

Business growth is rarely a bad thing. After all, it is what organizations works tirelessly to achieve. However, with growth comes a series of challenges many businesses may not be prepared to take on.

As businesses grow, so does their data. This is largely predicated on the continued focus on digital transformation and the Internet of Things (IoT). The latest estimates expect the amount of new data to reach 180 zettabytes (ZB) by 2025—that is up from 44 ZB in 2020. Surging quantities of data inevitably lead to insufficient data center space and strained bandwidth. This can introduce service delays and impact operations.

To safely store, manage and analyze data, businesses need flexible space and data center connectivity solutions that can meet existing and

future needs without compromising security or compliance. Yet, in-house data center solutions may not be able to keep pace with business growth. While building a larger data center is an option, this can be extremely expensive and time intensive. It also requires a level of expertise many businesses may not possess internally.

Colocation offers a flexible alternative that allows businesses to scale their infrastructures as needed. Many businesses recognize this value as a study by Vanson Bourne reported that 79% of large enterprises say their digital strategies are rapidly increasing their need for third-party colocation services. Before building a new data center or expanding an existing onsite facility, businesses should consider the benefits of colocation.

Reason #1: Controlled Costs

Building a data center is expensive. From purchasing land, planning the build and constructing the facility, to installing fiber connectivity and integrating physical security and critical operating systems, the upfront costs alone can be staggering. Even after construction is complete, there are ongoing maintenance and staffing costs. Colocation allows businesses to lease existing space to avoid the time, costs and stress associated with building a facility. This reallocates resources, allowing internal IT teams to focus on revenue-generating initiatives.

An outsourced model also allows businesses to shift their cost structures from capital expenditures (CapEx) to operating expenses



(OpEx) to provide a more consistent and predictable monthly payment structure. It also allows businesses to control costs by only paying for the space, power and connectivity they need. Additionally, business can realize economies of scale and gain opportunities to negotiate better deals as they increase their footprints.

The QTS Difference

- Purpose built data centers
- Flexible space, power and connectivity options to meet unique requirements
- Commitment to <u>sustainability</u> to benefit the environment and customers' bottom lines

Reason #2: Strategic Data Center Locations

Third-party data centers offer strategically located facilities that allow businesses to choose locations that meet their needs, such as deploying a production environment near a corporate headquarters to support low-latency connections and allow data center managers to easily access the facility. A portfolio of geographically diverse national data centers also allows organizations to establish disaster recovery (DR) sites a safe distance from the primary location. Building two data centers to support this DR strategy is extremely expensive and outside of many organizations' budgets.

The QTS Difference

- 28 strategically located data centers across U.S. and northern Netherlands
- Mega scale data centers located outside of FEMA flood zones

Reason #3: Data Center Redundancy and Diverse Connectivity Options

Third-party data centers also offer redundant infrastructure to help promote 100% uptime. This includes multiple UPSs, cooling units, generators, power grids and power feeds. They also offer advanced interconnection, and access to a variety of carriers and major hyperscale clouds. On-premise data centers generally lack access to this breadth of providers. This resilient environment ensures if one critical element or connectivity path fails, another can take over.

The QTS Difference

- Redundant critical systems (N+1, N+2 and 2N)
- 100% uptime SLA on power and cooling
- · Carrier neutral approach
- Access to 200+ leading service providers
- Direct on-ramps to the world's five largest clouds

Reason #4: Rapid Scalability

Perfectly sizing an internal data center is extremely difficult. Building it too large leaves businesses paying for unnecessary space, while not building it large enough risks capacity challenges down the road. Partnering with an outsourced provider allows businesses to rent existing space to quickly address capacity requirements without capital outlay. Businesses that do not sustain the growth can easily scale back down. This elasticity extends beyond space and power to

allow businesses to quickly expand bandwidth to accommodate traffic spikes that can cause performance issues and outages.

The QTS Difference

- 3.5 million square feet of data center space
- Space, power and connectivity to support a business' short- and long-term growth
- Single cabinets, multi-rack cages and private suites
- Agile, resilient network easily bursts to support growing bandwidth demands

Reason #5: x365 Onsite Expertise

Operating a data center is timeconsuming and takes an expertise that is difficult to maintain internally. Businesses that manage the data center themselves also pull valuable IT resources away from core, business-critical IT initiatives. Colocation provides a skilled team of professionals to oversee the facility. This team is available 24×7×365 to address concerns and ensure optimal performance. Data center migration is a solution that combines the savings of colocation with the flexibility of an outsourced model that provides the specific expertise businesses need, when they need it, without the expense of hiring a skill set they may not need long term. This on-demand expertise enriches the customer experience and delivers peace of mind.

The QTS Difference

- Experienced team of engineers and technicians available 24×7×365
- Remote Hands services



- Powered by People approach ensures exceptional customer service
- Industry-leading Net Promoter Score

Reason #6: Data Center Security and Compliance

Protecting data remains a critical business expectation. Colocation offers multi-layered physical security features that are designed to ensure only authorized personnel can access the facility. These features include perimeter fencing, 24×7 guard patrols, visitor screenings, video surveillance, card readers and biometric access controls. Additionally, colocation facilities implement policies and controls to help meet various compliance certifications and standards, including SOC 1, SOC 2, SSAE 18, ISO 27001, HIPAA and PCI DSS.

The QTS Difference

- 24×7×365 rigorous physical and logical security
- Select facilities meet or exceed FISMA High physical security and environmental control environments
- Dedicated compliance team

- Certified or accredited for SOC 1, SOC 2, HITRUST, PCI DSS, FISMA, ISO 27001 and more
- Committed to protecting customers' confidential business data and easing the auditing process

Reason #7: On-going Innovation

Colocation providers also continually invest in new, innovative technologies that on-premise data centers may not have the resources to implement. These technologies can streamline processes and operations, strengthen overall performance, improve cost efficiency and time management, and drive overall operational value.

The QTS Difference

- Service Delivery Platform (SDP) provides real-time, actionable insights to help customers optimize their environments
- Remotely visualize, manage and control power usage, asset and badge system data, temperature and humidity data, and more
- QTS Innovation Lab (QIL) vets new capabilities to deliver industryadvancing innovations

Colocation entrusts a business' data to a data center professional equipped with the right operational environment, security, staffing and protocols. As businesses continue to grow, ensuring the data center environment can support shifting needs is more critical than ever. With colocation, data center environments can scale in lock step with changing needs and deliver the connectivity, security, resiliency and support necessary to succeed in an increasingly fast-paced, digital landscape.

ABOUT QTS

QTS Realty Trust, Inc. is a leading provider of data center solutions across a diverse footprint spanning more than 7 million square feet of owned mega scale data center space within North America and Europe. Through its software-defined technology platform, QTS is able to deliver secure, compliant infrastructure solutions, robust connectivity and premium customer service to leading hyperscale technology companies, enterprises, and government entities. QTS is a Blackstone portfolio company. Visit QTS at www.qtsdatacenters.com, call toll-free 877.QTS.DATA or follow on Twitter @DataCenters_QTS.