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Flash Research Assignment #1 - Data Centers and Networking

Our company has the opportunity to save \$13.2 million over three years by upgrading our datacenter from tier I to tier III. Upgrading to a tier III datacenter will significantly increase the availability of our ERP system, reducing the length and frequency of outages. By upgrading our datacenter, we will save costs associated with downtime and operate more efficiently.

The key capability that distinguishes a tier III datacenter from a tier I datacenter is its increased availability. Tier III datacenters utilize multiple pathways and redundant power supply, resulting in less outages. By upgrading, our datacenter availability will increase from 99.67% to 99.98%. With our current datacenter we experience outages for 1734 minutes over the year, during which time we cannot process any orders. With the new tier III datacenter, we would experience outages for only 105 minutes a year. Not only will a tier III datacenter reduce outages, but it will also allow the company to operate more cost efficiently.

The up-front cost of implementing a tier III datacenter is \$35,000,000. As a result of decreased downtime, we will save \$24,144,528 a year, yielding a total benefit of \$48,229,056 over the next three years. Therefore, the three-year net benefit of upgrading to a tier III datacenter to decrease downtime is \$13,299,056.

Works Cited

"Redundant Power Supply." *WTI*. Western Telematic , n.d. Web. 08 Feb. 2017.

"Understanding Tier 3 and Tier 4." *OVH*. OVH, n.d. Web. 08 Feb. 2017.

"What is uninterruptible power supply (UPS)? - Definition from WhatIs.com."
SearchDataCenter. Tech Target, 2015. Web. 08 Feb. 2017.