

## Beyond Managed Hosting:

### Why Smart Companies Are Choosing an Independent Management Partner To Ensure Uptime and Control Costs

A COMMENTARY FROM INTEROPS MANAGEMENT SOLUTIONS

#### Executive Summary

The growing turbulence in the hosting provider market is causing e-business managers to re-think their web-site support strategies. No one wants to be caught flat-footed if their hosting provider should weaken, fail or be acquired by a company with different policies and priorities. Such a transition could impact the way enterprises acquire management services in addition to the “power, pipe, and ping” of a hosting provider.

But those same e-business managers are also beginning to see the limitations of the hosting management services model. For one thing, most hosters’ management services only cover the hosted infrastructure. The end-to-end performance of e-business applications, however, often depends on resources beyond that limited scope – including back-office enterprise systems and third-party data feeds. Also, hosting providers typically are not management specialists; their primary business is to rent infrastructure, not to deliver world-class management expertise.

In response to these newly evident limitations, forward-thinking e-business managers are moving away from total reliance on a hosting provider alone. Instead, a new model is emerging in which the infrastructure services of one or more hosting providers are complemented by the specialized, high-value services of an independent third-party management partner.

By working with such an independent management partner, e-business managers gain several advantages. They gain the superior capabilities and expertise of a true e-business management specialist. They can apply those capabilities as needed across all appropriate infrastructure – including all hosted, enterprise and third-party components. They also can be confident that should they need to re-locate their equipment to another provider, their management schema will remain intact. In fact, the independent management partner can be a valuable business tool in any re-location of an enterprise’s website infrastructure.

InterOPS Management Solutions fits the profile of such an independent management partner perfectly. InterOPS offers the expertise and experience necessary to effectively monitor and

manage e-business infrastructure across hosted, enterprise and third-party domains. This expertise includes a strong emphasis on change management, which is emerging as one of the most critical disciplines for avoiding costly e-business downtime.

InterOPS also offers the unique advantage of being able to leverage the management resources already in place within the enterprise and at the hosting provider. This ability to work synergistically with existing infrastructure management resources across multiple domains makes InterOPS the ideal management partner for e-business managers seeking to move beyond the limitations of simple Website hosting.

## **The State of the Hosting Market**

Hosting service providers deliver substantial value to today's technology-intensive enterprises. Much of that value derives from the benefits of co-location. By co-locating their e-business infrastructure in a hosting provider's facility, companies can gain ready access to as much Internet bandwidth as they need at any given moment. They can get access to a secondary network provider's infrastructure in case their primary provider experiences some kind of technical problem or traffic overload. Co-location facilities typically also provide an optimized physical environment for Web/e-business servers and other infrastructure equipment – including climate control, uninterrupted conditioned power supply, and fire/water damage prevention. And, because they deliver this physical environment to large numbers of customers, co-location facilities provide these benefits with very attractive economies of scale.

As the co-location market grew, however, providers soon found that they had to differentiate their service offerings from those of their competition. To do so, they began to offer so-called “managed hosting” services. These services complemented the provisioning of raw co-location space with value-added management. This management included server and network device monitoring, bandwidth utilization tracking and planning, firewall administration, and other infrastructure-related tasks.

Such managed services were not just a marketing ploy on the part of hosting providers. Corporate IT managers themselves had discovered that they needed additional services from their co-lo providers because of the challenges of remote infrastructure management and constraints on their own departmental human resources.

But, just as they discovered the limitations of simple co-lo services, corporate customers began to discover the shortcomings of the managed hosting model. These shortcomings include:

### **Lack of management expertise**

Most managed hosting companies have their roots in the co-lo market, not management services. While these companies are capable of providing a basic level of infrastructure monitoring, they do not necessarily have the depth of expertise or experience in leading-edge management technologies required to address the complexities of today's sophisticated Web/e-business infrastructure, applications and services.

## **Limited scope and visibility**

Managed hosting service providers are also restricted in the scope of their management to only the infrastructure residing within their own facilities. Most companies considering these services, however, are seeking to manage their Web/e-business infrastructure and applications on an end-to-end basis across hosted, enterprise and third-party domains. Failure to provide this end-to-end approach to management will likely result in limited troubleshooting, inferior service levels, lost e-business, and added costs.

