

Business Priorities and Trends



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McKinsey & Company

70% of respondents say they are using some combination of Web 2.0 technologies for communicating with their customers



26% of companies surveyed used at least one software-as-a-service application in their business in 2007, up from just 11% in 2006. By 2010, it forecasts as many as 65% will be using at least one application.



IP traffic will increase at a combined annual growth rate of 46% from 2007 to 2012, nearly doubling every 2 years. This will result in an annual bandwidth demand on the world's IP networks of approximately 522 Exabyte, or more than half a Zettabyte



Global Traffic Projections over next decade:

- Video calling 500 exabytes
- Movie downloading / peer-peer 100 exabytes
- Remote backup 100 exabytes
- Internet video and virtual worlds 100 exabytes
- Non internet IPTV 100 exabytes
- Business ip traffic 100 exabytes



49% of enterprises surveyed that are implementing or interested in server virtualization indicate that improving disaster recovery/business continuity continues to be a very important motivation for adoption.



Worldwide cloud services revenue will grow to \$150.1 billion in 2013



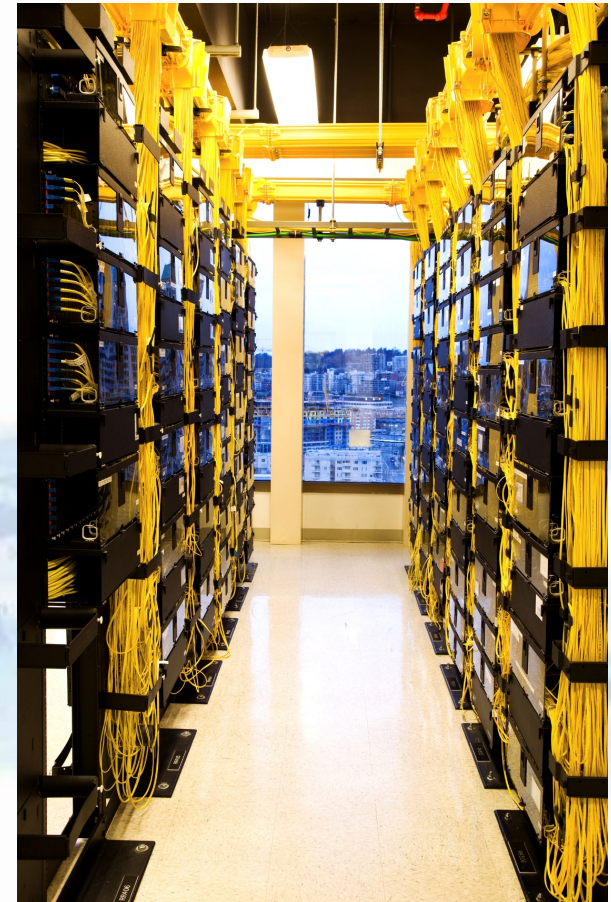
Millenials multi-tasking lifestyle rely on IM, Mobile Devices, Social Networking Websites both in their personal and business lives

Datacenter Drivers and Challenges



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- Aging Enterprise Data Centers which can't support higher densities
- Insufficient power and cooling to meet the needs of high density equipment
- High datacenter space and power costs
- Slow deployment of new, high bandwidth applications
- Limited Disaster Recovery and Business Continuity
- Datacenter consolidation
- Need for Low latency networking



2009 CIO Technology Priorities



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Top 10 Technology Priorities

1. Business intelligence
2. Enterprise applications (ERP, CRM and others)
3. Servers and storage technologies (virtualization)
4. Legacy application modernization
5. Collaboration technologies (email, instant messaging, SharePoint, video)
- 6. Networking, voice and data communications**
- 7. Technical infrastructure**
8. Security technologies
9. Service-oriented applications and architecture
10. Document management

Source: Gartner January 2009

The Datacenter has growing importance and evolves into Datacenter 3.0

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Drivers:

