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Colocation Services Provider Grows Its Future with Innovative Funding and Technology

COLOCATION DATA CENTER

EXECUTIVE SUMMARY

Challenge
Deploy a cost-effective data center infrastructure that delivers world-class cloud colocation services to service providers

Solution
- Brocade Network Subscription for Network-as-a-Service acquisition
- Brocade VDX Switches with Brocade VCS fabric technology for the network core
- Brocade ICX Switches as multipurpose switches throughout the network

Results
- Accelerated time to market for new colocation services with reduced risk
- Increased competitive advantage with ability to deliver cost-effective colocation services that include support
- Gained reputation as colocation services provider of choice for international cloud companies to serve customers in Nordic countries

Ficolo Oy

Ficolo always has done things differently. When it became apparent that data center services were needed in Finland, Ficolo's founders leapt at the chance to provide them. Instead of building typical data center buildings and rooms, the company located operations in a Cold War-era underground military facility that was available for next to nothing. They began with no customers. They went to market in just a few months. And within five years, they've become one of the fastest-growing companies in Finland.

Building Success on a Shoestring

Unlike many colocation services providers that serve individual businesses, Ficolo is the wholesale cloud provider for other service providers. Its service provider customers choose the data center capabilities they need from Ficolo to support their individual service portfolios.

Ficolo also is a trusted partner for SaaS companies who deliver their software to customers in Finland and other Nordic countries. As these companies migrate from CD-ROM-based software to cloud delivery, Ficolo handles cloud connectivity, availability, and security so that they can focus on their software and customers.

"Because our location is a bit remote, we need cost-effective networking solutions and innovation to attract customers," said Seppo Ihalainen, Managing Director of Ficolo Oy. "We take a leadership role in understanding new technologies, such as

fabrics and Software-Defined Networking (SDN), so that when customers are ready to adopt them, we're ready."

From Startup to Success

Ficolo's customers provide all kinds of cloud services to their customers, ranging from SaaS, storage, and compute to mobile and consumer offerings. All rely on the Ficolo data center, which means that the networking infrastructure is mission-critical.

It wasn't easy for Ficolo to get started, however. Many network vendors couldn't cost-effectively deliver the small amounts of equipment that Ficolo needed.

Neither did they allow Ficolo to pass an equipment leasing agreement through directly to customers. Ficolo had to fund the entire infrastructure itself. This left only two choices: borrow money from

FICOLO

the bank, which was costly and inflexible; or purchase and resell equipment to its customers as part of its services. Neither was appealing.

"It's challenging enough to sell services without adding complex financial agreements to the customer's decision," said Ihalainen. "We needed a more cost-effective way to acquire infrastructure Fortunately, we turned to Brocade."

Finding an Innovative Solution

The management team had previous experience with Brocade® Fibre Channel solutions, so it turned to Brocade with its data center IP network requirements.

Ficolo wanted to migrate from its existing 1 Gbps network to an infrastructure with capacity to scale to 10 Gbps, 40 Gbps, and beyond. The Ficolo team also needed the ability to easily segment networks for Internet peering, shared services among customers, customer-specific capabilities, and customer premises equipment installations. Most importantly, Ficolo needed the flexibility to grow as business grew, without having to make a huge capital investment and assume all of the associated risk.

"We found the perfect solution in the Brocade Network Subscription," said Ihalainen. "It enables us to support a modern business model that grows as customers purchase our services."

Ficolo uses Brocade Network Subscription to purchase its network as a service, with pay-as-it-goes, risk-free acquisition.

The subscription includes support and enables Ficolo to scale up or cancel anything as needed with no penalties. With Brocade Network Subscription, Ficolo built its core network using Brocade

VDX® Switches and Brocade VCS® Fabric technology. Brocade VDX Switches also support multiple individual customer environments, which connect to the

core network together with a separate iSCSI storage network. Brocade ICX® Switches are deployed in several locations throughout the network and as customer premises equipment.

A Low-Risk Launchpad

With Brocade Network Subscription, Ficolo avoided having to purchase and re-lease equipment to its customers,

removing financial obstacles to growth. At the same time, it enables Ficolo to include support in its colocation services offerings, creating a complete solution and a more comprehensive and appealing offering for customers. When a customer needs to scale up or down, the network will never become an obstacle.

This arrangement also enables Ficolo to continue maintaining close relationships with its partners and preserve the trust that it builds. As Ficolo relies on Brocade

solutions and the pay-as-you-grow acquisition model, its customers can count on their colocation services being delivered with industry-leading reliability and availability, and as cost-effectively as possible.

"Brocade Network Subscription is one of the best deals we've made," said Ihalainen. "We can launch new customer deployments quickly and explain the business case easily, which builds trust. It also allows us to test new colocation services or take a new direction with very little risk."

Agility for Rapid Growth

The network subscription model has enabled Ficolo to start small and expand as it grows. At the same time, Brocade VDX Switches and Brocade VCS fabric technology make it easy for Ficolo to deliver exactly want its customers want. Do they need 10 Gbps or 40 Gbps capacity? No problem. Finely segmented networks per customer? Easy. Sharing services among multiple customers over the fabric? Piece of cake.

"Brocade VCS Fabric technology lets us easily expand our networks step by step and tailor segments exactly as needed," said Ihalainen. "I estimate that it takes 30 percent less time to implement a new customer network or service with the fabric technology."

WHY BROCADE

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— Seppo Ihalainen, Managing Director, Ficolo Oy

Next Steps

Ficolo is continuing on its path with the goal of becoming one of the top colocation services providers. The team is proactively investigating SDN technologies and analyzing automation opportunities to be ready to help customers take their next big steps forward. Ihalainen expects that Ficolo will encounter many new opportunities in the next couple of years as cloud services change. With the ability to quickly meet challenges in innovative ways—it will be ready.

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