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Digital technology allows business models to change faster than ever before, which places huge pressure on technology resources. To help their organisations cope with constant change, CIOs need to make agility central to their IT management approach – and colocation must play a key part in this strategy.

The background to rapid change in the digital age is the coming together of a range of different economic factors. Businesses are under pressure to break into new markets quickly, to meet their customers' requirements effectively, and increase profitability without compromising on the quality of their products or services.

The ability of organisations to deal with such pressures successfully in the digital age relies on the ability of the business to take advantage of a flexible and scalable IT infrastructure. However, a lack of agility means many businesses will struggle to adapt to future changes in their industry, to scale their services and introduce new offerings in response to competitive pressures.

Gartner analysts suggests CIOs, CTOs and CDOs are fully aware that they will need to change in order to succeed in digital business, with 75% of IT leaders saying that they will need to adapt their style and skills during the next three years. The analyst talks of the need for executives to adopt a bi-modal stance to IT.

Modern CIOs, suggests Gartner analysts, first need a rock solid and efficient IT operation that, second, frees up time and resources for innovation. The analysts predicts that 75% of IT organisations will be bi-modal in some way by 2017. So, how will IT leaders create a solid and scalable platform that allows their business to cope and take advantage of constant change?

Creating a scalable platform for modern, agile business

Colt Technology Services' Tech Deficit research examined European businesses' future-readiness, and found there is a gap between what organisations need to achieve and what their infrastructure can support. The good news is that more than three-quarters (76%) of decision makers recognise that – being able to enter a new market or bring new products to market more quickly – is crucial for future business success.

Yet recognising the scale of the challenge is by no means a solution in itself. Almost three-quarters (72%) of business leaders believe their organisation has a moderate or significant tech deficit, whereby their infrastructure is not ready to deliver flexible services. Future options for flexibility look restricted, too. Just over a quarter (26%) of organisations are not confident that their infrastructure is scalable enough to support the complexity of demand over the next two years.

As businesses look to boost the scalability of their IT, the selection of the right external service provider becomes increasingly critical.

That lack of scalability could be a crucial factor for organisations looking to make the most of the digital age. Colt's research identifies that a simplified technology stack is a core component of a high performing business. More than 80% of business leaders, meanwhile, recognise that networks, IT, voice and data centres must continue to evolve to meet business needs during the next two years.

As businesses look to boost the scalability of their IT, the selection of the right external service provider becomes increasingly critical. While multi-sourcing remains an important trend, it is worth remembering that most CIOs choose to place the bulk of their infrastructure with a sole partner. Information Services Group reports that almost a quarter (22%) of providers use an outsourcing model, where 80% of the work is with a single supplier and the remaining 20% is divided up between firms.

The best modern service providers are true partners, helping CIOs to ensure that they create an infrastructure that is responsive to fluctuations in customer demand and wider industry developments. It is crucial that the selected partner understands how infrastructure and services can impact business success, and is able to offer commercial flexibility through cost-effective contracts and service level agreements.

By forging the right partnerships and adopting a service-centric approach to IT, businesses are able to deploy an infrastructure that is scalable and flexible. Colocation – which allows internal IT staff to focus mission critical business applications, instead of logistical support needs – will play a key role. And, once again, the selection of provider is a critical success factor.

Finding the right colocation partner

The pace of change in IT during the last ten years has been remarkable. Despite this decade of change, the underlying infrastructure has – in many cases – remained the same. IDC research suggests the average age of a UK data centre is between nine and 11 years old. The potential age of data centre facilities is not the only concern for CIOs. Analyst 451 Research reports that there are an average of 29 data centre providers in each of the mature markets across Europe and North America.

With so many suppliers to choose from, and each offering varying qualities and quantities of provision, the selection of data centre partners in the information-intensive digital age is a complicated decision. To really create a competitive advantage from the changes in technology, businesses need a more flexible approach to infrastructure that allows the organisation to change its computing resources on-demand – and this is where colocation can help. Gartner analysts reports that the adoption of colocation and hosting grew 8% during 2013, with expectations of an additional 12% increase through 2014.

In colocation, customers manage their own IT systems, but make use of the provider's rack, power, cooling, physical security and connectivity on-demand. By its very nature, colocation offers CIOs the ability to reduce their initial capital expenditure and to move towards a more flexible and agile operating model. But working with the right partner is essential. So, which strategic business factors must IT decision makers consider when they make a move towards colocation?

Power, cooling and equipment

As the life blood of the data centre, providers must invest in power and cooling. It is vital that the supplier not only understands and caters for current needs, but also ensures the facility has available power capacity for future expansion. With green initiatives still high on the business agenda, renewable and sustainable energy sources are an advantage where they are available at a competitive cost. Colocation partners should provide the appropriate resilience and redundancy to mitigate risk, including dual independent power sources, resilient backup power generators and cooling systems. Best in class providers will offer certified Tier 3 standards, referring to their site as 'concurrently maintainable'. The future proofing of equipment is likely to be vital for all customers and should cover a range of eventualities, such as a move from low to high density computing.

Expertise and security

In a data centre environment, human error has been known to be the cause of downtime in 70 to 80% of cases. Look for suppliers that have passed independent auditing standards, such as the Uptime Institute Management and Operations award or equivalent. Providers should also be keen to ensure their teams are equipped with the latest insight from training institutions. Furthermore, it is important your supplier understands the position of colocation in relation to the bigger picture of IT, as some organisations will require additional offerings at a later stage, such as for managed services, connectivity and the cloud. Decision makers should ensure their supplier has standard features such as heavy security, including secured perimeter fencing, technological support through air locked mantraps, and CCTV to prevent unauthorised access. Security personnel should manage all sites 24 hours a day. Finally, providers should offer knowledge, ability, discipline and certification in relation to the secure handling of data, especially in vertical industries with sensitive data, such as financial services and insurance.

Location and connectivity

The proximity of equipment and data to headquarters is still a key factor for many CIOs. However, very low latency is usually only really crucial for high frequency traders and other specialists who require data transfer in microseconds. For most other business, good quality fibre connectivity can reduce the relevance of close proximity of the data centre to head office. However, location should be reviewed in terms of flexible capacity and providers should show how they plan to meet growth and shrinkage expectations. Suppliers who have the means to rapidly meet fast-changing requirements offer a distinct advantage. Leading colocation providers offer a variety of connectivity options, ensuring visibility, control and optimisation where required. Suppliers who also offer their own extensive network can provide distinct advantages to their customers, as migration between sites can be completed more easily if it is required in the future. Finally, strong colocation players will have multiple data centres around a region to provide an extra layer of IT resiliency.

Conclusion – looking to the future

Infrastructure requirements are complex but current demand is just a starting point. Providers must offer flexibility and scalability, and be able to help the IT team make future planning decisions that are aligned with business objectives. As this article has demonstrated, Colt Data Centre Services has dedicated time and research to analysing both the fast-changing business context and the ever-increasing requirements of colocation.

CIOs must recognise that the greater the flexibility offered by the provider, the less risk is carried by the business during the lifecycle of colocation. Any selected provider, meanwhile, must recognise that it is the business – and its fast-changing, agile requirements – that will dictate how the data centre is used, both now and in the future.

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