- Increased Bandwidth requirements
- Increased Risk Profiles: **Disaster Recovery** and **Security**
- Options for using out-tasking
- Changing Regulatory Environment
- Limited Money and Resources

Data Centers are becoming the hub for network-based applications:

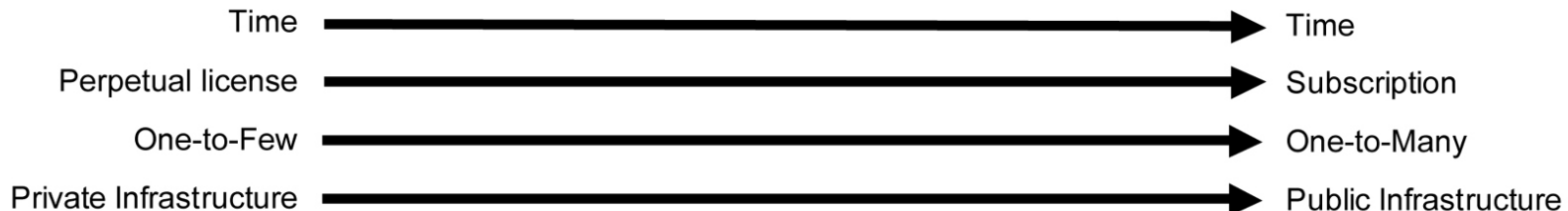
- **SaaS** and Cloud Computing
- Unified Communication / Collaboration Services
- **Social Networking**
- **Virtualization**
- Thin Client / Network Based Security



Software as a Service

Hosted Application
Management

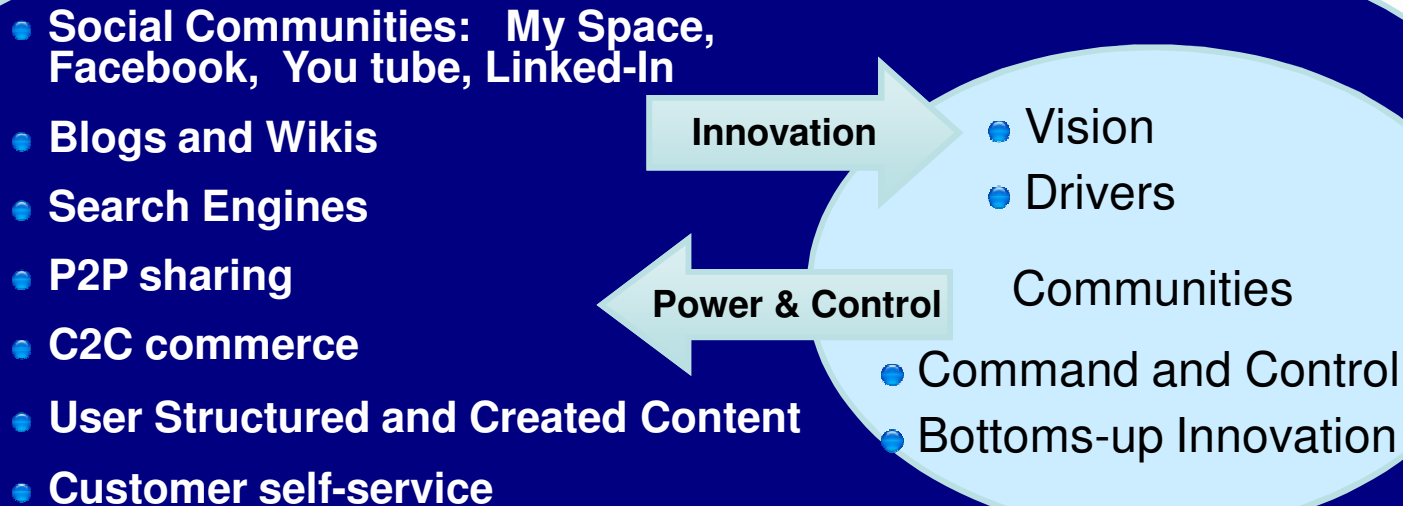
Software
on Demand



According to IDC, software-as-a-service is "intuitively appealing" to:

- SMBs, with 5.1 percent of PC-owning small firms
- 15.2 percent of PC-owning medium sized companies planning to adopt a SaaS solution within the next 12 months.

