



TECHNOLOGY SPOTLIGHT

IT Hosting Perspectives in the Midmarket

Facilitated by: Microsoft and Vision Solutions

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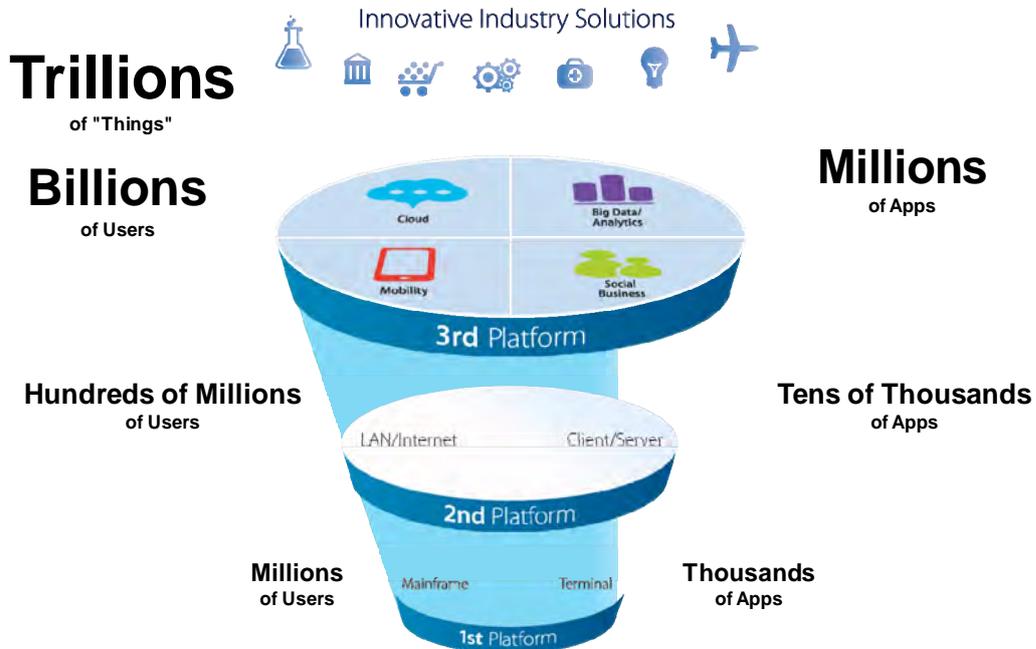
INTRODUCTION

Ongoing innovation and development in the foundations of communications and technology are leading to a fundamental shift in computing which IDC terms the 3rd Platform of IT. The 1st Platform was characterized by the mainframe and centralized computing. The 2nd Platform was the era of client-server, built on the industry standard server and the PC as a client.

The emerging 3rd Platform enables billions of users and many types of devices to access services built on the four core pillars of social, mobility, Big Data, and cloud. As technology progresses, more and more devices, machines, and people will connect, leading to the emergence of the Internet of Things.

FIGURE 1

The 3rd Platform of Innovation and Growth



Source: IDC, 2013

The needs of customers that are moving increasing amounts of IT services to the cloud, and the impact this is having on hosting providers' operations and infrastructure, are rapidly changing as the sophistication and maturity of services evolves. To better understand the impact of this, IDC led a roundtable discussion between Microsoft, Vision Solutions (a leading provider of high-availability, disaster recovery, and migration solutions), TeleComputing (a leading hosting provider in Scandinavia), and two major customers of TeleComputing.

The topics discussed varied across the provisioning, adoption, and evolution of hosted and cloud services as well as the practical realities of business relationships and service and support. This IDC Technology Spotlight summarizes the discussion and the approaches to hosted services taken by both customers and TeleComputing, and examines any gaps that need to be tackled in future in order to be more successful.

The key takeaways that emerged are:

- Local relationships and business insight matter
- More services from fewer providers requires support for a broader portfolio
- Agility is becoming a critical metric
- Data privacy and security continue to be top of mind
- Service level agreements (SLAs) need to be based on the whole user experience
- There is a migration from old service delivery platforms to an adaptive cloud infrastructure
- The ability to deliver data availability, recoverability, and security is crucial
- A hybrid approach helps to deliver on-demand scalability

CUSTOMERS WANT TO PARTNER WITH THEIR PROVIDER TO DELIVER MORE VALUE

Both customers that attended the roundtable discussion are active in the provision of healthcare or related services. With 1,400 and more than 8,000 employees respectively, the companies have very different business models and challenges, but there is a lot of common ground in how they have approached the provisioning of IT services to the business. In healthcare – a market where privacy, security, and continuity are critical – the move to cloud services comes with very strict needs and deliverables.

