

Data centers ‘old school’ in servicing innovative industries

INSTITUTIONS AND BUSINESS REQUIRE EVER MORE PROCESSING POWER AND STORAGE SPACE DUE TO LEGISLATION REQUESTING LONGER DATA STORAGE AND THE FAST-GROWING NUMBERS IN CLOUD COMPUTING. THE BUSINESS WILL THEREFORE GROW EXPONENTIALLY OVER THE COMING DECADES. INDEPENDENT DATA CENTER EXPERT ROBERT HOGELING GIVES HIS VIEW ON WHAT THEIR FUTURE WILL LOOK LIKE.

For the biggest players - Microsoft, Google, Facebook – their lifeblood is rapid processing power and data storage, while critical systems are secured. They spread their risk by building own data centers at multiple locations, and they will continue to do so, at increasing speed.

Peace of mind blocks innovation

‘For a sector that thrives on the rapid innovations of the fourth industrial revolution, it is quite paradoxical that their systems are based on ‘old school’ technology. Data centers sell peace of mind, with service level agreements offering customers up to 99.99% reliability. So they keep relying on diesel generators as back up to supply uninterruptible power. Even though far more environmentally friendly solutions have proven to be a good alternative’, says Robert Hogeling.

‘The biggest change I’ve seen in my 16 years in the business is the introduction of air cooling systems. Once it proved possible to reduce the client’s energy costs significantly, data centers switched. But that is not likely to happen soon in power supply’.

Growing data volume lowers thresholds

Besides the data center giants, most organizations hire capacity in one or two data centers. Banks and tech companies that need in excess of 500 KW capacity generally use wholesale data centers, whereas retail data centers cater to smaller players who keep costs down by sharing the overhead. Robert: ‘Wholesale data centers saw the biggest growth over the past years, offering data storage at a much lower price than the retail ones. Now, with growing volumes in



Frontrunning: Google data center in Groningen (NL) operates on wind energy.

data, price differences between wholesale and retail are vanishing.’

Innovations

When it comes to innovation Robert sees a significant role for universities and governments. ‘They create room for experimenting in a small part of their capacity. It’s in the niches that new technologies can gain ground, although most of them are not likely to quickly make it to the main market’. A niche development is ‘Edge’, seeing small-scale providers establishing data centers on the edge of residential concentrations to meet consumer demand for streaming. Robert believes that the greatest challenges lie ahead for regional data centers built around 2000. ‘With an average depreciation term of 20 years, they face the choice of major overhaul or being overtaken by bigger players’, concludes Robert Hogeling. ■



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Robert Hogeling is an independent data center consultant for a number of large Dutch and international investment parties.