

BE AMBITIOUS. THINK BIG



FLEXIBLE AND POWERFUL IT SOLUTIONS  
FOR PROVIDERS OF MANAGED HOSTING SERVICES



THE WORLD RUNS BETTER WITH F5.



BE AMBITIOUS. THINK **BIG**



YOU WANT TO RETAIN CUSTOMERS AND INCREASE MARGINS...

... SO YOU HAVE TO DELIVER NEW SERVICES AND REDUCE COSTS. **THINK BIG.**

**For providers of managed hosting services, now is the time to get ambitious.**

After the slow years following the burst of the dot-com bubble, the market for hosting services is growing again. What is more, the market is ready for a new generation of value-added services.

Market analyst firm The Gartner Group reports that European Web hosting is a 'maturing market', in which the leaders are now offering a broader range of services. It is this diversification and attention to customer service that is helping them win market share. The Gartner Group reports: "Most Web-hosting providers can competently deliver basic managed Web-hosting services, but the breadth of product portfolio, flexible utility pricing, ability to manage complexity and the quality of service still differentiate providers." <sup>1</sup>

It is clear that the future leaders in the hosted services market will be the innovators. The usual business areas such as co-location, disaster recovery and dedicated web server hosting remain important, but these services do not earn large margins. Carriers and service providers therefore need to find ways to reduce the cost of providing these traditional services, while branching out into higher margin areas, such as Software as a Service (SaaS) and utility computing.

Regardless of which service the carriers and service providers deliver – now or in the future – one factor is essential: quality. Customers in this market tend to be fickle and will frequently switch providers in search of a lower cost. To reduce this churn, hosting providers must strive to provide a high availability service all of the time to win the trust and loyalty of their customers.

F5 solutions are ideally suited to helping carriers and service providers meet these challenges. They enable companies to:

- **Deliver consistently high application availability to improve customer satisfaction and loyalty.**
- **Reduce power and cooling costs, by removing the need to install multiple separate products.**
- **Provide customers with more flexible and scalable managed hosting services, so that changing needs can be accommodated effortlessly.**
- **Increase revenue per rack opportunities.**

- **Offer new value-added services, such as managed application security and SSL connectivity solutions.**
- **Automate network management functions to free up staff time and improve internal efficiency.**

## **F5 SOLUTIONS AND BUSINESS ISSUES**

**We want to deliver new, higher-margin services**

The margins on most voice and data services have decreased steadily over recent years, thanks to a large number of new entrants in the market and strong price competition. Carriers and service providers therefore now need to plan strategically and introduce additional – and more profitable – services to win customers and differentiate themselves against other providers.

Customer confidence in outsourcing has largely been restored and, while companies may wish to retain management of their mission critical systems, many are now prepared to outsource management of commodity applications such as Microsoft Exchange and Sharepoint. Managed hosting services like these can earn revenues far greater than those typically associated with usual co-location and business continuity services.

**The main issue for carriers is not which services to offer, but rather how to deploy these new services quickly, without increasing risk for either themselves or their existing customers.** This is where F5 can help.

Our solutions provide an Application Ready Network infrastructure, with pre-set best practices that have been validated by major software vendors. We have strong partnerships with Oracle (including Siebel and Peoplesoft), SAP and Microsoft and can deliver our solutions pre-optimised for Oracle's Application Server or Microsoft's Exchange Server, for example. These best practices, together with the modular architecture of our solutions, help to minimise deployment risk, shorten deployment time and allow easier application and control changes in the future.

*"The F5 solutions are a major component in our architecture, enabling us to deliver flexibility and scalability to our customers. Many of the benefits that we can pass on to customers wouldn't be possible without the F5 products".*

*Philipp Huber, Chief Operating Officer, XCalibre.*

<sup>1</sup> The Gartner Group: Magic Quadrant for Pan-European Web Hosting, 2006

## CUSTOMERS WANT CONSISTENT AVAILABILITY & PERFORMANCE...

### **We cannot justify expanding our premises**

Space can be a major and frustrating obstacle to growth, as the cost of purchasing more accommodation can offset the benefits of delivering new services and winning new business. Service providers will understandably be reluctant to add a new service, if it requires them to invest upfront in new accommodation, before the commercial viability of the new service is proven. F5 helps service providers to overcome this issue by allowing them to make maximum use of their existing racks.

Our BIG-IP® products operate on one platform, which enables us to combine multiple solutions – such as load balancing, application security, advanced health checking, firewall and SSL acceleration – in one box.

As a result, companies can add more capacity and more features without having to find more physical space in the building. In addition, F5 can manage back-up hardware off-site, allowing carriers to maximise use of their own facilities for their active equipment.

### **We want to increase revenues from our existing infrastructure**

Most service providers have idle and under-utilised equipment. And in most cases, it is deemed absolutely necessary. Customers purchase dedicated servers, but do not use all of the available capacity. Equally, when multiple customers share a server, service providers ensure that available capacity exceeds expected utilisation – ‘just in case’.

It is incredibly difficult to anticipate network traffic – some customers will have peaks and troughs in their web activity dependant on the time of the day or the season, while others may have totally unpredictable usage patterns. F5 products help service providers to dynamically balance loads over multiple servers and data centres and redirect network traffic, so that all available capacity is shared and better utilised.

