



# A New Breed of Data Centre and the Local Way to do Business

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## Biography

Darren began his career as a graduate Military Officer in the RAF before moving into the commercial sector. He brings over 20 years experience in telecommunications and managed services gained at BT, MFS Worldcom, Level3 Communications, Attenda and COLT. He joined the VIRTUS (<https://virtusdatacentres.com>) team from euNetworks where he was Head of Sales for the UK, leading market changing deals with a number of large financial institutions and media agencies, and growing the company's expertise in low latency trading.

Additionally, he sits on the board of one of the industry's most innovative Mobile Media Advertising companies, Odyssey Mobile Interaction, and is interested in all new developments in this sector. Darren has an honours degree in Electronic and Electrical Engineering from University of Wales, College Swansea.

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## Abstract

*If organizations are not able to recognize that data centres are a long way from being a commodity, then, simply, their ability to operate competitively, on a global scale, could be significantly compromised. As the author of this article explains, in a climate where trends like Big Data and the Internet of Things (IoT) put unprecedented pressure on the infrastructure of any business, the data centre is now a strategic priority.*

## Introduction

Some experts tell us that, when it comes to data centre choice, coverage is everything. Global organizations choose providers that have a global footprint – purely because of geographical coverage. They believe that, ultimately, choice beyond this is irrelevant; that one data centre is just the same as another and that data centre space is therefore a commodity.

But, it is vital to dispel this myth. If organizations are not able to recognize that data centres are a long way from being a commodity, then, simply, their ability to operate competitively, on a global scale, could be significantly compromised. In a climate where trends like Big Data and the Internet of Things (IoT) put unprecedented pressure on the infrastructure of any business, the data centre is now a strategic priority.



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## Data Centre and Virtualization

The most forward looking organizations know that getting the data centre strategy right means that they have an intelligent and scalable asset that enables choice and growth. However, if they get it wrong, they are dealing with a fundamental constraint for innovation.

Far from offering a commodity service, data centre providers vary in many ways – from accreditations, space and power capacity, contractual flexibility, connectivity options and service levels, to location. Never assume that because the provider is not a global organization, that it is unable to provide a global service.

### A brave new world

Today there is a new world way of achieving a global data centre footprint that gives businesses access to much better local knowledge. A new breed of local/global players have entered the market – made up of an alliance of providers, each leading the field in their region – allowing customers to benefit from a global service with true local expertise.

Local roots mean that alliance data centre providers know the on-the-ground business culture and regulations enabling them to provide a highly tailored approach. They also have strong existing relationships with a variety of local carriers and have developed deep ecosystems. It is this knowledge that enables these providers to deliver a local service whilst still benefiting from a global network.

In addition, strong alliances bring advantages to the industry as a whole – they can raise professional standards all over the world, facilitate knowledge sharing for the benefit of alliance members (and beyond) and become the global voice for best practice in an increasingly complex market.

### Finding a partner network that works for you

The global data centre market remains highly fragmented, with more than 1,200 companies providing services, but only three organizations have over \$1 billion revenue and only 19 have facilities across three continents or more. So, it isn't easy for organizations to find a truly global provider that can offer competitive pricing.

In this environment, it's easy to see why working with the new breed of global alliance data centre provider however is compelling – but how do organizations go about finding a network of local providers who they can rely on?

The most successful alliances ensure that local providers have the same core values – and that all partners offer the same level of service and support. Consistency of service and local knowledge are not mutually exclusive – and alliances which go the extra mile to find partners with shared priorities are likely to deliver a better service across the world. Of course, as with any data centre deployment, organizations must also ask questions about flexibility and reliability in order to be assured they have found the right provider.

In addition, deployment efficiency, how quickly you need to get up and running in multiple territories, is an important consideration – and one which a more nimble



alliance is likely to serve better than a cumbersome global Goliath with slower processes.



### **The big five**

Ultimately, there are five compelling reasons to consider the new breed of global data centre providers:

1. **Cost savings:** Organizations know they can benefit from economies of scale when they engage with a large, global, vendor – but the same is true for a network or alliance of providers who don't carry the global overheads of these goliath companies. They too can reduce cost aspects of many elements by negotiating with their suppliers to ensure they can get discounts. In country, local knowledge and established supplier relationships of the alliance data centres can achieve further cost benefits passing these on to customers.
2. **Ease of doing business:** Whilst the big global providers promote the simplicity of the homogenized global single contract or Managed Service Agreement (MSA), the reality is that it often gets complicated because of the sheer size of the organization. A smaller alliance provider would simply talk directly to the local data centre provider and agree the contract locally. Once agreed, any sister companies could then share critical knowledge (with the permission of the customer) in order to provide a seamless and speedy



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delivery where it makes sense legally and practically. For example, if it is known that the customer likes their contract to be structured in a certain way, then this kind of intelligence could be shared without it escalating into the corporate red tape.

3. **Regulation:** Local offices understand the local regulation. If the customer was an American organization on the west coast of the US that was worried about GDPR and was trying to buy from a provider in London, the local provider would have the knowledge, as they work daily with the laws and regulations. This enables the local data centre provider to develop a consultative relationship, providing advice as well as delivery. Whilst the knowledge would not be devoid in a larger global provider, it would most likely require a knowledge transfer between different teams in order to provide this to the end customer.
4. **Connectivity:** Alliance providers will go the extra mile to ensure customers use the most effective routes, often producing fibre maps, which don't provide revenue, but demonstrate deeper knowledge. A global provider may have a challenge from a resource perspective to do something similar because they simply don't have the time or solution people to do it. They may provide a list of carriers in the facility, but as standard they are unlikely to apply the depth of local knowledge such as the fibre maps and diagrams of how to connect it all together – using the best routes from one place to another can be a real competitive advantage to our customers.

### **In conclusion**

So, for organizations that need global coverage, the answer may not be in a large multinational provider. This new breed of alliance providers such as the ST Telemedia Global Alliance can help to combine global coverage capabilities with local expertise, delivering cost savings, efficiencies and a more bespoke and effective service. For example, VIRTUS is able to offer local expertise and all the benefits discussed in this article in China, India and Singapore from a portfolio of over 250MW across 50 data centres.