

# A MATTER OF TRUST

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## Introduction

With the rising cost of energy and the increasing complexity of the application landscape, the economics of outsourcing some or all of your IT are compelling. When patches, upgrades, and administration are out of IT's hair, the brightest minds in your organization can spend more time innovating and less time maintaining. Still, there are risks. You've been managing your entire IT estate for years. Your computing infrastructure is absolutely critical to everything you do. It's difficult to imagine relinquishing control. What about security? What kind of support can you expect? Who is really on the other end of the line?

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"Fanatical Support to me means basically getting anything you want, when you want it." Marc Macaluso, Technical Consultant, Atmosphere BBDO

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At Rackspace, we've built our culture and tool set specifically to support managed hosting in the cloud. We back up our hosting with Fanatical Support®. Let's review some common concerns about outsourcing IT to help you understand why managed cloud hosting from Rackspace can help you put those concerns to rest.

## The Risks of Outsourcing IT

Outsourcing has certainly become more common over the years, but there is plenty to keep a CIO awake at night. Some of the primary risks of outsourcing IT include:

**Security.** Fundamentally, outsourcing IT means giving up control of some substantial portion of your IT infrastructure. How does the outsourcing provider handle security? How seriously will they take the security of your IT infrastructure?

**Lack of operating experience.** If your provider is new to the business, there may be risks they haven't fully come to appreciate, such as hardware or network failure or poorly designed, off-the-shelf management software. How does the outsourcing provider handle problems and can they provide any evidence or references of how they handled issues in the past?

**Financial insecurity.** A strong financial base is not a given. A start-up or poorly financed business could shut the lights off overnight, leaving you in the dark.

**Non-responsiveness.** When a critical business asset is on the line, you don't want to be stuck waiting on the line to find out what's going on. Some providers keep you waiting and don't seem to have complete information when you finally get through. You could wind up explaining things again and again.

**Inflexibility.** Many outsourcing providers focus on their own business model rather than on serving you. The result is inflexible policies that constrain your ability to grow.

**Fuzzy service-level agreements (SLAs).** If you need a translator to understand your service agreement, you're going to have a problem enforcing the SLA if the provider doesn't meet expectations. Some vendors include confusing clauses that make it difficult to get credit if SLAs aren't met.

**No growth potential.** If your business needs to add capacity quickly, and your vendor can't scale, you will lose valuable time to market and potentially miss opportunities.

**Vendor lock-in.** As a way of offering "one-stop shopping," some vendors will try to lock you into a given set of hardware, software, or architecture protocols. This tends to raise cost by limiting choice, thinning the value proposition of outsourcing itself.

## A Checklist for Outsourcing IT

When considering an IT outsourcing vendor, review this checklist. The provider you select should address all of these points.

Requirement	How Rackspace Supports the Requirement
Responsiveness	We answer the phone in two rings. Customers get their Account Managers' cell phone numbers. Call or chat live 24 x 7 x 365. You're really talking to Rackspace, not an outsourcing company overseas.
Security, plus transparency	Bad news first, and no surprises. Rackspace uses physical and logical security and ISO 27001 security standards.
Operational experience	1,500 to 2,000 servers deployed a month, across every imaginable configuration. We've done this before. Your account is not an experiment.
Financial Strength	Rackspace has shown steady growth even during the 2008–2009 recession.
Watertight SLAs	Plain English SLAs with plenty of assistance.
Redundancy	Multiple data center locations give us the flexibility to provide redundancy for you, if desired.
Scalability	Inventory ready to go. One-hour hardware-replacement guarantee.
Vendor Neutrality	Founder of OpenStack®, vendor-agnostic, open-source cloud computing consortium. Customers get root access to their server and real-time control of network devices.

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“Fanatical Support, to me, means the ability to call up 24 hours a day—that can be literally 2:00 in the morning—and I can get an expert that can help me with all my Linux problems, MySQL problems, anything I need—and Rackspace has the expertise that can help me with my business.” Brian Silverstein, Co-Founder of You Shoot

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**Responsiveness.** In any relationship, people show their true colors when things go south. You want to make sure that your problems get the attention they deserve. That's not always something that is obvious in the contract, but it should be obvious in all your interactions with the provider.

