



# Thriving in the data economy

Aligning digital infrastructure  
and organisational priorities



NEXTDC

A REPORT BY  
NEXTDC LIMITED



**We live in a data economy, where the heartbeat of your organisation is intrinsically reliant on your data centre.**

**Technology has, and continues to enrich our everyday lives, and digital transformation tops the strategic agenda in most organisations. So, it's a good time to pulse check whether your digital infrastructure is equipped to support your long-term objectives.**

At some point in time, we've all put our faith in the old idiom that says; "if it ain't broke, don't fix it". However, the world as we knew it, has changed. Data centres form the central nervous system of the digital economy. While you might not have to 'fix' your on-premises data centre, it's important to understand whether your existing environment can meet the demands of present and future rates of change.

Building an interconnected digital infrastructure platform is no small undertaking. One-to-one connections, or simply linking on-premises data centres to cloud is no longer sufficient. Today's hybrid environments are becoming increasingly distributed, dynamic, and diverse, sprawling multiple physical and virtual locations.

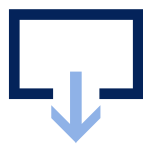
This has led the emerging importance and organisational reliance on digital ecosystems where many-to-many connections have become a necessity in driving competitive agility and success.

The gravity of being digitally interconnected and accelerating your journey to cloud in today's digital landscape informs the following imperatives that IT teams find themselves needing to address:



### **Position**

data and analytics adjacent to your users and applications to improve performance, and reduce the amount of data travelling across public connections and wide area networks.



### **Localise**

traffic and IT services across the distributed locations and markets you need to service.



### **Integrate**

and interoperate with digital ecosystems, leveraging multiple clouds and ICT services providers to optimise and accelerate your rate of change.



## Separating the thrivers, from the survivors

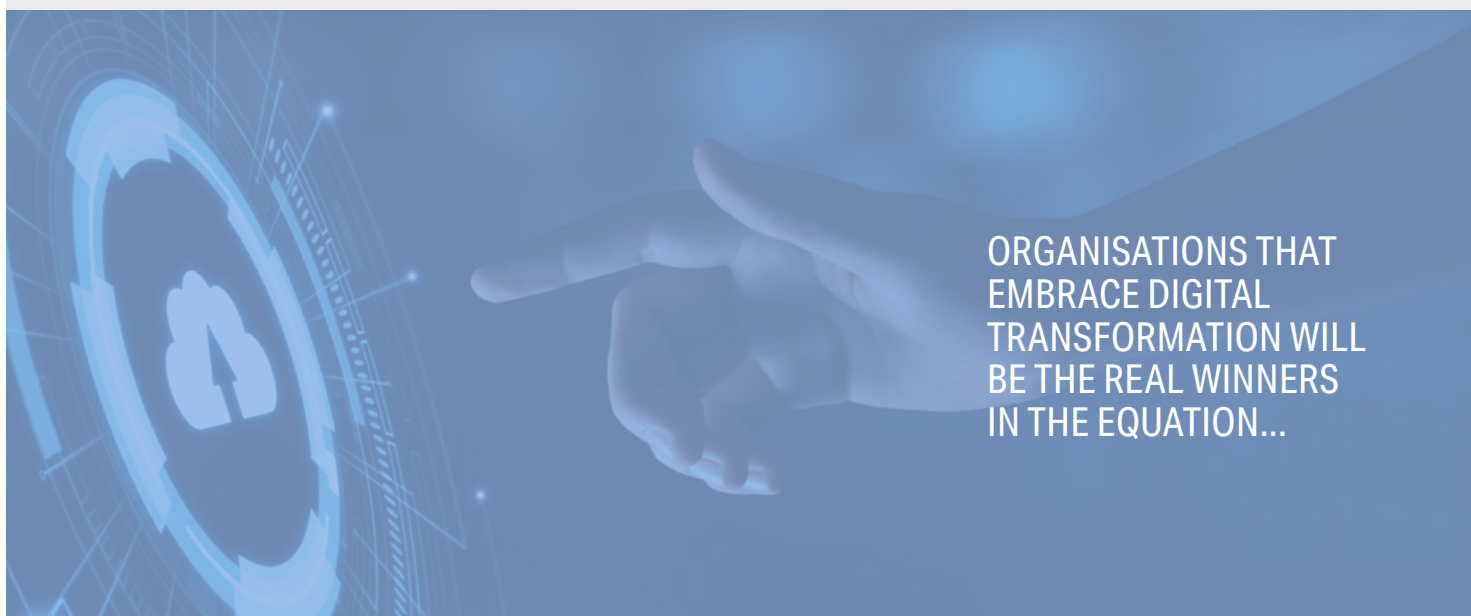
To thrive in today's data economy, the need for speed and agility are the fundamental catalysts for responding to ever-present change. This requires holistic thinking around how you connect and manage data and workloads in ways that are highly secure, stripped of complexity and offer freedoms of flexibility and choice.

