

Hosting – Where to now?

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Two years ago Ireland was awash with news and information about a booming new hosting industry that was going to change the way businesses approached the e-commerce revolution. So much so that at one point over thirty different internet data centres (IDC's) were planned for our shores.

Many of these are no longer with us for various reasons, mostly economic. "The industry has experienced severe upheavals; it started from the now exaggerated analyst predictions on the monetary value of this market", said Maurice Mortell, CEO of Data Electronics. The signs are here now to indicate that the market is improving and the demand will sustain the current and ongoing investment.

As applications become more sophisticated and server environments become more complex companies are realising that investing in the application and the infrastructure to run it is only part of the story; the hidden costs often lie in the management and retention of the highly skilled staff that developed and maintained these business environments. Owning and managing your own e-business solutions has become very expensive, and now with the recent market moves and the industry shake out one can avail of excellent hosting services at a fraction of what it used to cost for services such as Co-location, custom suites, managed hosting and fully managed services. Co-Location is where the end-user places their owned and fully/partially - operated equipment into the host's IDC. Co-location provides the customer with rack space, power and Internet access. "Power, Ping and Pipe" is the entry-level service available in IDC's. "Power" is the unlimited availability of fully redundant power supply delivered from multiple substations with an N+1 configuration - depending on your choice of provider. "Ping" is the basic Internet program that lets you verify that a particular IP address exists and can accept requests. Used in an IDC it refers to the eyes and ears, which monitor your business 24x7. "Pipe" refers to the availability of high-speed connectivity with redundant and diversely routed



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bandwidth. Co-location is optimal for Application Service Providers (ASP's), corporate customers or Internet related companies that are looking to retain control over their website and its equipment yet benefit from a hardened, bandwidth rich facility. It also suits companies where space may be an issue in their own premises and they cannot monitor their systems continuously. Co-location customers should expect features and services such as multiple CPUs; multiple servers, high server up-times, disaster recovery, 24x7 monitoring and 24x7 secure facility access.

The leaders in this business today in Ireland are eircom, EsatBT, Worldcom, Data Electronics and Nevada Telecom. Maurice Mortell of Data Electronics says, "The real question that providers should be able to answer is how committed they are to provide services today and in the future into the Irish marketplace?"

Also in the hosting arena is the business of Managed Services. A managed service provider (MSP) provides delivery and management of network-based services, applications, and equipment to enterprises, residences, or other service providers. MSP's can be hosting companies or access

providers that offer services that can include fully outsourced network management arrangements, including advanced features like IP telephony, messaging and call centres, virtual private network (VPN's), managed firewalls, and monitoring/reporting of network servers. Most of these services can be performed from outside a company's internal network with a special emphasis placed on integration and certification of Internet security for applications and content. MSPs serve as outsourcing agents for companies, especially other service providers like ISPs, that don't have the resources to constantly upgrade or maintain faster and faster computer networks.

In addition to such basic communication services as leased line, Wide Area Network (WAN) and frame relay service, an MSP can manage and integrate a range of activities associated with enterprise networks. The range of outsourcing services includes basic transport and access, managed premises, web hosting, VPN, unified messaging, video networking, or other more sophisticated services. Companies like eircom, Data Electronics and EsatBT have invested heavily in this business and are very hopeful that they will achieve their return as market conditions present more long term opportunities through mergers and acquisitions.

For example In Dec 2001 Data Electronics purchased the assets of the Wolfe Group; this included a network infrastructure, which enabled managed services to be offered to customers. In addition, in May 2002, the strategic acquisition of Inflow Ireland secured a fully fitted out data centre in Kilcarbery Park, the technical skill sets to be able to provide high end services, and access to an Enterprise Management System.

The hosting market is consolidating and, like any new industries, lessons will be learned and the cream will rise to the top. The Irish hosting market is signing and maintaining good business today and if your company is embarking on a hosting/outsourcing option make sure you make an informed decision.