Both small and mid-sized firms cite the ability to pay for capabilities as needed as the top reason to try SaaS, though adding new users without difficulty and lightening the workload of IT staff was nearly as important to mid-sized businesses.



Web 2.0 tools such as blogs, wikis, RSS, and content tagging has many enterprise architects, CIOs, and information and knowledge managers questioning their Enterprise Content Management priorities – Forrester Research

Virtualization Technologies



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IDC expects the overall virtualization services market to grow from \$5.5 billion in 2006 to \$11.7 billion in 2011

- **Geographic Dispersion:** Secure, robust location out of the threat zone with different power grids and water facilities
- **Networks:** Diverse and reliable network connectivity
- **Processes:** Processes for both keeping the back up site up to date and for running your operations using the back-up site
- **Management:** A way to monitor the site and people who are on site and can keep this site up and running
- **Protection:** Ways to keep valuable customer and business data backed up and safe
- **Cost effective solution**

Implications for DR Geographic Dispersion

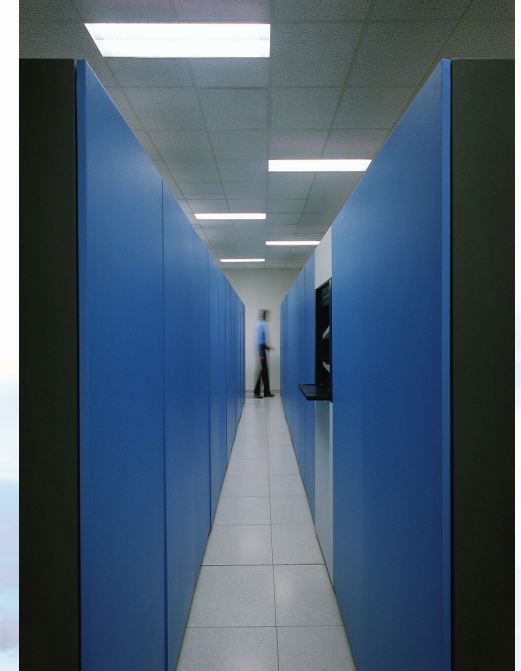


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**Primary
Location**

**Today's threat profile
requires a geographically
dispersed infrastructure to
mitigate risk**



**Secondary
Location accessed
over the corporate
network or the
Internet**

**Distant enough for safety
different power grids and water lines**



**Close enough for cost effective
performance, management
and recovery**

Implication for DR Data Backup



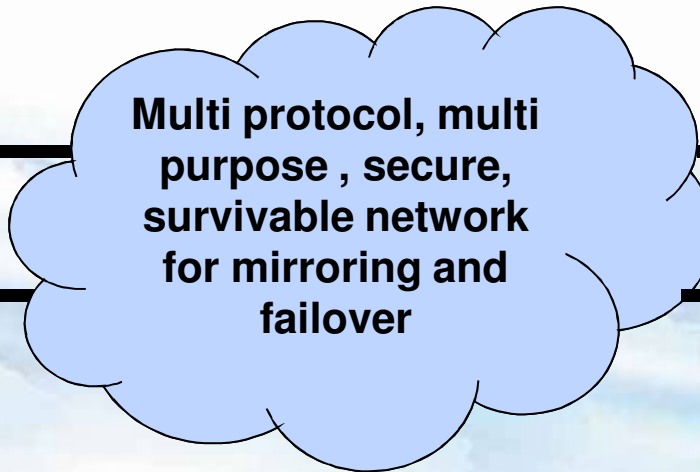
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Today's threat profile requires:

