

# Software, IT and Computer Services Growth Driving Colocation at the Edge

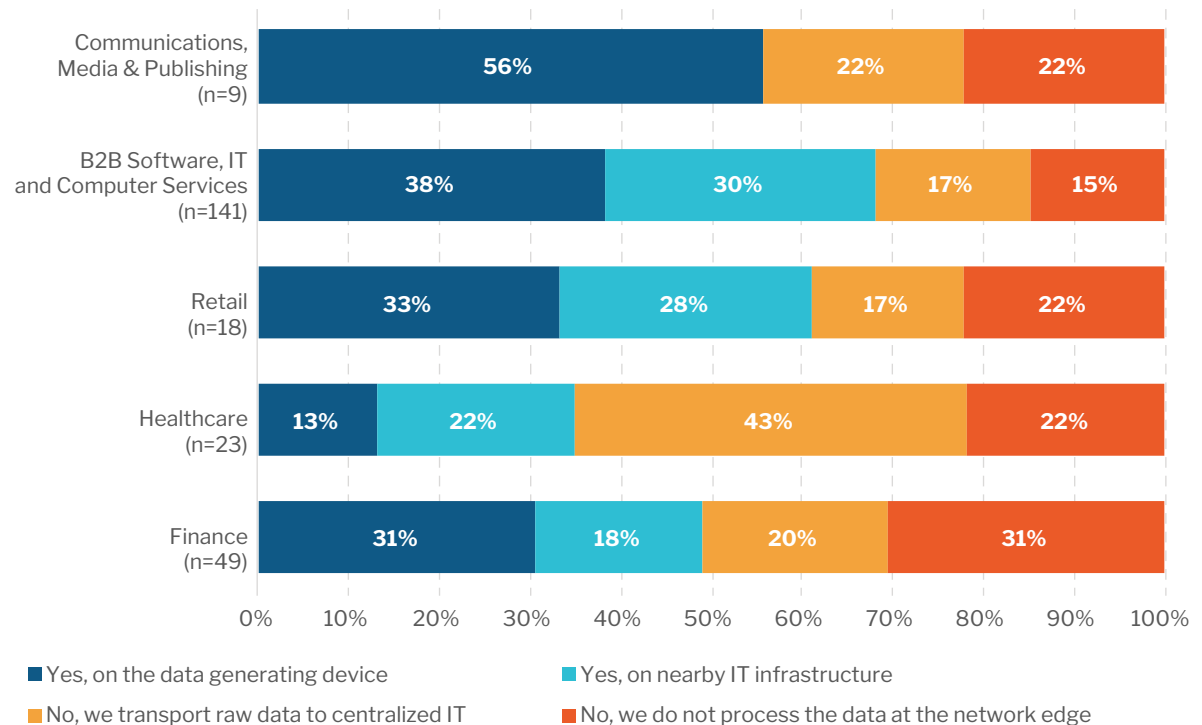
## The 451 Take

Software, IT and computer services firms are among the leaders in edge data storage and processing, with a combined 68% of companies processing data at the edge, either on the data-generating device or on nearby IT infrastructure. As IoT continues to take shape, organizations will develop a better understanding of the demand for real-time data on devices. The top concerns of software, IT and computer services firms when selecting the location of data and applications include supporting demand for low-latency connectivity to devices, security of data, cost to store and transport data, and preparing for what lies ahead. The need for proximity to customers will create a requirement for cost-effective, multi-geography footprints, with a growing focus on secondary markets as demand for devices develops. Software, IT and computer services firms will find that colocation facilities are most likely to serve the current need while positioning them for the changes that could lie ahead.

### Processing Data at the Network Edge/Perimeter for IoT

Source: 451 Research, Voice of the Enterprise: Internet of Things, Workloads and Key Projects 2018

Does your organization currently process data at the network edge/perimeter for IoT?



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## Business Impact

### **EVALUATE WORKLOADS TO DETERMINE CLOUD-READINESS AND SECURITY REQUIREMENTS.**

Software, IT and computer services companies lead in edge adoption, but the cloud-vs.-colocation debate continues, typically evaluated on a case-by-case basis. Several factors contribute to the decision-making process, with security topping the list in most instances. Considerations include security of the storage location and security during transit – and most software, IT and computer services firms find that colocation services offer increased security over cloud services, as well as more control over data transit.

**LEVERAGE EDGE DATACENTERS TO REDUCE LATENCY AND EXPAND GEOGRAPHICALLY.** Software, IT and computer services firms also seek to reduce latency with the growing demand for data processing at or near IoT devices. Latency and geographic location are customer-driven factors, with these firms responding to user demand. For example, firms serving healthcare customers with medical data on devices will need a closer proximity to customers, delivering critical applications in under one millisecond. Colocation services, blended with cloud offerings, help to reduce latency and spread operations easily into new geographies.

### **EMPLOY COLOCATION SERVICES TO REDUCE THE COST OF HIGH-VOLUME DATA MIGRATION.**

While it no longer tops the list of concerns, cost of services is still a significant consideration for software, IT and computer services firms. Storing large amounts of data in the cloud is relatively inexpensive compared with storage in a datacenter. However, cloud egress, or the transport of stored data out of the cloud, is typically much pricier than the cost of storage. For companies moving large quantities of data on a regular basis, cloud may be cost-prohibitive, leaving these organizations looking to colocation facilities for a cost-effective multi-location deployment.

## Looking Ahead

The growth and extended reach of IoT devices will drive the need to process and store data and applications at or near the edge, including in more secondary markets globally. Uncertainty about the future is leading to an increase in storage of data generated at the edge. Many software, IT and computer services firms are still attempting to determine whether this data will be needed later at its current location. Until these deployments and devices have been active for a number of years, firms are rightfully wary of transporting the data to long-term storage, and colocation facilities can provide an interim and accessible environment for edge deployments.



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