To: CIO Mart Doyle

From: CTA Jalen Blot

Date: February 5, 2013

Subject: Tier III Data Center Proposal

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The outdated Tier I data center is inefficient and is costing the business $14,800 for every minute of downtime. Without our data centers being able to operate, the company is unable to process orders, and make or ship products. By switching to a Tier III data center, not only will we save $13,229,056, but we nearly reach 99.98% availability.

Tier III is less likely than Tier I to not operate. Unlike Tier I, Tier III has redundant capacity components and multiple distribution paths serving the computer equipment meaning if a server would crash there is enough capacity for the continuation of operations. So if a distribution path were to not work, Tier III would still function. Capacity components in the distribution paths can be removed from service without impact its performance, guaranteeing operations to continue scheduled performances test with limited impact.

The initial investment of $35,000,000 in Tier III will reduce costs and turn a profit of $13,229,056 for our company in three years. Our current Tier I data center has an availability of 99.67% which can result in up to 1734.48 minutes or $25,670,304 in downtime losses per year. The suggested Tier III data center, which has an availability of 99.98%, only has losses of 105.12 minutes, reducing maximum losses to $1,555,776 per year. Over a 3-year period, your return on your $35,000,000 investment is a net profit of $13,229,056. Moving forward, every 3 years you will make a profit of approximately 73 million dollars by switching to Tier III. The implementation of Tier III will ultimately reduce costs for our company.

Works Cited

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