



The Power Struggle

Executive Summary

Independent market research commissioned by Sentrum
compiled & produced by Dynamic Markets



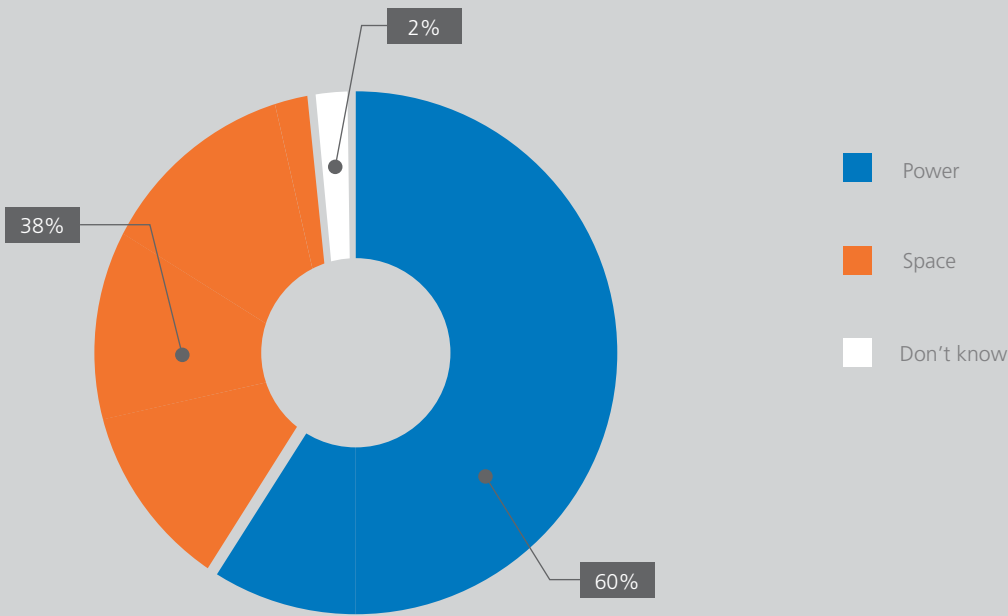
Priorities & Planning

Space or Power?

Data centres are dependent on available space and adequate power supply. But which is more crucial? The research shows that 60% of IT managers think power is more of a priority when choosing a data centre (and 71% of CIOs and director-level IT professionals agree); whereas 38% of the sample think space is more of a priority [Chart 1].

However, there is no difference according to IT managers' opinions on this issue and whether or not they currently outsource any of their data centre space requirements.

Chart 1: Priorities when choosing a data centre



Indeed, during the last 5 years, 81% of large UK companies have expanded or moved their data centres due to needing more space and / or power (especially those who outsource some or all of their data centre space requirements (89%), compared to those who do not (69%)).

More IT managers had to expand or change data centres due to power, rather than space requirements

However, the research shows that more IT managers (61%) had to make such a change due to power requirements, compared to the 53% that had to change due to space requirements.

In more detail, 33% moved for both of these reasons, while 20% moved due to only space requirements and another 28% moved solely due to power requirements.

