

To: CIO Mart Doyle

From: CTA Sean O'Neill

Subject: Data Centers and Networks

Date: 1/29/14

Our company can save \$13,000,000 over the next three years by upgrading from a Tier I to a Tier III data center. These savings can be directly tied to the .31% increase in availability that a Tier III data center with redundant capacity components and multiple independent distribution paths offers. Investing in a Tier III data center will reduce downtime of our ERP system, therefore decreasing maintenance costs.

Our current Tier I data center offers the lowest availability at 99.67%. Tier III data centers have multiple active power distribution paths, and redundant components offering 99.98% availability. Multiple active power distribution paths will guarantee an alternative power supply to run our IT equipment in case of a power outage. Since components are redundant we will not have to worry about increased downtime when performing maintenance or changing components. A Tier III data center will decrease total downtime and allow employees to make, ship and process more orders.

Installing a Tier III data center will cost \$ 35,000,000 and take a year to build. With our current data center availability at 99.67 %, we are experiencing 28.9 hours of downtime a year which cost \$25,600,000 annually. Installing a Tier III data center with 99.98% availability will decrease our downtime to 1.75 hours a year costing \$1,500,000, a saving of \$24,100,000 annually. Over the period of three years we will experience a saving of \$13,000,000.