

## How To Choose the Best Colocation Provider

Colocation facilities are popping up all over, but their offerings vary widely.

By **Ted Hammerman**  
for Office.com

Jan. 16, 2001— A variety of tech companies — telecommunication carriers, Web hosts, ISPs and niche entrants — are providing improved colocation services for Internet content. Forrester Research predicts that through a combination of rapid Internet growth and increased outsourcing of services, an even greater need for Internet-related hosting and colocation services will emerge, producing revenue of \$14.7 billion in the United States by 2003.

Carefully choosing a colocation provider is paramount. You are selecting a company that ultimately will house your mission-critical data. Companies need nonstop, high-performance Internet operations that can handle growth and allow them to communicate and transact business globally. Securely housing your data and providing instant access requires sophisticated technological expertise, demands significant capital and can distract you from your core operations. This article offers options to consider for finding the right colocation provider.

To fully protect your equipment and data, you need to build in multitiered levels of redundancy and security measures. It may be more effective to let the experts handle it.

"When considering the cost and effort associated with installing and managing features to protect your data, it comes down to a **buy versus build** consideration," says David Taffet, president of [MeridianTelesis](#) in Philadelphia. "By opting to house equipment with a colocation provider, businesses can reduce their cost, their distractions and their liability," Taffet adds.

The demand for colocation services is significant. Currently, most new colocation facilities are being constructed by telecommunications carriers and ISPs. Internet and e-commerce companies that colocate equipment at these facilities typically have no choice but to purchase bandwidth from the facility provider. That can be costly, given the lack of competition, and a significant risk to the company if the facility provider's network were to fail or have performance problems.

In negotiating your colocation contract, strive to secure a comprehensive agreement custom-tailored to your company's needs:

- Minimize the number of possible points of failure in the colocation facility.
- Require 24/7 live service.
- Confirm that the provider's infrastructure includes elements of security, neutrality (offering customers the choice of equipment or services), scalability (supporting evolving space and bandwidth needs), redundancy, environmental controls and service.

"A colocation provider is only as strong as its infrastructure, its comprehensive

### Commentary



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solution, its management team and its customer service," says Taffet, whose company plans to open offices in Ashburn, Va., Boca Raton, Fla., Boston, Denver, Phoenix and Santa Clara, Calif., during the next two years.

When choosing a colocation partner, consider the following:

- **Best practices:** a focus on customer service and the ability to deliver a custom-tailored solution.
- **Quality clients:** Having the ability to meet the colocation needs of high-caliber and reputable clients (from both a data and a communications perspective) is reflective of the company's capabilities and of the faith that others have in them.
- **Truth in advertising:** Many companies market themselves as carrier and network neutral and as a 24/7 secure facility, but in practice, that might not be true. Conduct site visits and perform due diligence on your provider.
- **Neutrality, security, scalability and redundancy:** Be certain that a potential provider can fully deliver these features to ensure a comprehensive solution.

By outsourcing your colocation needs, you will be better positioned to capitalize on market opportunities and to expand your company's business offerings. Outsourcing can also help enhance your Web site reliability and performance, reduce related operating expenses and allow you to remain focused on your core business.

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