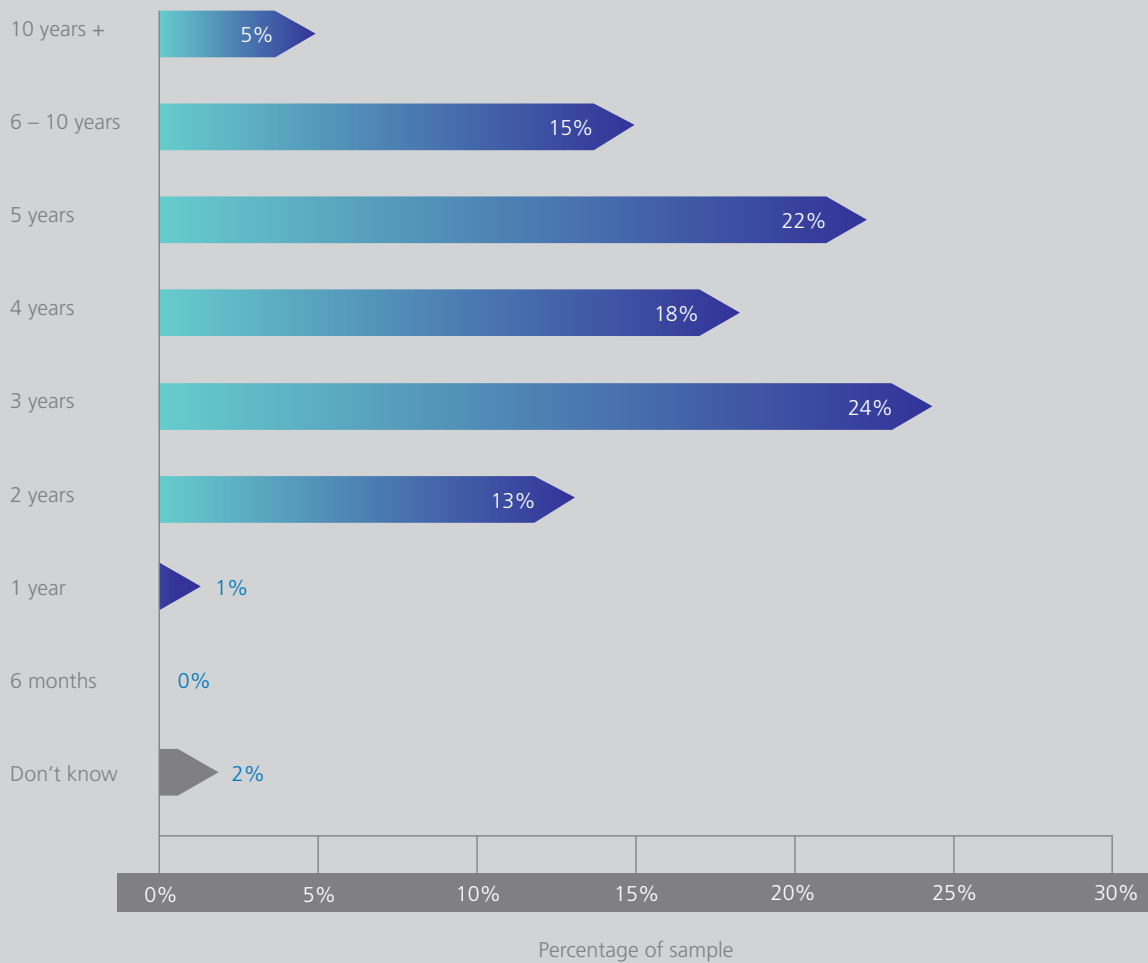


Planning Ahead

When asked about how far into the future current data centre facilities will last them, there is a lot of variation in IT managers' answers to this question.

That said, 78% expect their current data centre facilities to no longer meet their needs at some time during the next 5 years. Also, 38% expect them to no longer meet their needs at some time during the next 3 years [Chart 2].

Chart 2: Sustainability of current data centre facilities into the future



In contrast, 20% think their current facilities will continue to meet their needs for at least the next 5 years, only needing to be changed at some time after this period.

The research shows there is no direct correlation between these answers and whether or not IT managers currently outsource any of their data centre space requirements.

