

If you think it is cheaper for you to own and operate your data center, you might want to think again.

Many IT execs who take a deep dive into their total cost of ownership find they can come out well ahead by letting an experienced data center partner take the reins – moving to either a dedicated hosted infrastructure or to a colocation model.

To evaluate the numbers for your organization, use the list below as a guide. Explore how much you are spending today and how much you will need to invest in years to come. You then will be poised to discuss your findings with a trusted data center provider and see how much you might be able to save.

1. Power. Consider your total energy footprint, including the cost of the power you need to keep your systems up and running and to keep them cool. Experts writing for the website TechRepublic have estimated it takes an average of about \$731 annually to power and cool a single in-house server.

2. Hardware. When you own your own servers, the initial capital investment is just the beginning. You will need to fund repairs, upgrades and periodic replacements of your hardware as it ages. And if you drag your heels on those replacements, you'll pay the price. Industry analysts at IDC¹ say that by the fourth year in the life of a server, support costs increase by about 40%, and they soar even higher as time passes. Expect an increase of 200% at year five, 270% at year six and a whopping 400% at year seven. As you evaluate your own hardware costs, project what you will need to invest now and in the future to keep your infrastructure current.

3. Support. How much are you spending on third-party support contracts or on IT staff time devoted to your infrastructure?

Look at what it costs to install and set up servers, oversee security controls, troubleshoot, manage backups, apply fixes, patches and upgrades, tune performance, track software licenses and more.

4. Excess capacity. Consider your utilization rates, or how much of your system capacity you actually use. Have you invested to handle anticipated future growth, only to have much of your infrastructure sitting idle for now? What are you paying to maintain that idle capacity?

5. Downtime. Look at how much downtime, if any, you've experienced with your current infrastructure and what the cost to your business has been. Did you experience equipment failure or have to take systems offline for maintenance or upgrades? Did the downtime impact sales? Staff productivity? Customer retention?

6. Disaster recovery. Are you maintaining multiple sites or sets of hardware to ensure you can continue to serve your customers in the event of a catastrophic failure? Or are you playing the odds and operating without a safety net because of the costs involved?

7. Floor space. If you host your own servers, they need a home. And that means floor space. Calculate the per-square-foot cost of the space you could free up for other uses if you move your servers offsite or adopt an infrastructure as a service model.

Once you have numbers in hand, evaluate what your costs will look like in years to come. You then will have solid data to compare to the fixed service fee your service provider will charge to host your current infrastructure or to provide highly secure, available and redundant infrastructure services.

¹IDC: Managing IT Infrastructure Renewal: A Business Framework to Reduce Server and Storage Costs: September 2010