- Data to be mirrored off site
- PCs be backed up regularly



**Primary
Location**



**Secondary
Location accessed
over the corporate
network or the
Internet**

*Look for a solution that is easy to use
and reliable*

*Take into account the
cost/performance of backup*

Implications for DR: Survivable and Secure Network Connectivity



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Today's threat profile requires a reliable and diverse network infrastructure to mitigate risk that is fully monitored

Multi protocol, multi purpose , secure, survivable network for mirroring and failover



Primary Location

Look for a choice of service providers at a good price point

Secondary Location accessed over the corporate network or the Internet

Network Implications

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- More bandwidth heading toward “on-demand”
- 10 Gbs → 40Gbs → 100Gbs
- Metro Ethernet, WAN Ethernet, fiber, IP, WDM, VPN
- Ultra low latency performance
 - Sub 1mg in metro
- Delivery of data center traffic of all types and protocols



Power and Cooling Implications

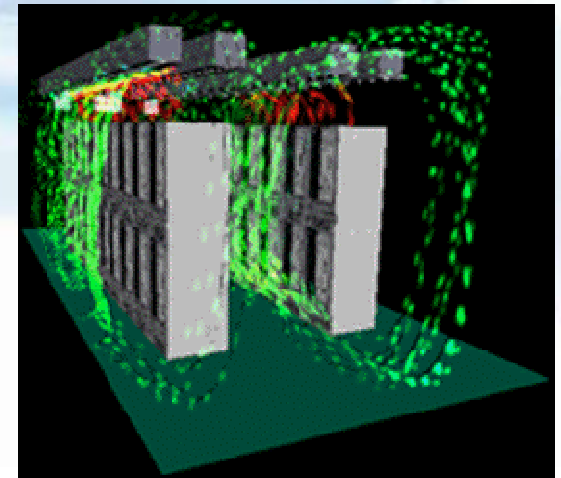


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- **The Challenge:** 50%+ of power for a data center does not support IT LOAD but rather the power and cooling systems for a data center

- **The Opportunity:**
 1. Greater efficiency – reduction of electric bills
 2. Flexibility in the data center
 3. Per APC, every KW saved can save \$1K/yr
 4. Every KW saved reduces carbon dioxide emissions by 5 tons /year
 5. Higher density configurations use space better

- **How:**
 1. Modular power & cooling equipment
 2. Hot aisle containment
 3. High efficiency UPS
 4. Energy management systems



Connect, Converge, Collaborate

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- Separate Voice or Data
- Perpetual License
- Custom-Built



- Dedicated Physical
- Local, Partitioned
- Fixed Capital



- Network Services
- Fixed Bandwidth



- Multiple Devices
- Separate Access Nets



- Monitoring / Management
- Visibility
- Perimeter Security



- Converged
- Pay Per Use
- Service Oriented Architecture

- Virtualized, On Demand
- Global Utility Grid
- Managed, Scalable Services

- Converged IP / MPLS/DWDM
- Virtualized high bandwidth
- On Demand

- Multi-Mode Converged Devices
- Seamless Mobility
- Social Computing

- Orchestration/Optimization
- Fine-Grained Control
- Integrated Threat Management

Why Telx?

