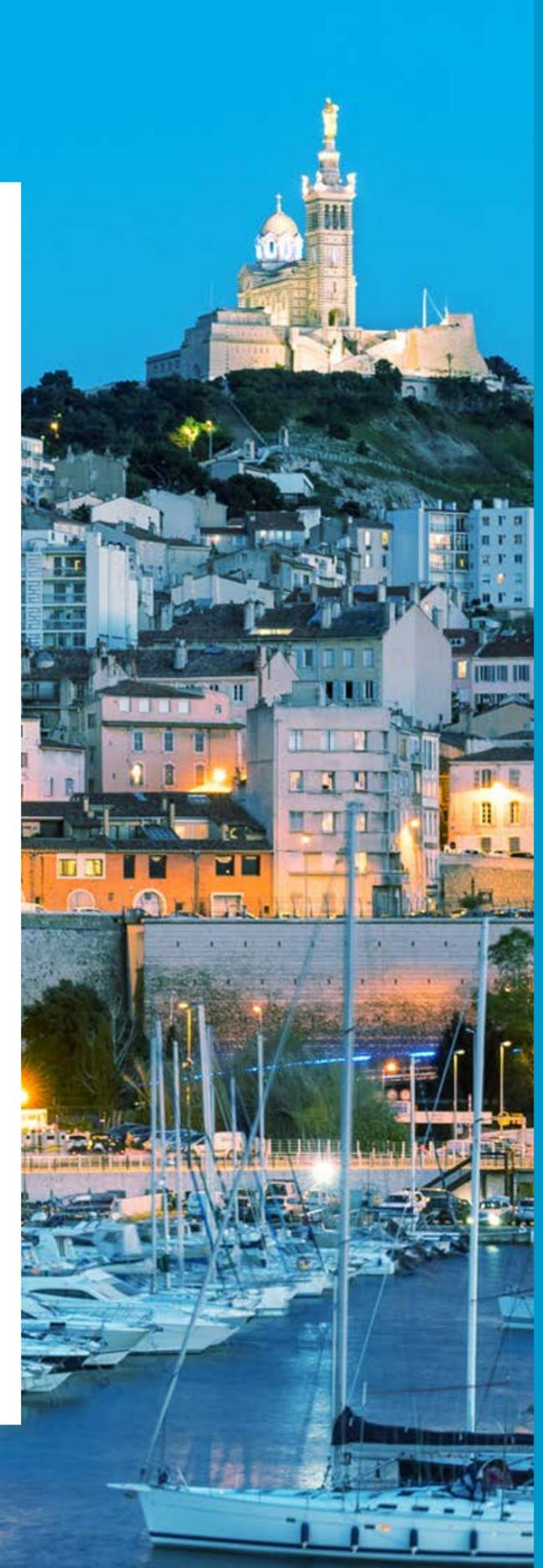
Checklist

Twenty questions to ask at the RFP stage

1. What evidence can you provide that you are a solid and stable business?

2. Can you provide evidence that you have a deep understanding of Europe?

3. What physical and network security measures, including encryption key handling, do you undertake and how often are these reviewed?

4. How many data centers do you operate in Europe?

5. Which data centers would you recommend for consideration given where our customers/offices/partners are located?

6. Do you offer direct access to cloud providers?

7. Which carriers can I access from your data centers and how many Internet exchanges do you host?

8. How often would you be available to meet to ensure our relationship improves over time?

9. Do you host meetings or conferences where we can speak to peers?

10. How are you geared up to act as a true business partner to us, for example providing advice on where to colocate and practical matters such as local taxation systems, data protection regimes and energy tariffs?

11. What data center performance and availability metrics can you provide?

12. What physical access to data centers do you provide to customers

13. Are there constraints, for example covering times of day?

14. What ISO, security and other accreditations do you hold?

15. How far are your facilities from major roads, airports and railways?

16. What managed services do you provide?

17. If we signed up with you, what sort of help would you provide in getting our equipment into your facilities?

18. If we were to change providers or otherwise exit your services, what would happen in terms of charges?

19. Can you provide references from other customers we could speak to?

20. Finally, what USPs do you have that make you a better choice than rivals?

Conclusion and Next Steps

Security-as-a-service providers need to look for strong, stable companies that deliver the quality of facilities, network performance and reliability, and breadth of geographic coverage that will help them to succeed. But they also need to look for experts in Europe that can help them navigate what can be a complex region.

In a digitizing world, IT operations are increasingly at the core of efficiency, competitive differentiation, logistics and collaboration. Choosing the right colocation partner is a crucial choice that should not be underestimated. It will leave your company free to focus on what makes it unique, safe in the knowledge that the fundamentals are being taken care of. But that choice shouldn't just be based on a checklist of features; it will require a partner with 'skin in the game', one that will work alongside you and work with you as you expand and as your needs change.

A combination of the 'hard' factors of operational excellence and state-of-the-art facilities combined with the 'soft' issues of on-the-ground knowledge, cultural savvy, commercial flexibility and ability to build communities of customers and partners with shared interests and values will be the platform for success.

FREE 30 MINUTE READINESS ASSESSMENT ON COLOCATING IN EUROPE

Speak to our SaaS Colocation Expert, Harm Joosse, on how to successfully land and expand in Europe. Harm will assess your current situation and provide guidance and advice around three focus areas for colocating in Europe:

- Cultural integration
- Legal matters
- Infrastructure migration

Following the consultation, Harm will provide you with a short report containing practical recommendations based on your current situation that will help your business expand into Europe.

About Interxion

Interxion (NYSE: INXN) is a leading provider of carrier and cloud-neutral colocation data centre services in Europe, serving a wide range of customers through over 40 data centres in 11 European countries. Interxion's uniformly designed, energy efficient data centres offer customers extensive security and uptime for their mission-critical applications. With over 600 connectivity providers, 21 European Internet exchanges, and most leading cloud and digital media platforms across its footprint, Interxion has created connectivity, cloud, content and finance hubs that foster growing customer communities of interest. For more information, please visit **www.interxion.com**

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