## **Inflexible services**

Because management services are an incremental value-add for hosting providers, their offerings tend to be limited and inflexible. Typically, they offer a highly structured, tiered model with few variable options. While such limited services menus may well fit the needs of many companies, others find them either too broad – in which case buyers pay for services they don't need – or too narrow – in which case the buyer still has to hassle with the challenges of remote management of co-located infrastructure.

## **Unacceptable business risk**

There is another factor that concerns corporate decision-makers who are either currently using managed hosting services or contemplating a move thereto. An oversupply in hosting facilities, combined with the precipitous drop in dotcom expansion, now threatens the financial health of many providers. In fact, Gartner Group projects that only about 20% of current service providers will still be in business in 2004.

With that uncertainty, few savvy managers want to place responsibility for their management architecture completely in the hands of their hosting provider. If business issues should force them to change providers, these managers want to be able to quickly transfer their management resources to the new provider. Over-reliance on a single vendor for both hosted infrastructure and management of that infrastructure is thus seen as an unacceptable business risk.

Given these limitations inherent in the managed hosting services model, many corporate technology managers are looking for a better way to ensure effective, flexible and safe management of their critical end-to-end Web/e-business infrastructure. And, more and more often, that better way is the engagement of an independent management partner.

## **The advantages of an independent e-business management partner**

As e-business infrastructure becomes more critical to the day-to-day productivity and revenue generation of today's technology-intensive enterprises, there are several compelling reasons why value-conscious IT managers are choosing to engage management partners, rather than relying exclusively on the management services of their hosting providers. These reasons include:

## **Real management experience and expertise**

Effective e-business management requires significant expertise and experience in a variety of disciplines: the implementation and operation of multiple state-of-the-art management tools, troubleshooting and root-cause analysis in highly complex networked computing environments, configuration and change management, etc. These are not skills that are easily acquired by any organization that does not have management as its core competency. That's why it makes sense to engage a partner that specializes in the delivery of e-business management services.

## **Facilities-independent scope and end-to-end visibility**

An independent management partner with strong remote management practices can apply those practices to any and all e-business infrastructure, regardless of its location. That means a common management architecture across co-located Web servers, middle- and back-tier enterprise servers, and any third-party data sources and/or application services. This facilities-independent scope is essential for achieving the true end-to-end management and monitoring so critical to maximizing service levels and ensuring rapid problem resolution.

## **Flexible engagement terms**

Rather than being restricted to a limited set of "a la carte" management menu items, a specialized management partner is better able to craft a customized engagement driven by the needs of each specific client. These needs are affected by the size and complexity of the infrastructure to be managed, the service level requirements for each of the applications involved, the relative strengths and weaknesses of the IT organization's staff, and the budgetary constraints of the department or business units involved. This engagement flexibility is extremely important in ensuring that every IT dollar delivers maximum impact in supporting business priorities.

## **Reduced risk**

With the current uncertainties in the hosting market, e-business managers are very concerned about their exposure in the event that a key supplier experiences serious financial problems. By engaging an independent management partner, these managers can limit their exposure to such risk and ensure their ability to quickly move their infrastructure to another hosting company should circumstances require them to do so. All management tools, reporting formats, and troubleshooting processes can remain fully intact regardless of where servers and other devices are moved – thereby minimizing any disruption to the company's e-business operations.

The above factors make it clear that engaging an independent management partner is a better bet for ensuring the overall performance and stability of critical e-business applications than relying on a hosting provider alone. The next set of issues to consider are those that can help determine the ideal management partner for such an engagement.

## **InterOPS: The smart management solution for smart companies**

It's not only important to engage an independent partner for managing e-business infrastructure. It's also important to engage the right partner. A general-practice management or integration services provider is not going to be as effective at meeting the challenges of end-to-end e-business management as a more specialized one. That's why it's so critical to find a partner with the strongest possible focus on the specific technologies and best practices associated with ensuring the performance and integrity of both hosted and unhosted infrastructure.

