

# The Benefits of Data Center Colocation Services

**Data center colocation services can be an integral part of a business IT strategy – one that addresses cost, security, and perhaps, most importantly, business continuity. At the same time, data center services can provide both an alternative and bridge to cloud-based services, such as Infrastructure as a Service (IaaS), for companies that are not comfortable moving critical and sensitive IT functions to multi-tenant cloud-based platforms.**

## Cost-effective approach to addressing IT expansion

Traditionally, organizations built out new data center space to accommodate IT growth – at a primary corporate data center site, or for secondary sites. However, this ‘build-it-yourself’ approach is costly and presents companies with uncertainty as they try to predict and plan for future growth. Companies take on high capital expenditure (capex) for new construction and data center equipment, and typically overbuild – and overspend – to accommodate future growth. And, those are just the costs that can be easily quantified. There are also the opportunity costs associated with a lengthy and oft-delayed multi-step planning and construction process that includes site evaluation and preparation, construction, and equipment procurement.

Data center services, on the other hand, offer a pay-as-you-grow model that allows businesses to replace capex with more manageable operational expenditure (opex). There is no need to over-engineer the data center, based on uncertain projections for future build-out requirements – businesses can simply lease more space as they need it. And, because there is no need for time-consuming construction, there is a much faster time-to-implementation, enabling business to rapidly address their requirements and meet their goals.

**1 in 3**  
companies have declared a disaster  
in the past five years.

– Forrester/Disaster Recovery Journal,  
November 2013,  
Global Disaster Recovery Preparedness

According to a joint Forrester Research/Disaster Recovery Journal survey, the percentage of companies using colocation sites for disaster recovery grew from

**17% in 2010 to 38% in 2013.**

**93%**

of companies that lost their data center for 10 days or more filed for bankruptcy within 1 year.

National Archives and Records Administration

Yearly average cost of downtime for businesses:

**Small**  
\$25,806

**Medium**  
\$880,600

**Large**  
\$2,712,000

Aberdeen Group,  
February 2012

## Essential part of an effective disaster recovery strategy

Disaster recovery implementations take a variety of forms – both static and real-time. Many businesses employ periodic backup to tape or other archival media, while other businesses with more resources and greater real-time recovery requirements use mirrored servers – sometimes at different corporate sites – to ensure quick cutover and recovery if a server goes down. While these disaster recovery measures afford some protection against downtime and data loss, they can be strengthened with data center services.

A trusted data center service provider can be an essential part of a comprehensive business continuity and disaster recovery (BCDR) strategy. A data center facility that can withstand adverse weather conditions and is designed with the requisite safety, physical security, and redundant power backup features can provide IT managers with the peace of mind that comes with knowing that they can keep their business up and running.

## Provides both an alternative and bridge to cloud migration

While cloud services can be appropriate for some IT infrastructure and applications, the reality is that many companies are not ready for cloud-based services. They may be running legacy applications that don't port easily to cloud-based platforms, or they may be uncomfortable with putting sensitive applications and data on shared platforms.

## Addresses physical security requirements

While international hacking organizations get the headlines when it comes to high profile data breaches, the reality is that many security breaches and IT disruptions come from within a company. Employees with access to corporate data center facilities can inadvertently cause significant problems, while rogue or disgruntled employees can deliberately sabotage equipment and cause expensive IT outages.

At the same time, the costs associated with establishing and maintaining the levels of security required to meet regulatory compliance standards, such as Sarbanes-Oxley (SOX) and HIPAA can be daunting. Using an off-site, physically secure data center limits physical access and reduces opportunities for disruptions and deliberate sabotage while mitigating the high costs of building a secure and

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### Portfolio of Services

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### Expertise

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