**Security, with a helping of transparency.** Security is a prime concern of every enterprise. Verify that the provider has both physical and logical security infrastructure in place. Ensure that the provider follows international security standards such as ISO 27001. Find out exactly how your systems will be protected, and verify that the approach meets your standards.

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“Rackspace has SLAs that mean all the difference in the world to a company like Dinosaur Deals. Rackspace is very transparent, and their product is far superior.”  
Jonathan Bass, Co-Founder

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**Operational experience.** Is the provider new to the market? Were they in some other business last year? Be sure that they have a track record of resolving outsourced IT problems and solid relationships with industry partners, such as hardware and software vendors and security companies. Make sure there is a roadmap for growth, and a clear escalation path if things go wrong. It’s worth asking, “Can this provider do better than we can on our own?”

**Financial strength.** Your provider needs to have the financial capability to purchase robust equipment and software, hire adequate personnel, and stay afloat and provide service continuity. “Mom and pop” shops are charming on Main Street, but not when your critical data is on the line.

**Watertight, transparent SLAs.** A clearly written contract in English, with no hidden charges or agendas, is a requirement. The SLA should clearly put the customer first.

**Redundancy.** When your mission-critical applications are running elsewhere, you want to make sure that you replicate them in at least one other location—preferably not in the same region, where a catastrophic incident could take out the whole operation. There is no one size fits all geographic redundancy solution. Make sure your provider has the ability to design and deliver services to you in more than one physical location.

**Scalability.** If your enterprise needs to grow, you want to ensure your provider can scale. You need assurance that the provider has the capacity and knowledge to scale quickly.

**Vendor neutrality.** An outsourcing partner committed to open standards can keep costs low over time. A proprietary strategy tends to lead to vendor lock-in, which can result in higher costs. You don’t want to be “loyal” to a provider who gives you no choice.

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“I have tough tech guys who are quite demanding when it comes to production. They have been very happy over the years with the Fanatical Support we receive from Rackspace.” David Schiffer, President, Safe Banking Systems

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“My guys told me that if I chose anyone other than Rackspace, they’d probably quit.” Bob Fields, President, CEO & Founder, Victory Technologies, Inc.

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## Outsourced IT with Rackspace

The mission of Rackspace is to provide Fanatical Support. When you work with the industry leader in hosting, you are reducing the risk of outsourcing IT. Our corporate history consists of perfecting new ways to offer better outsourced IT for more than 13 years. We accomplish this through our in-house software and Fanatical Support.

## The Rackspace Software System

Our system for managing your IT infrastructure in our data centers was built from the ground up to be the best in the market. Very early on, we made the decision not to repurpose a platform that was built for something else or to buy a third-party solution. We found that such combinations don’t provide a good customer experience, which is something we are obsessed with.

**A single pane of glass = singular focus on you.** When you call us, we never ask you to repeat information. On one screen, our system displays all tickets, servers, policies, emergency contacts, and procedures associated with your account. Data center, server rack location, firewall and security settings, billing history, contracts, and sales information are one click away. Each customer page forms a customized solution to providing a seamless managed hosting experience—which means you get the answers and actions you need right away.

**We can scale.** Rackspace maintains hardware inventory at each of its data centers. Hardware procurement is one of the slowest steps in deploying new configurations. Rackspace avoids this by having network and server gear available. We also offer a one-hour hardware-replacement guarantee.

**We use our experience to customize your hosting solution.** When you engage with Rackspace, we host your enterprise systems in whatever configuration makes the most sense. If you’re a Web hosting company focused on scaling up as needed, you might want a core managed hosting environment, with high-speed networks connecting web and application servers and a remote database in another facility that needs frequent backups. Another company, like a global financial institution, might have 20 departments, each with its own network and discrete security requirements. We support virtually any combination of hardware and software you can throw at us and help find the optimal solution for you. We deploy 1,500 to 2,000 servers per month and support our customers as teams, not just individuals. We’ve done this before. Your account is not an experiment.

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We've done this before. Your account is not an experiment.

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**We never lock you in.** We are vendor-agnostic and wholeheartedly opposed to vendor lock-in, even when it comes to cloud software. We give customers root access to their servers, as well as real-time control of some network devices through the customer portal—yet we still support them. We want our customers free to do whatever they want in the cloud and in their dedicated hosting environments, with maximum flexibility to choose and move between providers. That's why we founded OpenStack. With Openstack, we opened up our cloud computing code and partnered with other key technology providers to help drive cloud innovation and industry standards.