*InterOPS* Management Solutions is that partner. *InterOPS* was founded specifically to meet the needs of companies seeking to bring stability to their e-business applications and infrastructure. Applying proven e-business management technologies and best practices borne out of complex e-business environments such as Fidelity Investments, *InterOPS* has demonstrated its ability to keep even the most complex Web environments running at peak performance on a 24x7 basis. Just as importantly, *InterOPS* has the unique ability to leverage the existing management resources of both corporate customers and their hosting providers – thereby ensuring the most efficient and effective delivery of end-to-end e-business management.

Key attributes that set *InterOPS* apart from other management services providers are:

### **Unmatched expertise and experience**

*InterOPS* was founded by and draws its staff from the ranks of the most successful corporate practitioners of e-business, including the country's largest financial institutions. *InterOPS* thus places the most comprehensive e-business management expertise and experience available under one roof at the disposal of every customer. It also ensures customers of a uniquely disciplined approach to infrastructure management. This is particularly well-reflected in our change management best practices, which help protect customers from the leading cause of e-business outages: poorly managed change processes. Other, less experienced management companies neither understand nor offer a solution for such process-and-practice issues.

### **Leveraging existing management resources in hosted and enterprise domains**

As a specialist in the remote management of e-business infrastructure, *InterOPS* has developed a highly flexible, standards-based Object Request Broker (ORB) architecture that allows events, alarms and other management data generated by management agents and applications to be forwarded to the *InterOPS* network operations center. This unique architecture enables *InterOPS* to tap into all existing management instrumentation, whether it's within a hosted environment or within the enterprise. It also enables *InterOPS* technical staff to remotely execute remedial actions using the tools and applications already in place in hosted and/or enterprise environments. *InterOPS* can thus provide unprecedented flexibility in managing infrastructure and applications across hosted, enterprise and third-party domains – without disrupting those domains or adding cost by introducing its own management instrumentation.

## **Correlated end-to-end management**

Unlike hosting companies that focus on clients' website availability from an infrastructure perspective alone, InterOPS combines its consolidated view of clients' web infrastructures with the end-user oriented external view of clients' website by utilizing industry leading software tools to measure Internet performance. By combining the 'inside' and 'outside' views of clients' web environments, InterOPS can identify and resolve problems more quickly. InterOPS can also use the correlated trend data to proactively reconfigure clients' web environments to minimize the risk of future problems.

## **Flexible engagement terms**

Rather than being restricted to a limited set of management services, InterOPS' flexible service portfolio can be customized to meet clients' specific business requirements. InterOPS' service can cater to clients based on the size and complexity of their web infrastructure, their service level requirements, the relative strengths and weaknesses of the IT organization's staff, and the budgetary constraints of the department or business units involved. This flexibility is extremely important in ensuring that every IT dollar delivers maximum impact in supporting clients' business priorities.

## **Strong partnerships with leading hosting service providers**

One advantage of having InterOPS monitor clients' hosted infrastructure is that it provides a higher level of accountability for the hosting providers than if they report on their own performance. However, it's also important that the relationship between the independent management partner and the hosting provider not become an adversarial one. The management partner and hosting provider must work together to ensure that their shared customer will realize optimum performance for all critical e-business applications. InterOPS has consistently demonstrated the ability to build these kinds of win-win relationships and has forged alliances with several leading hosting companies.

## **Case-in-point: Insurance.com boosts uptime of hosted site with InterOPS**

Insurance.com is an online insurance marketplace, offering consumers access to policy and pricing information from hundreds of auto, term life, home/renters and health insurance providers. Through unbiased resources and quote-comparison tools Insurance.com helps them make more educated insurance buying decisions.

The company relies entirely on its Internet operations and third-party companies to deliver its services, including Exodus for its web hosting needs.

"Our model is to outsource," says Paul DiNicola, Insurance.com's VP of operations. "Our firewalls and load balancers, for example, are managed by our hosting provider, and most of our development is done by outside organizations."

Insurance.com's day-to-day revenue stream obviously relies entirely on its hosted Web environment. That makes the maximum availability and performance of its Web site imperative. Any performance "glitch" or system failure would not only cost it revenue, but also diminish its reputation in the marketplace and lead to the permanent disenchantment of large numbers of customers.

The company initially relied on Exodus to not only host its site infrastructure but to manage the environment as well. However, after a series of incidents this relationship changed. Insurance.com learned Exodus' management capabilities only assured that the company's website infrastructure was operating, connectivity was in place, and the website was "up". However, this didn't necessarily translate into assuring that the website was performing properly.

