

EXECUTIVE SUMMARY

Next-Generation Data Centers Will Be Smarter

Overview

In 2016, vXchnge conducted a national study of more than 100 IT decision-makers in an effort to further understand:

- Desirable data center features and capabilities
- Top data center concerns
- Current data center usage
- Future growth expectations

The study polled 102 individuals responsible for their company's data center and/or data center services. Sixty of the respondents are in 2-9 data centers, 28 are in 1 data center, 12 are in 10 or more data centers, and 2 are not sure. The participants include CIOs, IT Chief Executives, Directors, Vice Presidents, managers, and consultants.

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Key Findings

Software, Scale, Security

Survey participants make it clear that they expect a lot from their data centers. IT decision-makers place a high level of importance on a wide variety of criteria, ranging from uptime performance to disaster prevention to having a strategic location. Not only do they require reliability, they are also concerned with power, scale and security. Nearly all of the respondents (more than 93 percent) believe that software will define the smart data center of the future.

What IT Decision Makers Look For and Value in Their Data Center

Percentages based on responses of “extremely” or “very” important.

- Over **80 percent** of respondents agree that availability and reliability are the most important criteria
- Just over **79 percent** feel that having customers in close proximity to their data is the most important benefit of a data center
- Following close behind, nearly **74 percent** identified 7x24x365 data center monitoring, on-site engineering and just-in-time modular design as close seconds
- Nearly **73 percent** of respondents consider an environmentally friendly data center of key importance
- **Power capabilities**, space to support **scalability**, and **location** are the most important data center attributes

Security and Failure Are Top Concerns

- Nearly **75 percent** of respondents are “extremely” or “very” concerned about a security breach
- Over **60 percent** of respondents are “extremely” or “very” concerned about carrier service failure

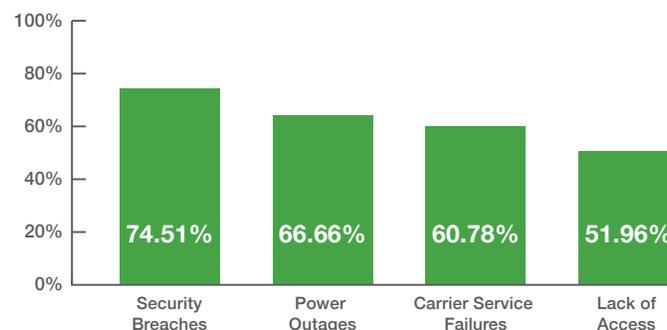
SDDC Is the Future

- Over **93 percent** of respondents believe software will define the data center of the future
- **71 percent** consider a software defined data center (SDDC) an “extremely” or “very” important criteria when selecting a data center
- Just over **77 percent** of respondents plan to move to a SDDC in the next 5 years

Data Center Failures Top List of Fears

Nearly every respondent is concerned about power outages, security breaches, carrier service failures, or lack of access to their data center. Notably, less than 5 percent of the respondents are not concerned with power outages, security breaches or carrier service failure, which highlights how critical a secure, available data center is to their business.

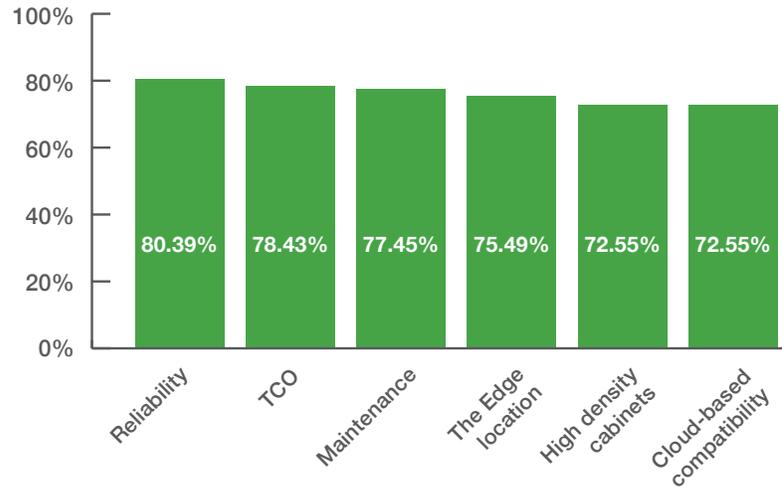
Top Data Center Fears (“Extremely” or “Very” Concerned)



Many Considerations Go into Choosing a Data Center, and All Are Important

Nearly all respondents cite availability and reliability as being the most important criteria when choosing a data center. Other key criteria include total cost of ownership, preventative maintenance, and location at the Edge.