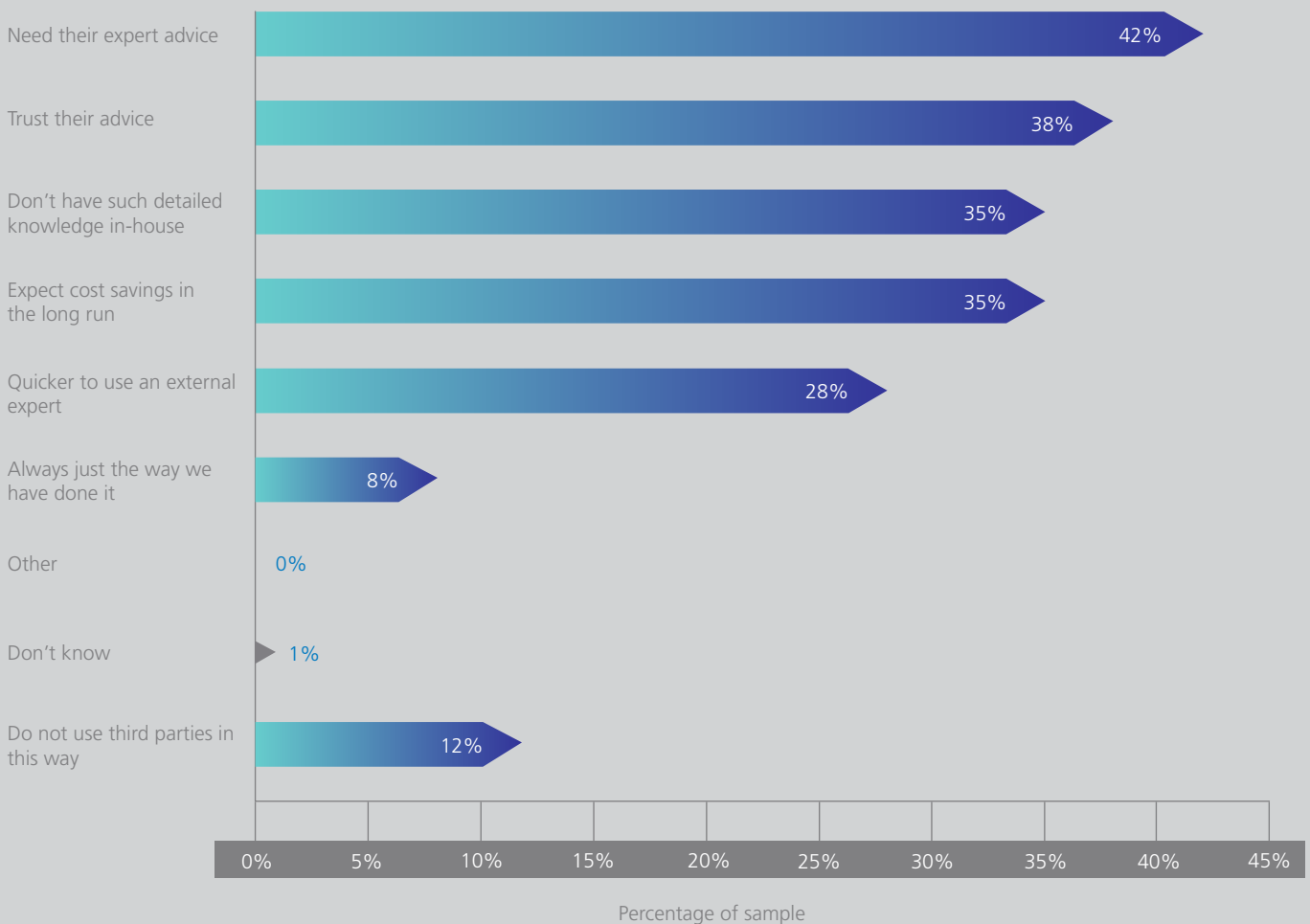


Taking Advice

Future-proofing a data centre is not a straightforward task. In fact, when designing a data centre, 88% of IT managers in large UK companies turn to data centre consultants for advice; and this especially applies to those who outsource any data centre space requirements (96%), compared to those who do not (72%).

35% of companies use consultants' advice because they expect it to result in cost savings in the long run

Chart 3: Reasons for using data centre consultants



42% of IT managers admit they need the expert advice of such consultants, while 38% turn to them because they trust their advice, and 35% admit they do not have such detailed knowledge in-house. But as many (35%) use consultants' advice because they expect it to result in cost savings in the long run [Chart 3].

97% of companies who use consultants end up changing the recommended specification

Despite this, 97% of companies that turn to data centre consultants for advice when designing a data centre sometimes end up changing the recommended specification and not following their advice. 9% say this happens very frequently, whereas a significant 58% say it happens quite frequently, and another 30% say they rarely shun consultants' advice in this way. Only 2% of companies never change the specification suggested by data centre consultants.