**Not ready to outsource everything?**

Rackspace provides a range of outsourced IT and hosting services, one of which is cloud computing. Our hybrid solution, Rackspace Connect, combines cloud computing and managed hosting, affording clients flexibility to put workloads where they perform best and burst into the cloud as needed. You can easily move workloads between your data center and Rackspace over an encrypted VPN tunnel or private link. A dedicated firewall adds an extra layer of protection.

## Fanatical Support®

Fanatical Support is the hallmark of Rackspace's corporate culture and service model. We have a singular focus on providing the best hosting services on the market. Hosting is not just a business line for us. It is our business. Here are just a few of the fundamental tenets of Fanatical Support.

**We want to know you and grow with you.** Our goal is to forge bonds with our customers, and that starts and ends with our employees. Consistently voted one of the best places to work in the US and the UK, Rackspace employees work every day on truly understanding their customers.

We reward innovation and efforts to maintain customer loyalty. We break with traditional notions of dividing support teams into functional areas such as security, system administration, and networking, which is generically considered to be better for shifting workloads. Instead, we have cross-disciplinary teams supporting each of our customer groups, almost like small businesses within our company. When you call us, you talk to someone who knows your configuration, and you won't have to explain anything. You get to know them by first name and vice versa.



**Bad news first, and no surprises.** Everyone talks about transparency and “five 9s.” But if something ever goes wrong, we let you know. When we had an outage in our data center a few years ago, we not only posted updates frequently but our CEO explained it in a video . If something is wrong, you will be the first to know, and we will be the first to act. We help you diagnose the problem, work with other vendors, and help you get up and running again. Even on December 25th at 3:00 AM (and yes, we’ve done that before).

**Straight talk.** We want you to have total confidence in our abilities. We walk you through as many details of our security policies as you want to hear about. If we’ve ever had service or security issues, we tell you exactly what happened, how we dealt with it, and what we learned.

**The odds are better with hosting.** When the core of your business is hosting, a problem in your data center isn’t just a bad day. At Rackspace, we collect evidence from such rare incidents and make improvements that elevate the whole industry. Some who fear letting go of their IT assets cite public failures of cloud and hosting providers as evidence for retaining internal control of assets. But we see it like the difference between air and auto travel. Plane accidents and hosting-provider crashes are exceedingly rare, but get lots of publicity. Meanwhile, auto accidents happen all the time (with far more fatalities), and so do corporate data-center problems. They’re just not reported. Every time a service provider has a failure, it’s an opportunity for the whole hosting industry to get that much better at running an IT estate than any single IT department.