**The strength of our dynamic provisioning capabilities makes F5 solutions ideal for supporting the next generation of utility computing services.** Also known as ‘virtualisation’, this new approach allows customers to obtain additional infrastructure on-demand and pay by usage rather than by capacity. Carriers and service providers can utilise F5 solutions to deliver utility computing using their existing infrastructures and offer a more flexible and attractive service proposition to customers.

As well as managing network traffic across local area networks, F5 products also enable companies to manage traffic across different geographies. These intelligent solutions are not just for disaster recovery, but can be used to increase utilisation of existing servers regardless of their location.

### **We must reduce our operating costs**

Power costs have been increasing steadily, month by month, over several years, and while prices may stabilise, they are unlikely to fall back to their previous levels. At the same time, power requirements from blade servers and storage arrays have also increased, forcing data centres to utilise larger areas of space to accommodate these power-hungry solutions.

Electricity bills are therefore almost certain to remain one the biggest costs that providers of hosting services face. F5 can help companies to reduce their monthly power bill. By using an integrated suite of BIG-IP solutions in place of several separate products, companies can significantly reduce their power and cooling requirements.

**The total cost of ownership of F5 products is much lower than many alternative solutions,** due to the inclusion of sophisticated network management tools. All the solutions in the BIG-IP product suite can be administered through F5's TMOS architecture, which is easy to use and significantly reduces network administration tasks. Carriers do not, therefore, need highly skilled technical personnel to operate them.

The modularity of the BIG-IP product suite allows carriers and service providers to easily add new capabilities, such as more compression or more capacity, as needed. As a result, they can reduce the size of the up-front investment and spread their IT infrastructure costs more evenly over a period of time, as their business and customer-base grows.

#### SAP Application Ready Network:

- F5 can cut SAP Enterprise Portal login time by more than half for WAN users
- F5 can speed document downloads by 4.5x for DSL users, and 40x or more for high bandwidth connections
- F5 can reduce SAP server CPU utilization by 44%
- F5 can provide a 20x reduction in the number of SAP server-side connections
- F5 significantly reduces bandwidth costs associated with delivering SAP applications over the WAN

...YOU CAN DELIVER THAT AND MORE. **THINK BIG.**

**We must improve customer loyalty and reduce churn**

Prices for dedicated and shared server hosting have been driven down by strong competition. As a result, quality of service has become the main differentiator between providers.

Certainly, organisations will not take chances when it comes to outsourcing their IT infrastructure management. They may recognise that it is not cost effective for them to maintain the skills and equipment in house, but they nevertheless know precisely how important IT is to their businesses. Service level agreements are becoming stricter – and carriers simply have to deliver upon them.

F5 understands that, in today's market, consistent availability, tight security and high performance are default customer requirements. Our BIG-IP suite of solutions delivers all the capabilities needed to ensure that service providers meet these expectations and perform within their agreed service levels. **By ensuring high standards of network and application reliability, our products can help build customer trust and loyalty.**

Many companies are developing portal-type self service applications, where customers can obtain information about their existing hosted environment, as well as commission new services and change controls. These applications are an open window on carriers' performance capabilities. Service providers can use F5 solutions to ensure round-the-clock availability for these vital customer-facing solutions.

All our customers receive dedicated training for their support and pre-sales staff. This not only ensure that staff can use the F5 products effectively, but also allows them to promote the advantages of the solutions to their own customers as a differentiating and value-adding feature of their service.

**We need to ensure the highest standards of security**

For most companies, security is a major issue. F5 solutions incorporate a range of security features, enabling service providers to make confident assurances to customers.

By being able to guarantee high levels of data security, service providers can also target new business areas. For example, companies that handle card transactions have to adhere to strict rules about the ways in which card data can be used and stored. Many of these companies would prefer to outsource this responsibility, which creates opportunities for specialised data services. Service providers can use F5 solutions to help them comply with all ten core areas of the Payment Card Industry (PCI) data security standard.

**F5 is the leading provider of advanced platform Application Delivery Controllers (ADCs) with a 38.3%\* share of the market, according to the Gartner Group. Offering reliability, high performance and flexibility as standard, our solutions are ideal for carriers and all types of service providers. They are used by Internet Service Providers (ISPs), Managed Hosting Service Providers and operators of fixed and mobile lines across Europe and around the world.**

**Built from the ground up using open technologies and common interfaces, F5 products are designed to adapt quickly to changing requirements and provide long-term return on investment. As a result, our solutions will support your organisation now and well into the future.**

Find out more at: [www.f5.com/solutions/](http://www.f5.com/solutions/)

**Microsoft Application Ready Network:**

- F5 WAN optimisations increase SharePoint Portal Server performance by 5x
- Achieve 20 to 30 times bandwidth reduction for remote office SharePoint users
- Gain more than 25% server capacity with SSL and compression offload
- Reduce timeout errors for dialup users by 85%
- Reduce deployment cycles by 1/3rd
- Automate failover, disaster recovery and access control
- With F5, users with email attachments, such as Office 2003 Word documents or Excel files, experience a 90% reduction in download time

\* *Gartner report, Market Share: Application Acceleration Equipment, Worldwide, 1Q07 (June 2007).*





[www.f5.com](http://www.f5.com)

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