### **Enter InterOPS**

To ensure the health of his company's Web site, DiNicola turned to InterOPS Management Solutions. InterOPS was given a three-fold assignment. First, InterOPS was assigned responsibility for monitoring the health of the Insurance.com site. InterOPS accomplished this by tracking key infrastructure parameters such as CPU, disk and memory utilization, and by monitoring processes on Web and database servers. InterOPS also implemented application-level monitors to simulate and assess an external end-user's experience on the site. As part of this component of the assignment, InterOPS also added value by prescribing specific enhancements that would reduce alerts and improve the ongoing performance of the site.

The second component of the assignment involved monitoring the health and availability of a number of third-party sites. Like many dotcoms, Insurance.com depends on other partners for content and services. If a price feed, for example, is unavailable, then Insurance.com's user experience will be compromised even though the infrastructure for the site itself may appear perfectly healthy. "That was something we needed to work out with InterOPS, rather than our hosting provider," DiNicola says. "Hosting services don't typically offer monitoring for anything that's beyond their four walls."

Third, DiNicola engaged InterOPS to help him with change management. "When things change on the site, whoever is managing the site needs to know about it," he says. "So it made sense to give InterOPS ownership of the process."

### **Quantifiable results**

Over the first six months of InterOPS' engagement, Insurance.com experienced significant, quantifiable results. These include a 45% decline in unplanned outage time and a 75% drop in the number of unplanned events.

"InterOPS has had an immediate and obvious effect on the performance of our Web operations," says DiNicola. "The InterOPS model for client integration has proven to be an effective and scalable solution, which grows with our business requirements."

According to DiNicola, Insurance.com experienced a 45% decline in unplanned outage time over the first six months of the engagement. "InterOPS has had an immediate and obvious affect on the performance of our web operations," he says. "The InterOPS model has proven to be effective and scalable, and ensures that our customers enjoy a quality experience on the web."

## About InterOPS

InterOPS is global provider of Operations Management Services for organizations with eBusinesses. InterOPS' suite of proactive monitoring and management services goes beyond traditional services by continuously lowering operational costs and improving the eBusiness experience of our clients' customers and business partners. InterOPS' commitment to providing cost-effective, quality eBusiness operations management solutions is backed by the industry's only ROI-based Service Level Agreement.

By engaging InterOPS, clients gain access to a level of expertise that would be impractical for them to hire and retain themselves. Instead, clients leverage our "best of breed" management systems and "best practices" skills to enhance their in-house capabilities.

InterOPS services include:

- Monitoring – Utilizing industry leading presentation layer software permits InterOPS to assimilate clients' multiple management platforms into a single consolidated view to more quickly identify and resolve eBusiness operations problems.
- Measurement – Employing powerful end-user oriented performance measurement capabilities combined with proven management platforms enables InterOPS to provide clients more objectively baseline, benchmark, and forecast data to address their Internet requirements.
- Management – Leveraging InterOPS' event correlation knowledgebase that collects and compiles client operations activity data permits more rapid response and resolution of web-site failures, and proactive remedies for potential problems.

In addition, InterOPS offers a portfolio of consulting services that improve the policies, procedures, and processes that govern clients' mission-critical Internet operations.

InterOPS commitment and confidence in the quality of its services is clearly stated in its ROI-based Service Level Agreements (SLAs). This industry leading agreement establishes goals for website performance improvements, cost savings, and operational response time commitments.

The management of hosted and self-hosted e-business infrastructure is too critical to be put in the hands of any but the most specialized and experienced partner. InterOPS is uniquely qualified to act in this partnership role because of the expertise, technology and process discipline that we bring to the table. E-business managers who use hosting services and are looking for an end-to-end management solution that enhances – rather than replaces – their existing e-business management capabilities should strongly consider an engagement with InterOPS to address their growing performance, availability and security challenges.

InterOPS' growing list of clients includes Fidelity Investments, Upromise, Insurance.com, and Gomez. For additional information about the company's services, employment and partnership opportunities visit [www.interops.com](http://www.interops.com) or call 1-888-872-2889.