Local Relationships and Business Insight Matter

One of the most important points discussed was the nature of the relationship between customer and service provider. This was felt to be very important because the hosting provider is effectively the IT delivery partner, and failure to deliver the right IT service and strategy could impact revenue and profitability, not to mention the job of the CIO.

It was agreed that having a smaller and local provider is critical to IT service delivery strategy as the level of importance and influence that customers wish to have with their hosting partners is something that they feel is not achievable or realistic when dealing with larger or global providers.

A good understanding of the business processes and challenges faced by the customer needs to be part of the hosting provider role, as well as advice and guidance on how to solve these. Quite often the customer is only vaguely aware of a need or problem, and it is the help and experience of the provider that crystallizes exactly what the challenge is and how it can be tackled. As one of the customers put it, "Small improvements can have a big impact; there is no need to change the world by trying to tackle too much at once."

Experience of best practice across many different solutions enables service providers to offer customers an otherwise-hard-to-achieve agility combined with the benefits of better implementation and sophistication than can be achieved on their own with modest internal IT resources.

More Services From Fewer Providers Requires Support for a Broader Portfolio

While cost of service is always paramount in the customer's mind, the lowest cost is not. It was clearly indicated that customers are looking for reliable services that are cost effective, as well as great support on top.

Hosting customers feel that a hosting provider that is able to offer a portfolio of applications or services is beneficial. The more integrated the portfolio, the better the customer experience and value delivered tends to be.

Support usually involves multiple partners, which can make it hard to get consistent and integrated support around the delivery of applications and services. In an ideal world, customers would like their service provider to invest in taking ownership of support and being the single point of contact for delivering the end-to-end service level agreement.

Agility is Becoming a Critical Metric

Beyond troubleshooting and general support, the hosting provider's customers see time to market for new services as a key performance indicator. As an example, one customer asked for a solution based on a 600-seat ERP solution, which took its hosting provider and integrators two months to come back on with a recommended implementation scenario.

Lengthy delays such as this can mean missing critical business opportunities. The customers would like their cloud provider to recommend a "boilerplate" configuration within a few days and to get the solution up and running quickly. Further optimization and enhancements can then be implemented more gradually over time.

In addition, customers would like to see improvement on the time it takes to do routine provisioning and management. One example cited was that it was still quite a manual process to request new virtual machines to use. The pressure is on for the provider to allow for automated self-service access and to be able to provision new resources in hours, if not a few minutes. This requires an environment at the provider with the ability to scale on demand.

Doing this with a fixed infrastructure can be challenging, and making use of public cloud resources can help provide the flexibility to meet rapid and unpredictable changes in demand.

Data Privacy and Security Continue to be Top of Mind

With both customers active in healthcare, the question of data security is vitally important, particularly as digital patient information – such as diagnostics or imaging records such as CAT or MRI scans – is increasingly being stored. This makes the question of data locality and ownership particularly acute. Local service providers that can guarantee where the data is held and how it is backed up for recovery or business continuity were felt to be highly desirable.

SLAs Need to be Based on the Whole User Experience

Looking at SLAs offered by service providers, the customers felt that just supporting individual applications is no longer sufficient. With trends like mobility and bring your own device (BYOD) accelerating, not only does the service provider need to move quickly to support the new range of devices and applications becoming available, but the SLA needs to take into account the experience of the user as a whole rather than information and metrics in the back end of the infrastructure.

New trends will require hosting providers to be able to have a more comprehensive capability for service status monitoring, problem resolution and troubleshooting, and adaptive infrastructure with features such as seamless workload migration in order to deliver on the new and heightened level of expectation.

TELECOMPUTING MOVES TO FLEXIBLE AND COST-EFFECTIVE DELIVERY PLATFORM

TeleComputing has delivered subscription-based IT services since 1997, and has learned the importance of providing services that customers find valuable. This means considering how to best support customer needs by not focusing only on services that can be produced at scale with a low cost. Kjell Tore Espeseth, CTO of TeleComputing, aims to keep this philosophy of "making IT easier" at the core of TeleComputing's strategy.

As an early mover and later an established leader in the hosting provider community, TeleComputing has made a significant investment in delivering hosted services. This provided it with a stable and reliable platform that was fit for purpose for a number of years.