Key Criteria When Choosing a Data Center (“Extremely” or “Very” Important)

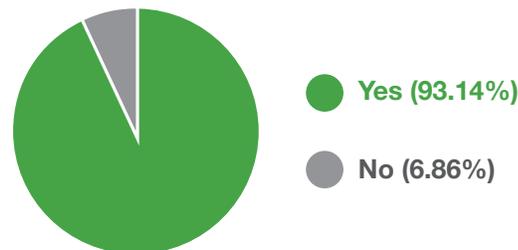


With great importance being placed on so many different elements, data centers are being tasked with delivering across the board on many fronts. They are expected to provide scalable storage capacity, state-of-the-art power redundancy, impenetrable security and nonstop monitoring, in addition to being in the right place with the right price. Those that can meet these lofty criteria will be in demand.

Software Will Make Data Centers Smarter

By 2020, cloud traffic will have quadrupled what it is today, and cloud storage will have increased to 44 zettabytes, **according to Statista**. As cloud hosting and compute storage needs increase exponentially, IT decision-makers are looking to the future and searching for scalable solutions that increase visibility. Smart data centers offer an advanced infrastructure that can give customers the insight they need to properly manage capacities and meet growing demands.

93 percent of respondents think software will define the smart data center of the future, and enable IT professionals to have real-time control over their data and overall business growth.



IT decision-makers believe that software will define the smart data center of the future

Software Will Make Data Centers Smarter

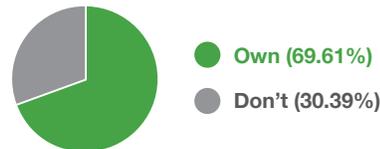
The necessity for next-generation smart data centers has become so critical that most respondents plan to move to a software-defined data center within the next 5 years. This migration leaves no doubt that IT needs smarter, scalable solutions to support significantly growing data and content consumption demands.



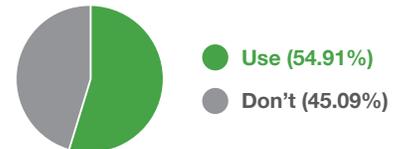
More than three out of four respondents plan to move to a software-defined smart data center within the next 5 years

Data Center Usage Is Already Significant

Nearly 70 percent of the survey participants have their own data center, while 55 percent outsource to a vendor or use colocation to augment their data center needs. More than 56 percent already use more than 5 cabinets in their data center and nearly 62 percent use cloud solutions that cost an average of \$125,000 per year.



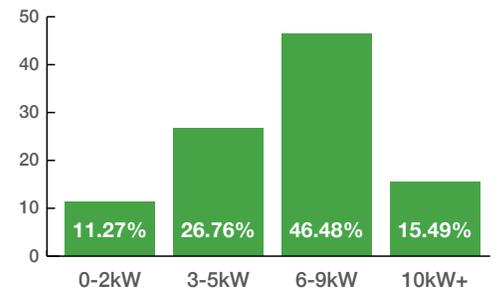
Nearly 70 percent of respondents have their own data center



Nearly 55 percent outsource to a vendor or use colocation to support their data center needs



Nearly 62 percent use cloud for their compute storage and network (IaaS)



Most respondents have an uninterruptible power supply (UPS) power draw of **6-9kW**

About vXchnge

vXchnge is a leading provider of carrier-neutral colocation services, dedicated to improving the business performance of its customers. As the first 100% ISO 27001 edge provider, vXchnge offers resilient data center infrastructure that delivers unmatched brand protection. vXchnge's Micro Data Centers provide businesses with a Data Center-as-a-Service solution that is flexible, reliable and scalable. For more information on gaining an edge with vXchnge, visit vXchnge.com or connect on [Twitter](#), [LinkedIn](#) and [Facebook](#).