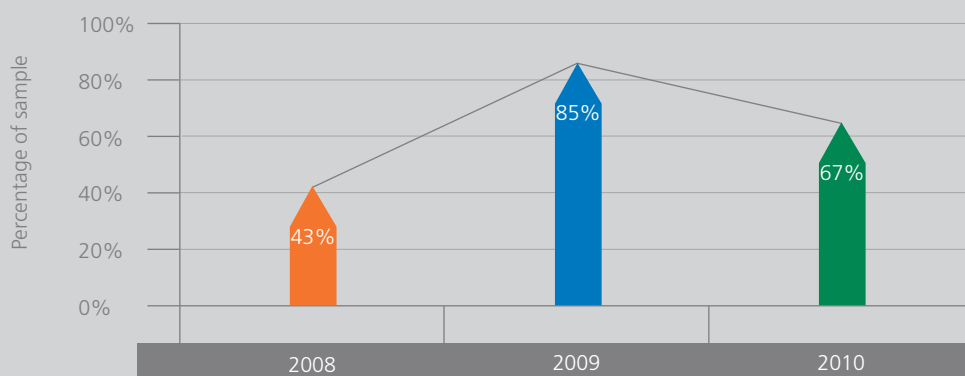
Data Centres: All Change?

Outsourcing Space

This research shows that 67% of large UK organisations outsource at least some of their data centre space requirements: 13% outsource all of it, while 54% outsource some of it. In contrast, 32% do not outsource any of their data centre space requirements, but this includes 13% who have plans to do so in the future.

However, comparing back to 2009¹, there has been a drop in the number of companies that outsource their data centre space requirements, but the numbers are still higher than they were in 2008²: specifically, more companies in 2009 (85%) and 2010 (67%) outsource now in full or in part, compared to in 2008 (43%) [Chart 4].

Chart 4: Outsourcing data centre space requirements – year of survey



This suggests there has been a degree of change taking place in the last 12 months with respect to the location of the data centre. In fact, those who outsource seem quite ready to switch from one data centre operator to another; top of the list of incentives to change is to move for a better deal on costs (71%). However, almost as many (68%) value service and would change operators for this reason. 43% would switch for larger capacity and 40% would change for better energy efficiency. Only 21% say greater expertise would entice them from one data centre operator to another.

65% of CIOs / director-level respondents would change data centre operator for better energy efficiency

When it comes to the most senior decision makers in the sample, 65% of CIOs / director-level respondents would change data centre operator for better energy efficiency, and this feature of a data centre's offering is equally as important to them as cost and service, and is more important than capacity and expertise.



Source:

¹ "Energy: The Currency of the Data Centre" by Dynamic Markets for Sentrum, 2009

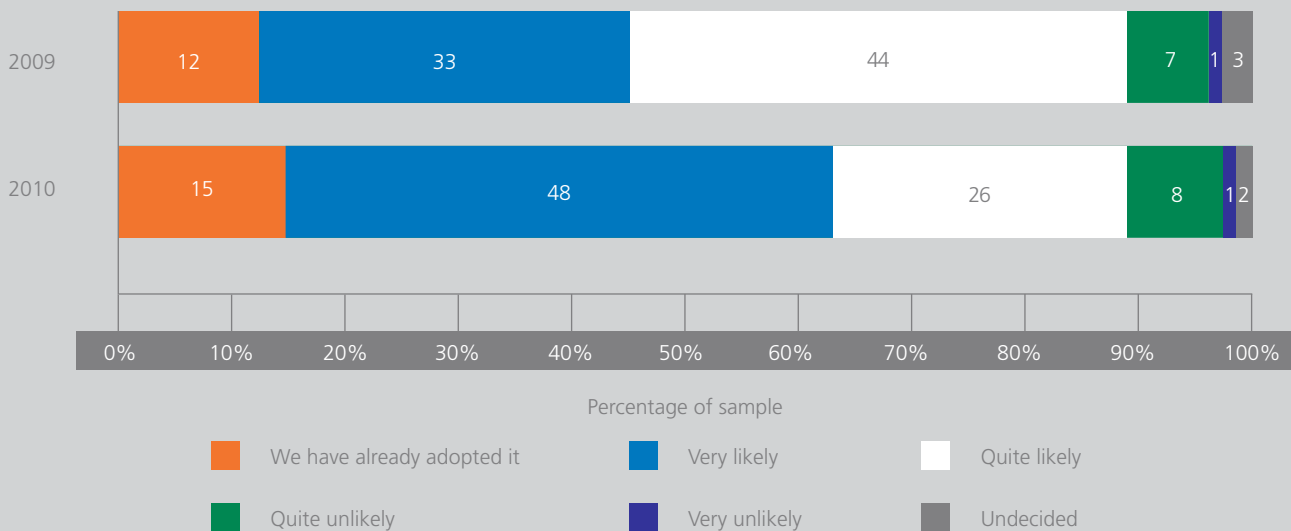
² "Accommodating the Data Centre" by Dynamic Markets for Sentrum, 2008