Recent changes in the market and in customer requirements – such as the need for more flexibility and agility in service delivery coupled with increasing expectations on reliability and cost effectiveness – have exposed shortcomings in the existing platform. This has led TeleComputing to reevaluate its service delivery platform and the ecosystem of suppliers that it works with.

As a result, TeleComputing is moving away from VMware, its incumbent supplier, to a next-generation cloud delivery platform built on Microsoft Windows Server 2012 and System Centre 2012. A number of factors played into this decision, including significantly lower licensing costs, the enhanced capabilities of Hyper-V, and the advanced systems and service automation and monitoring in System Centre 2012.

On top of the VMware migration, TeleComputing is also migrating a significant number of physical servers running dedicated services to this new cloud delivery platform. This also has the secondary effect of freeing up much needed space in the datacenter and reducing power and cooling costs.

Migration From the Old Service Delivery Platform to Adaptive Cloud Infrastructure

A challenge in making the platform transition has been keeping clients' services running with as little disruption as possible. To perform the migration from either physical or VMware environments to Microsoft, TeleComputing has worked with Vision Solutions and its Double-Take portfolio of applications.

Vision Solutions enabled TeleComputing to move entire services from the VMware environment into the new Microsoft platform with all configuration and settings intact. This was completed in real time with almost no interruption to production workloads.

With Vision Solutions, TeleComputing is also able to move customers' data and information between different applications or platforms so they are not locked into any particular vendor. The benefit of this multivendor migration capability is that it gives customers confidence that after migrating to the TeleComputing environment they can migrate back to on-premises or even to another provider's environment.

Data Availability, Recoverability, and Security are Crucial

TeleComputing is responsible for keeping its customers' systems up and running and also making sure the data is available at all times across multiple datacenters and adequately protected so that it is both recoverable and secure.

TeleComputing makes use of the advanced file, data, and storage features built into Windows Server 2012, and enhances them with the multivendor replication and data migration features built into Double-Take to enable seamless and end-to-end data management.

A Hybrid Approach Helps to Deliver On-Demand Self-Service Scalability

With customers' increasing demand for almost instantaneous service provisioning, getting the infrastructure in place to support this can be quite a headache for many providers. While many requests may be serviced directly from the resource pool automatically, it may be that extra capacity is required.

Rather than investing in more hardware to cope, TeleComputing has the option to use resources in the public cloud through Microsoft Azure to provision capacity on demand. This use model is still at an early stage, and issues such as data sovereignty may prevent certain sensitive workloads from running in the public cloud.

Despite this, there are many workloads that may be easily run in the public cloud which will ease the pressure on hosting providers to overbuild their networks and thus increase their costs for their customers. Of particular importance is the need for a common management tool to ensure consistent SLAs across the different cloud environments.

CONCLUSION

The world of business is changing rapidly and with it the expectations of what IT can deliver. New services need to be up and running in hours, not days, weeks, or months. An increasing number of companies are turning to hosting or service providers for IT services, placing immense pressure on the providers to invest and modernize for agile service delivery with good quality and competitive costs. Choosing the right platform is important for a provider, as is the ability to migrate customers onto it and off again as needed, while delivering one platform with the same level of service.

About Microsoft

Founded in 1975, Microsoft is the worldwide leader in software, services, and solutions that help people and businesses realize their full potential.

About Vision Solutions

Vision Solutions is the premier provider of high-availability, disaster recovery, migration, and cross-platform data sharing solutions for Windows and cloud computing. Its Double-Take solutions make it easy for organizations to adopt cloud-based disaster recovery strategies, perform near-zero-downtime migrations without risk, share data in real time across platforms, and move, protect, and restore data, applications, and operating systems of any kind on any combination of physical, virtual, or cloud servers. Its solutions are backed by multilingual support and a global network. Vision Solutions is a Gold Competency partner and holds the designation for ISV, Management and Virtualization, and Server Platform.

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Facebook: www.facebook.com/VisionDoubleTake

About TeleComputing

TeleComputing delivers IT services from its four datacenters to 75,000 end users. A typical customer will have from 30 to 3,000 IT users, where TeleComputing is acting as a single point of contact for IT services. By successfully having delivered any place, any time, any device access to its subscription-based services since 1997 TeleComputing is among the world's most experienced providers of hosted desktop and application hosting services.

www.telecomputing.com

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