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Flash Research Assignment #1: Data Centers and Networking

Our company can save $24 million by upgrading to a Tier III data center from our current Tier I data center. Within the past year, the company faced ten unscheduled outages and experienced 1,735 minutes of downtime. By upgrading to a Tier III data center, the company can reduce downtime to 106 minutes and save net benefit of $13,229,056.

Unlike a Tier I data center, Tier III data centers only need one distribution path at any time. They also have alternate components to serve as backups for the center thus increasing availability and minimizing interruptions (Industry Perspectives). The key capability of the Tier III data center is its 99.98% availability, which is 0.31% higher than that of Tier I. Each minute the center is down, it costs the company $14,800. Multiple, or even all, capacity components and elements can be removed from use on a planned schedule and this will not affect the functionality of the computer. This will benefit the company and keep the company powered and secured more effectively.

The company will experience a net benefit of approximately $13 million over the course of three years. The installation of the Tier III data center will initially cost $35 million, but the company will face a cost-avoidance benefit of about $48 million. The Tier III data center will reduce management costs as well as increase the efficiency of the company’s systems and applications.

Sources

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