The digital era has turned what was once best practice, on its head. As digital transformation replaces old ways of doing business with an altered new normal, there will be winners and losers from the disruption.

IDC explains successful digital transformation as being reliant on converting data into actionable insights. From our reliance on this data to exist and to thrive in business, emerges the new data economy in which we now live. Organisations that embrace digital transformation will be the real winners in the equation, attracting new customers and exposing new revenue opportunity faster than their competitors.

IDC refers to these companies as data thrivers. Those that resist or stagnate their strategies are known as data survivors.

According to IDC over a three-year period, compared to data survivors, data thrivers experienced:



ORGANISATIONS THAT EMBRACE DIGITAL TRANSFORMATION WILL BE THE REAL WINNERS IN THE EQUATION...



## Consider the following about your organisation's readiness for digital acceleration:

Does your infrastructure architecture support your teams' abilities to innovate?

Is your data centre interconnected sufficiently to quickly respond to evolving customer behaviours and changing competitive landscapes?

Are you constrained in your abilities to make informed, strategic technology decisions, and implement them quickly and easily?

Does your data centre location afford you choice in selecting specialist ICT services that complement and supplement internal capabilities?

Is your infrastructure flexible and resilient enough to face present and future challenges and risks associated with downtime or security breaches?



## Making the most of the data economy

When it comes to thriving in the data economy, organisations face major challenges around the ever-expanding list of business priorities. Key objectives such as managing risk, meeting regulatory compliance, maintaining flexibility and agility, and operating sustainably have escalated in purpose.

Data centres – either managed on-premises or colocated – are at the epicentre of technological change. Your organisation is intrinsically dependent upon the infrastructure that underpins your digital strategy. With many still financing, maintaining, and operating their own data centres, now is the time to pause and consider whether your current infrastructure architecture is setting you up to be a data thriver, or a data survivor?

To innovate and remain competitive in the data economy, an interconnected, data-centric digital transformation strategy is imperative. This report examines three major crossroads in business that present an opportunity to apply a new level of thinking around thriving in the data economy.

# 1

## Interconnection enables a seamless journey to cloud

Increasingly, it's understood that the key to fast-tracking cloud adoption is to optimise the efficiency, flexibility, security and reach of centrally managed resilient connectivity architecture. With sprawling infrastructure, increasingly, data resides everywhere with many sources, many destinations, and many uses across the business. Information, and how it's used, is your North Star in guiding data-driven decision making that will advance your digital transformation.