EU Code of Conduct

In late 2008, the European Union (EU) introduced a voluntary Code of Conduct on Data Centres' Energy Efficiency, and in 2009, Dynamic Markets and Sentrum revealed that by mid-2009 only a minority of companies (12%) had adopted the

Code [Chart 5]. This research shows that, in spring 2010, just 15% of large UK organisations have adopted the voluntary Code of Conduct, but, collectively, 74% are likely to do so.

Chart 5: Adoption of EU Code of Conduct of energy efficiency in data centres



While statistically similar proportions of large companies have adopted the voluntary Code between 2009 and 2010, more companies in 2010 (48%) say they are very likely to adopt the Code, compared to 2009 (33%); similarly, in 2009, more companies described themselves as quite likely to adopt the Code (44%), compared to 2010 (26%), thus showing an increase in the likelihood of future adoption.

Furthermore, in general, those who outsource all or part of their data centre space requirements are more likely to have adopted or to be planning adoption of the voluntary Code.

After more than a year, it begs the question as to why have more companies not adopted the Code? The research shows that 94% of IT managers point the finger at various issues going on during the last year and say they have hindered their company's efforts towards adopting or complying with the EU Code of Conduct.

Those who have adopted the EU Code on data centre energy efficiency do not seem to have been complying

Stretched resources has been the most common obstacle (48%), and 45% say the recession has been a hindrance. 36% say there have always been other, more important IT priorities, and 24% refer to an absence of internal pressure

to adopt or comply with the Code. 18% think the Code has a low profile within the industry which has hindered adoption / compliance. But 27% say the lack of potential financial penalties associated with non-compliance has hindered them, and another 18% blame a lack of policing of the Code.

In fact, even those who have adopted the Code do not seem to have been complying with it: 87% of such companies say issues going on during the last year have hindered their company's ability to comply with the Code. 47% of these early adopters blame the recession for their lack of compliance, but 27% say the lack of potential financial penalties has hindered their compliance, and 20% blame a lack of policing.

In contrast, 56% of those who are unlikely to adopt the Code blame stretched resources, and 38% of those who are likely to adopt and 44% of those who are unlikely to adopt say there have always been other, more important IT priorities.

There is no direct correlation according to whether IT managers outsource their data centre space requirements and which of these barriers have hindered their company's efforts towards adopting or complying with the EU Code of Conduct during the last year.

Research Methodology

This report was commissioned by Sentrum and details quantitative research with IT professionals in large organisations across the UK. It is the third report in a series dating back to 2008.

For this project, a total of 100 interviews was collected with senior IT professionals across a wide variety of industry sectors and in large organisations with 250 or more employees. All respondents confirmed prior to interview that they were an IT professional with responsibility for the company's data centres from an operational and / or strategic perspective. They also confirmed their level of seniority: 24% are at CIO / director level and 76% are at senior manager level.

The findings of this quantitative survey have been analysed systematically and compared according to whether data centre space requirements are outsourced. The answers to some questions have also been compared to the answers collected during the 2008 and 2009 surveys. Where differences exist, they are commented on accordingly.

The interviews were conducted online by Dynamic Markets Limited between 12th and 14th April 2010. Before and during the interviews, respondents were not aware that Sentrum had commissioned the research.

Report Author:

Dr Cherry Taylor
Managing Director
Dynamic Markets Limited
T: +44 (0)870 707 6767
E: cherry.taylor@dynamicmarkets.co.uk
W: www.dynamicmarkets.co.uk

Press Enquiries:

Clare Shephard
Director
Maillot Jaune Communications
T: +44 (0)1252 761 446
E: info@maillot-jaune.co.uk
W: www.maillot-jaune.co.uk

Corporate Enquiries:

Suzie Ball
Marketing Consultant
Sentrum
T: +44 (0)20 7495 8801
E: sball@entrum.com
W: www.sentrum.com

