

EXECUTIVE BRIEF

THE BUSINESS VALUE OF VIRTUAL DATA CENTRES

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Underwritten by:

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from the ground to the cloud

**This Executive Brief is a summary of the white paper:
How Virtual Data Centres Can Transform IT's Ability to Add Value**

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**IMPORTANT
DATA**

- The biggest challenge facing established IT departments is inefficiency caused by a collection of incompatible systems. This can be solved with the use of cloud services.
- Content data kept in silos accessed with different hardware and software resources are not flexible for varying demand loads.
- Although IT systems are flexible and adaptable and typically absorb 70 to 80 percent of a typical IT budget, their cost is a major inhibitor to business advancement. Use of virtual data centres reduces this cost substantially.
- With increasing demand for large data warehouses one of the major drivers for IT transformation is the need to analyse enormous quantities of information.
- Managers must consider how their peers are adapting to the changing IT environment. A 2012 survey revealed that 54% of respondents were using software-as-a-service (SaaS), 44% infrastructure-as-a-service (IaaS) and 27% platform-as-a-service (PaaS).
- IT departments that are reluctant to transform to cloud computing fear change, loss of control and exposing their organisation to security breaches.
- A survey revealed that the biggest impediment to adoption of cloud services is concern about data security and regulatory compliance.
- Additional impediments to adoption of cloud services are reported by survey to be issues of IT costs (70%), concern over the evolution of cloud technology (68%), alignment of IT and business goals (60%), lack of understanding of business benefits of the cloud (40%) and lack of knowledge of the cloud generally (24%).
- An IT department will typically consider the cloud as a solution to the problems of waste of resources caused by variable utilisation of an in-house server and complex and cumbersome management of on-premise IT architecture.
- IT managers need to consider how all services are run and managed. Optimal efficiency, flexibility and resilience must be factored into decisions regarding every component of IT service. Legacy custom-built architecture is slow to adapt, expensive and slows innovation.
- Consolidating resources should be considered in the light of a national or global user base. This means putting systems and data 'in the network'.
- Concentrated in-house IT service centres are costly and limit mobility and flexibility to direct resources.
- Optimised corporate MPLS based IP networks are currently used in sensitive environments. A network service provider offers enterprise-grade MPLS (Multiprotocol Label Switching) services using a virtualised approach to network traffic that ensures logical separation between content.
- Optimised MPLS networks supported by a comprehensive service-level agreement allow for secure and reliable access to cloud infrastructure.



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IMPORTANT DATA

- With an MPLS network cloud access, enterprises can ensure IT department control over data which is subject to sovereign regulation. Enterprise-class MPLS networks are key IaaS components in utilising cost effective virtual data centres.
- MPLS backbone networks allow flexibility in data transmission speeds as 'fast lanes' are available at minimal or no cost.
- MPLS is flexible in security controls allowing private secure data transfer as well as convenient and economic public cloud access.
- Infrastructure-as-a-Service (IaaS) allows customer to build unique IT platforms based on virtualised components.
- Scalable, automated, enterprise ready IaaS is cost effective and allows for maximum flexibility.
- The advantage of a Virtual Data Centre (VDC) over a public cloud is the assurance of an MPLS/IP network. VDC costs are based on use as opposed to upfront investment in a data centre.
- With the right VDC an organisation can choose to harness public and/or private cloud infrastructures.
- The fear of IT professionals in losing their important role if their enterprise moves to the cloud is unfounded. Most of the budget of a traditional IT department is spent on capital investment. With this cost reduced more funds can be directed toward front-line innovation.
- More than half of executives of large corporations in a survey stated that they believed that their organisations lacked mobility to respond quickly to market shifts.
- Every year lost to indecision on whether to migrate infrastructure to the cloud may set back competitiveness as much as five years.

KEY POINTS

- A Virtual Data Centre (VDC) provides on demand computing, storage and applications that is integrated with a company's IT infrastructure. It replaces the need to acquire, maintain and manage an in-house IT infrastructure.
- In selecting a provider of virtualised, cloud-based infrastructure consider, security, ownership, transparency and compliance, integration options and open architecture.
- Colocation facilities, while allowing organisational control, have downsides in cost efficiency and agility and flexibility.

NEW INSIGHT

- The inflexibility of infrastructure becomes evident whenever a business tries to do something new. It creates a backlog of IT projects and prevents adapting to new opportunities.

SUMMARY TREND

- IT purchasing and management of in-house services is giving way to third-party providers. This transition is being led by public sector organisations, particularly in Europe.

TAKEAWAYS

- Enterprise-class cloud-based infrastructure is adaptive, responsive and cost efficient. It offers mobility, scalability and rapid response to market needs. It offers control over security and compliance as well as discrete utility-based charging for business units.
- Disregarding how networks and cloud services work IT personnel run the risk of failing to respond to new business needs.
- Competitive advantage is driving cloud-based infrastructure even among the more conservative sectors such as financial services. Public sector movement toward cloud services driven by cost efficiencies is paving the way for enterprise cloud adoption.
- The many myths surrounding the cloud from its applicability only for web hosting or specific applications to the belief that it is less secure than on-site IT service are shown to be un-true with measured examination of the realities.



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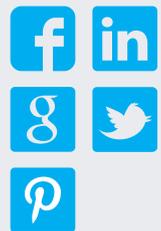
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