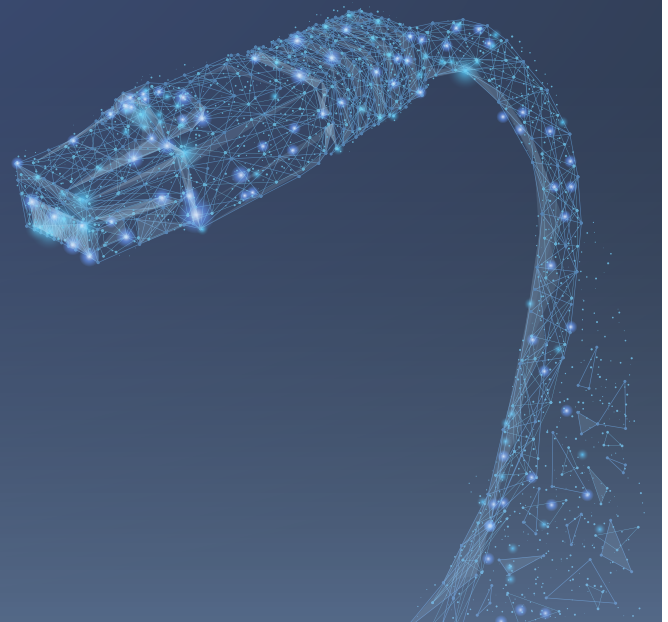
The need to deploy new services and turn them off just as rapidly, and only pay for what you use is an imperative to supporting your continued journey to cloud. Taking advantage of agnostic interconnectivity platforms and ecosystems where all of the clouds, carriers, IT service partners and customers are located within close proximity is the new best practice. Continually moving the needle on digital acceleration is also dependent upon engaging trusted partners offering SLA-driven support for the security, resilience, redundancy, and disaster recovery challenges magnifying the critical role digital infrastructure plays in business continuity and growth.

Advancing digital transformation relies on enabling convenient and cost-effective services that extend the reach of your network and platforms to wherever you need to go. Interconnectivity is the fabric that brings digital strategies together. Colocation data centres are the hubs where all these services collect and collaborate enabling a new breed of interconnectivity choices, processes and strategies that support the need for private, secure, flexible and automated provisioning.

As such, it makes sense to bring critical infrastructure close to the interconnected ecosystems that are driving transformation as opposed to continually extending networks out to distributed on-premise infrastructure, partners, people and customers.

Taking advantage of having close proximity to all the bridges you need to connect data pools, teams and locations removes a lot of capital investment overheads as well as substantially improving resilience, risk and compliance profiles.

NEW VIRTUAL CONNECTIVITY PLATFORMS OFFERING FAST, EFFICIENT DEPLOYMENT OF NEW CONNECTIONS FROM ANYWHERE TO EVERYONE REPRESENTS THE TYPE OF AGILE AND DYNAMIC SUPPORT YOU NEED TO CONTINUE PROGRESSING YOUR DIGITAL TRANSFORMATION STRATEGY AND JOURNEY TO THE CLOUD.



# 2

## Lead with agility: Improve innovation, disruption and experience

Old business models are today being outmanoeuvred by more nimble disruptors born or evolved in the cloud era. This trend toward new ways of doing business will only continue to accelerate.

Understanding customer behaviour and enhancing the customer experience is dependent on capturing, processing, and analysing data generated by each and every interaction. This is the 'commercial gold' needed to thrive in the digital era.

The author of Gartner's "[Top Strategic Technology Trends for 2021](#)" report declared that "disruption" was the "hallmark of 2020". A global pandemic ushered in many new imperatives to business survivability. It changed the way businesses and teams collaborate. It upturned the way customers engage and transact, and it reinvented the way humans socialise and differentiate between price and value.

A 2021 Connectivity Benchmark Report from Mulesoft identified the top trends of 2021 to be the consolidation of "digital-ready culture" and the "democratisation of innovation".

So, the race is on for organisations to build interconnection-first strategies to grow revenues, create efficiencies and to advance every area of the business.

Technology-driven business process re-engineering, automation, and cloud technologies have become the primary driver in achieving productivity gains and cost reductions. It free's up man-hours and capital to be refocused on dynamic revenue generating priorities such as developing new products and services, speed to market, and retaining or acquiring new customers.

In our disrupted world, these innovations and change agendas are offering the biggest returns on investment as opposed to focusing on non-core competencies such as operational management of your digital infrastructure.

Embracing cloud, interconnectivity, and digital ecosystems compound the level of flexibility and scalability you need to speed up change in alignment with immediate and emerging priorities. Simplifying the efficient capture, storage and analysis of data, standardising connectivity complexities between everything, as well as creating the ability to scale, change and deploy easily and in a timely manner is the key to accelerating innovation.