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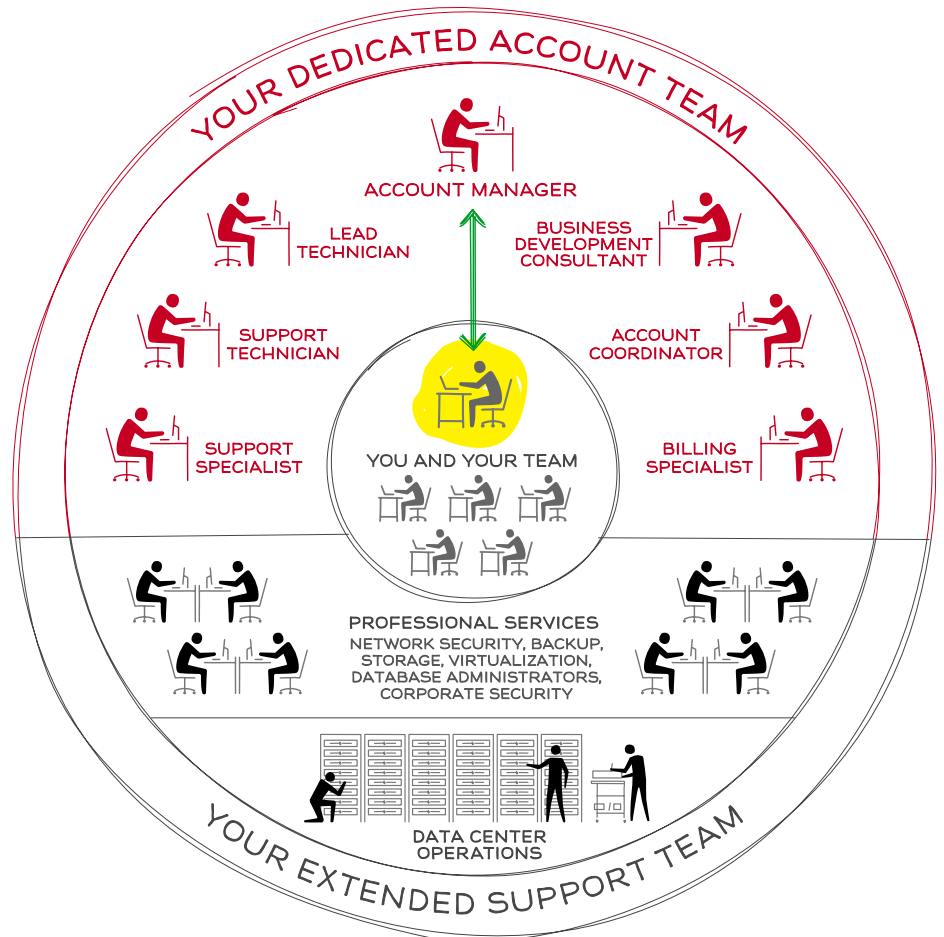
“Passion and integrity shine through every interaction you have. Every support ticket. Every phone call. Every handshake.” Andy Meadows, President & CEO, Live Oak Interactive

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**Phone responsiveness.** We answer the phone in two rings. On the other end of the line is a real person who actually works for Rackspace, not some offshore third party. You can call us or chat with us live, 24x7x365. You will be routed to your team, who knows your configuration and can quickly diagnose the issue or answer your question. Customers receive their Account Managers’ phone numbers. We openly share information and give our customers access to our C-level executives when needed. How many service providers can say that?

**Empower the front line.** Rules can get in the way of great customer service, so we empower our employees with very few rules beyond, “Provide great customer service.” When you need to get home and an airline employee puts you on the last flight of the day without a change fee, even when it’s “technically against policy,” you remember that. We’d rather someone make a mistake in your favor than follow policy to the letter and disappoint you. You quite literally come first.

“Within 30 seconds I’m going to be talking to a technician that knows me, knows my account, knows how to solve my problem.” Nancy Sheen, Web Producer, Mercury Computer Systems



*How We Build Our Support Team to Better Support You*

## Practices

We follow the highest level dictated by the ISO/IEC 27001 standard for auditing controls as well as industry standard practices for securing and accessing our data centers. We have all the controls in place, including operating system and database best practices, physical security, internal and external network security, employee security (including background checks), and financial security. Our data centers are so airtight that even our CEO can't walk the floors without an escort with the proper clearance.

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“Bar none, Rackspace is the best service experience I’ve ever had.” Jason Dunkerley,  
Manager of Systems  
Engineering, Texterity, Inc.

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## Conclusion

Rackspace mitigates the risks of outsourced IT by providing great customer service, watertight best practices, and software built from the ground up to run a dedicated, top-tier hosting business—our only business. We understand that outsourcing IT is a substantial shift in behavior and resource allocation for many of our customers, and we’re here to guide you every step of the way. Solid SLAs, robust technology, and solid data centers are really just the beginning of a quality managed hosting business. In the end, the only way to truly gain your trust is to earn it with Fanatical Support and by acting with integrity. At Rackspace, that’s our specialty.

**Paul Croteau, Solutions Evangelist, Enterprise Marketing:** *Paul Croteau is a 20-year I/T veteran that joined Rackspace in February of 2005. After seven years as an engineer, he recently joined the Rackspace enterprise marketing team. Prior to joining Rackspace Paul worked at companies large and small -- most of which have been acquired and changed names -- including Andersen Consulting, EDS, Data Return, SBC. He has designed, installed, supported, account managed, sold and trained in the I/T industry since 1991, taking a break in the mid-1990s to enroll in graduate school full time to earn an M.B.A at the Mays Business School at Texas A&M University. He also holds a Bachelor of Music from the University of North Texas, one of the most prestigious music schools in the world.*