$2B Insurance Company Reduces Its Operating Buget by $1M per Year with Colocation and DR Solution

Challenge

Data Canopy was introduced to a $2 billion dollar insurance provider and management firm, in response to a request for proposal. A $2 billion insurance company was evaluating their colocation needs, and a possible move to a different facility. The insurance company intended to revamp their infrastructure in order to leverage advances in technology that had been made since they initially implemented their existing environment. Data Canopy interviewed the stakeholders the insurance company beyond what was provided in the RFP in order to more deeply understand the business and its needs. Working together with Data Canopy's staff, the insurance company discovered

Full Discovery to Yield Impressive Results

As a result of the close partnership with Data Canopy, the insurance company reduced its operating budget by almost $1M per year and increased productivity (capacity) by 500%.

that in order to accomplish its goals the team needed to understand their power utilization, remote redundancies, those who were connected to the infrastructure, outsourcing needs, internal resources for system support, and the way they were physically using different locations.

Data Canopy took a bottom/up approach to understand where we could make significant impact in the way the insurance company handled its network. All solution possibilities were weighed against total cost of ownership (TCO) and return on investment (ROI). Data Canopy met extensively with the team at the insurance company to truly understand the business's needs and goals and determine the best strategy for meeting them. Throughout this process, we worked closely to help the insurance company vet and select vendors. Experts on the Data Canopy team established realistic timelines for data center rollouts with the insruance company and took on the burden of discovery to ensure success.

The Solution

Colocation

In order to meet the insurance company stated colocation solution requirements, Data Canopy recommended the following:

- **Location** – Data Canopy recommended space within our Tier III+ data center facility in Ashburn, VA with a fully redundant (hot/hot) solution in Austin, TX.

- **Accessibility** - Data Canopy and access is available 24x7x365 at the recommended facilities.

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- **Power** - Power can be provided in any configuration from low kilowatt to high kilowatt with out moving from one space to another. This is based on the unique design and architecture of the data center facility, which allows for true high density power allowing for better utilization of infrastructure and cost efficiencies.

- **Security** - The Data Canopy facility provides 24x7x365 onsite security resources with available resources by phone or email anytime. Additionally, monitoring is done across the country remotely to ensure 2N+2 security and network monitoring redundancy.

- **Bandwidth** - Over 14 separate carriers made up the bandwidth blend for the insurance company. In addition, as part of the Equinix fiber ring we were able to provide cross connects into over 170 separate carriers. This solution allowed the insurance company maximum flexibility.

- **Redundancy** - All critical systems (power, cooling, fire, and bandwidth) are a minimum of 2N+2 redundancy. To this end we are guaranteed via Service Level Agreement 99.999% uptime. This represents the highest guarantee today in the marketplace.

- **Private Cage** - Per the requirement of the insurance company, Data Canopy provided a private cage environment allowing for additional space to accommodate growth for the current infrastructure. This would represent a significant potential for the insurance company to increase infrastructure at a fraction of the cost of other facilities.

- **Price** - Data Canopy offered a price-competitive and technically solvent solution. This is based on Data Canopy's dedication to providing the highest level of services in the marketplace at wholesale pricing.

For this colocation solution, comparisons were conducted at both the capacity and utilization level. Data Canopy calculated that one-third of the kilowatts provisioned were actually being used. Via these calculations, it was determined that the insurance company's previous colocation cost could be reduced by almost half. At the utilized average of 35Kw when colocating with Data Canopy, the insurance company's colocation cost was reduced by more than $50,000 over the course of a year. The insurance company could essentially utilize up to 18Kw more power than it previously used and still realize savings on a yearly basis when compared to the current pricing. Due to the nature of the power consumption difference between the various cabinets, the insurance company infrastructure was consolidated into 10 foot custom cabinets that could utilize as low as 5Kw and as high as 20Kw in adjacent cabinets within the cage environment.

Disaster Recovery Solution

After consulting with the insurance company, Data Canopy recommended replacing the storage capabilities and replacing the core switching as well, using NAS for back-up replicas. The only hardware replacement that would be required as part of this solution is for the backup systems, which will be referenced in the Hardware Refresh section. The other cost involved would be for the power requirements. Based on the previous setup, it was determined that the insurance company was overpaying. The DR cost was $69,000 more expensive annually as they were being charged for floor cost and had a higher cost per Kw. Data Canopy proposed the same Kw price for the DR solution as for the primary location. The redundant site, a critical part of their infrastructure, was established in Austin, TX. This location helped the insurnace company to drastically reduce cost from its existing redundant site. We gave them a fully redundant site (operating hot/hot with full failover) for less than the cost to stay at their previous location. The insurance company now runs half the year out of Austin and the other half out of the data center in Ashburn, VA.

This redundant solution allows the insurance company to have 100% runtime with zero interruption. The insurance company has people in all but two states with employees operating around the clock. As a result of the fully redundant infrastructure, they can maintain operations and ensure productivity.

Reduction in Expenses and Increase in Capacity

This solution enabled the insurance company to reduce costs, increase availability and improve upon the IT infrastructure for the insurance company team.

As a result of these initiatives and the close partnership with Data Canopy, the insurance company reduced its operating budget by almost $1M per year and increased productivity (capacity) by 500%. These successes were a result of a combination of geographical redundancy among datacenters, getting off-site from the Baltimore, MD location, outsourcing roles that could be outsourced, and insourcing what could be (and made sense) to insource in order to make the technology team as efficient as it could be.