Innovation is fast-tracked when capital and human resources are diverted away from non-core competencies.



MOVING INTO THE FAST LANE OF DIGITAL TRANSFORMATION, DISRUPTION AND CUSTOMER EXPERIENCE IS A NECESSITY TO THRIVE IN THE DATA ECONOMY. THIS LENDS ITSELF TO RE-THINKING YOUR UNDERLYING DIGITAL INFRASTRUCTURE STRATEGY, AND THE IMMEDIATE VALUE OF BRINGING YOUR CORE PHYSICAL INFRASTRUCTURE CLOSER TO THE CLOUDS AND CONNECTIVITY THAT DRIVE THE SUCCESS OF YOUR BUSINESS.

# 3

## Real estate: Is your IT strategy anchoring you to a physical location

It took a global health crisis to change everything regarding real estate strategies. For a large percentage of organisations, working from home – for at least some of the time – is the new norm. A distributed workforce begs the question; “Should you house your critical infrastructure where your people used to be?”.

Industry analysts agree COVID-19 accelerated digital transformation by as much as 10 years. This means that unless alternatives are found, organisations managing their own infrastructure face a complementary acceleration of capital investment to keep pace with digital infrastructure requirements – not to mention real estate overheads to house extended IT footprints.

Transitioning away from high-cost, CBD locations housing your physical IT equipment is an administratively prudent decision purely on real estate cost metrics alone. With disruption and competition ever-present, capital has significantly more business value when diverted to priorities such as innovation and growth.

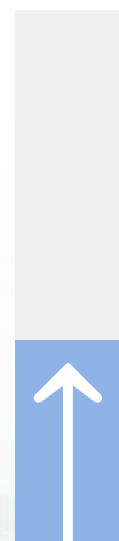
The shift has begun. Research from Tenant CS shows that vacancy rates for commercial real estate in Sydney’s CBD jumped from 3.9% in January 2020 to 5.6% in July 2020 and then up to an average of 8% in January 2021.

Does it still make sense to be chewing through operational budgets to cover real estate costs when there is an immediate opportunity to downsize and bank the difference? If your lease is up for renewal or you are looking to relocate to more suitable premises, don’t let your data centre anchor you to a location that’s otherwise unsuitable to today’s requirements.



### COMMERCIAL REAL ESTATE VACANCY RATES IN SYDNEY

JANUARY 2020



3.9%

JULY 2020



5.6%

JANUARY 2021



8%

# It's time to re-think your digital infrastructure strategy

Digital transformation continues to intensify the organisational value in building greater flexibility, agility, and resilience; thereby forever changing the way we interact.

Being a data thriver is an evergreen process. Technology and disruption are inevitable, and the choices you make today will impact future growth opportunities.

Ensuring your digital transformation objectives are aligned to your long-term digital infrastructure roadmap will play a crucial role in thriving in the data economy.

As your journey to the cloud matures, carefully selected partners based on their competency and flexibility to meet your unique requirements becomes integral to your success.

Each of the points covered in this report – the need to extend interconnectivity performance and reach, creating flexibility and agility to innovate, and real estate strategy – represent critical milestones where your digital infrastructure strategy should be reconsidered.

In most cases, consolidating infrastructure resilience and interconnectivity complexity will be required to continue advancing your competitive agility and support your cloud journey. Getting this right is critical to achieving your longterm growth and digital transformation objectives.

Data is the lifeblood for businesses. The benchmark of your organisation's ability to adapt and thrive in the data economy, comes down to the reliability and flexibility of your underlying digital infrastructure. Immersing your critical infrastructure at the epicentre of your digital IT ecosystem, and securely connecting the right person, to the right data, at the right time, in the right place, will underpin the continued acceleration of your transformation objectives and enable you to build competitive agility and success as a data-thrivers.







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**Talk to NEXTDC about  
how we can help you  
build a long-term digital  
infrastructure strategy  
that will accelerate your  
transformation objectives,  
drive growth, and increase  
your competitive agility.**



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