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Flash paper # 1

Our company has an opportunity to save \$ 72,343,584 over the span of three years by implementing Tier 3 data center. With increased availability of 99.98, down time would significantly decrease the expenditure on downtime. Therefore we should introduce the Tier 3 data center.

Tier 1 data center typically has two scheduled yearly outages for maintenance, where as tier 3 data center data center is maintained automatically. Secondly on average Tier 1 data centers annually experiences unplanned 1.2 equipment and distribution failure, where as in Tier 3 data center there is no equipment failure. Tier 1 data center has 28.8 hours of unplanned outage annually, and Tier 3 data center has 1.6 hours of unplanned outage annually. Tier 3 data center comes with dual powered equipment facility, making it superior in comparison to Tier 1, which only has a single powered facility; this would be vital in case of major power outage.

The estimated cost for installing a Tier 3 datacenter is approximated at \$ 35,000,000 and would take about a year to build. However, if we use Tier 3 data center for next three years the company would save \$ 13,229,056 due to reduced downtime and loss would cut down to only \$ 1,391,200 every year. This investment would definitely justify the cost associated with the installation of the data center.

Data Centre System	Installing cost	1st Year Downtime cost	2nd Year Downtime Cost	3rd year Downtime cost	Total Cost
Tier 1	0	25,670,304	25,670,304	25,670,304	77,010,912
Tier 3	35,000,000	25,670,304	1,555,776	1,555,776	63,781,856
<b>Net Benefit</b>					<b>13,229,056</b>

After Installing	
Data Center System	3 years downtime cost
Tier 1	77,010,912
Tier 3	4667328
<b>Net Benefit</b>	<b>72,343,584</b>

Work cited

"Explain: Tier 1 / Tier 2 / Tier 3 / Tier 4 Data Center." *Linux Unix Tutorial for Beginners and Advanced Users NixCraft RSS*. N.p., n.d. Web. 26 Feb. 2014

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