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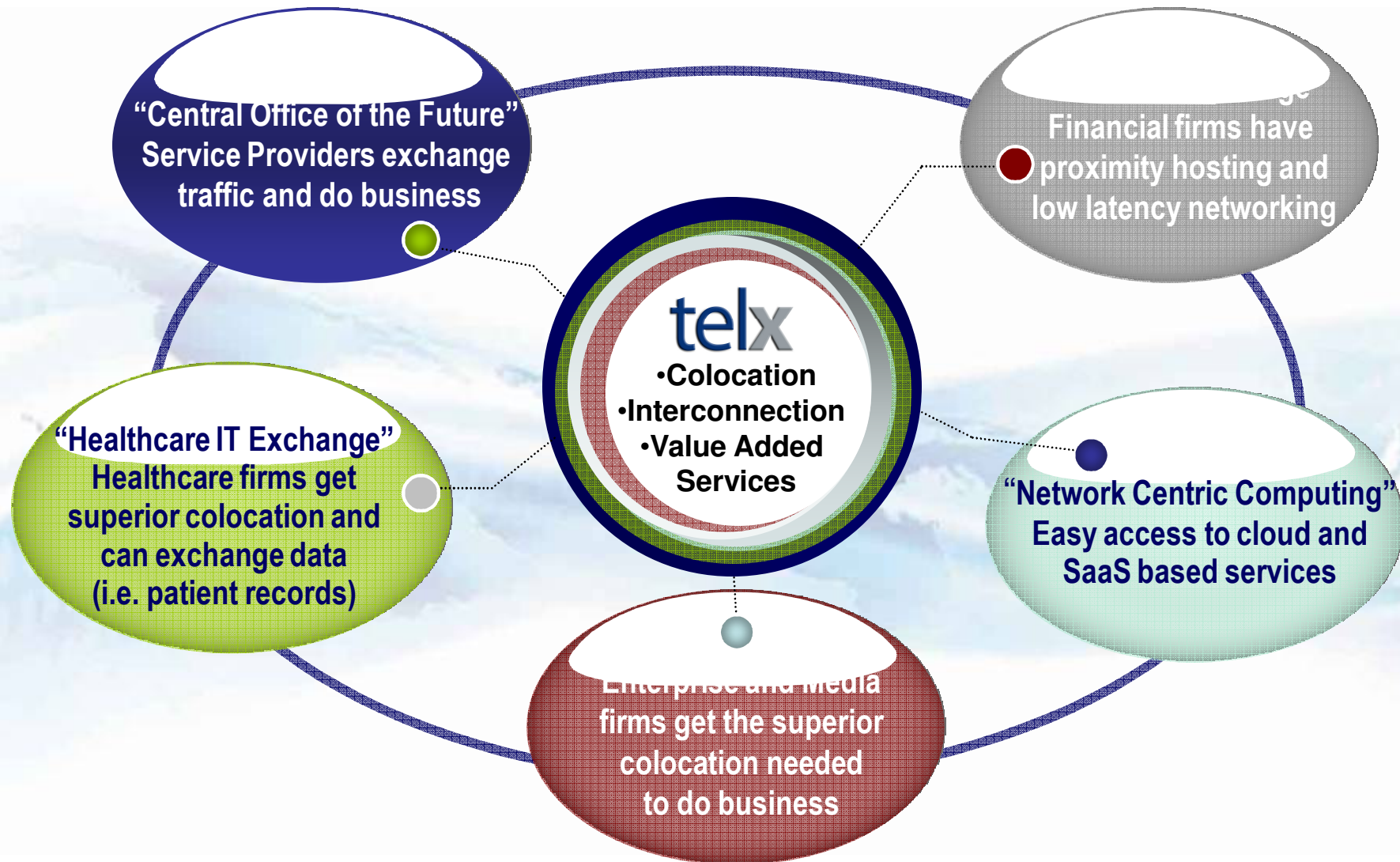
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- **Reduce Your Costs:** Reduce network costs by replacing local loops; take advantage of colocation cost advantages.
- **Expand Your Connections:** Access to 100s of networks reducing costs, lowering latency and improving performance.
- **Be Part of a Global Ecosystem:** Easily exchange information in ecosystem of IP networks, service providers, enterprises, content owners, Financial Exchanges, Cloud/SaaS providers.
- **Utilize Enhanced Colocation:** Put your equipment in a secure, state of the art, flexible, network rich data center.
- **Be Supported by Trusted Service:** On site responsive personnel and an effective and efficient process.

Telx Powered Businesses



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