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Datacenters and Networking

Currently our company operates on a Tier I data center, which carries both technical and financial drawbacks. I propose that we upgrade to a Tier III data center because a higher tier level will improve operations and save millions in long-term downtime costs.

As a manufacturing company, real-time product delivery is essential. With our current system, we cannot depend on our data center to provide real-time product delivery that our company’s profits rely on. This is not a liability under a Tier III system. Any work or maintenance on our Tier I data center also requires a shutdown, during which time the company cannot use its data center to make money. A Tier III system does not require a shutdown for maintenance. In a Tier III data center, versus our current data center, each component of the system can be shut down without impacting operations. Overall, upgrading to a Tier III system would improve performance and reduce the cost of downtime.

           Currently, our company’s data center availability is 99.67%. This translates to a downtime loss of $25,670,304 per year. With a Tier III data center (99.98% availability), the company’s potential downtime costs would lower to $1,555,776. Total downtime costs would decrease by $24,114,528 per year. Although the costs savings in this first year is lower than the $35,000,000 investment costs, over a three year time span, the company will have saved $72,343,584.

Sources:

Gage, Clinton. “Tier Classification System.” *Uptime Institute LLC*, uptimeinstitute.com/tiers.

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