



## PHOENIXNAP USES VMWARE vCLOUD DIRECTOR SOLUTION TO GROW ITS ENTERPRISE CLOUD SERVICES BUSINESS



### INDUSTRY

IT INFRASTRUCTURE SERVICES

### LOCATION

PHOENIX, ARIZONA

### KEY CHALLENGES

- Grow business by offering a premium enterprise cloud service.
- Meet customer demands for more self-service and security services.
- Avoid 12 to 18 months of custom development.

### SOLUTION

PhoenixNAP deployed the VMware vCloud Director cloud management platform. The solution, which powers the company's multitenant cloud and premium private managed cloud services, enables automated provisioning of services, saving costs and enhancing user experience.

### BUSINESS BENEFITS

- USD \$1.35 million savings compared to building the solution internally
- 20 percent faster new client provisioning and 30 percent less support required
- Strategic value from redirecting IT resources to service enhancements and new revenue streams

When PhoenixNAP decided to expand its offerings to include a premium managed enterprise cloud service, the company chose the VMware vCloud Director® solution for its extensive API integration and automated self-service provisioning. The colocation and cloud services provider saved 12 to 18 months of development time and USD \$1.35 million by avoiding a custom solution. PhoenixNAP now provisions clients 20 percent faster, saves 30 percent on support, and offers customers new and enhanced services.

Founded in 2009, PhoenixNAP is a global IT infrastructure-as-a-service (IaaS) provider offering a broad range of options, including innovative cloud solutions, bare metal servers, hardware leasing, and colocation, available from six locations worldwide. PhoenixNAP's mature managed cloud solution provides public cloud, virtual private cloud, and managed private cloud capabilities, along with backup and recovery, disaster recovery as a service (DRaaS), and various storage services.

### The Challenge

After opening its first colocation data center facility in Phoenix, Arizona, in 2010, PhoenixNAP decided to enter the nascent IaaS market and became one of six early VMware Service Provider Program partners. Over the next few years, PhoenixNAP built one of the broadest IaaS portfolios in the market, using VMware technology with custom internal integrations to power its cloud services.

But when a competitor launched a more premium managed enterprise cloud service, William Bell, vice president of products at PhoenixNAP, knew it was time to meet customer demand for more sophisticated and better integrated managed cloud services, including robust self-service and advanced security capabilities. The new offering would require a platform that could deliver automation technologies and a full-featured customer portal. Bell wanted a solution that could increase PhoenixNAP's revenue and market share, drive down costs, and meet the demands of its customers for more self-service capabilities and enhanced security services.

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WILLIAM BELL  
VICE PRESIDENT OF PRODUCTS  
PHOENIXNAP

#### VMWARE FOOTPRINT

- VMware vCloud Director
- VMware vSphere® Enterprise Edition™
- VMware NSX
- VMware vRealize® Log Insight™
- VMware vRealize Operations Manager™

#### PLATFORM

- VMware vCloud Director

## The Solution

Bell estimated that building a homegrown solution using preferred VMware vCloud® technology could take 12 to 18 months to complete. So he chose the VMware vCloud Director cloud management platform, available to members of VMware vCloud Air™ Network, to power both the company’s multitenant cloud and its premium private managed cloud services. Among his reasons for choosing the vCloud Director solution were the continued association with the vCloud brand, as well as cost savings and an enhanced user experience driven by the broad, powerful feature set. “vCloud Director offered a richer experience for our customers in terms of being able to do things like creative networking, catalog management and syncing, and VPN integrations, compared to what we could have built ourselves,” explains Bell.

One of PhoenixNAP’s infrastructure teams in Malta handled the relatively simple implementation of the solution. “It is not a particularly complex implementation path to provide vCloud Director to customers,” Bell says. PhoenixNAP added extensive software integration into the vCloud Director platform via APIs, enabling the company to extend the solution’s self-service capabilities to provision and automate the delivery of services.

PhoenixNAP uses the vCloud Director user interface for internal provisioning as well as for its self-service customer portal, Virtual Private Data Center, branded as an official vCloud-powered product. In addition to its multitenant IaaS, the company uses the vCloud Director platform on top of its single-tenant managed private cloud offering for larger companies that want a self-service portal to manage their infrastructures with advanced capabilities such as allocating infrastructure access across departments.

## Business Results & Benefits

The self-service capabilities and enhanced services the vCloud Director solution delivers to customers improve PhoenixNAP’s competitive position and help the company meet its commitment to being one of the top VMware vCloud Air Network service providers in the world.

As for the savings the VMware solution delivers, Bell says, “The cost benefit of not developing our own solution saved us in the neighborhood of \$1.35 million.” In addition, he estimates the company has avoided USD \$250,000 in annual maintenance costs. The vCloud Director platform has also reduced the time it takes to provision new customers by 20 percent and slashed customer support requirements by 30 percent, due to the solution’s self-service capabilities.

And with the time the VMware solution saves, Bell was able to redirect development efforts to the company’s bare metal platform, a critical piece of its broad portfolio that required attention to remain competitive. With this accomplishment, PhoenixNAP improved its position against competitors.

Bell emphasizes that providing customers with more control over their own security management is one of his top priorities, and the vCloud Director solution does exactly that. “vCloud Director is helping us deliver new services around security to our customers today, and I see more in the near future,” he says.

vCloud Director upgrades offer service enhancements to PhoenixNAP customers with little work from Bell's team. "On occasion, enhancements allow us to create premium services, increasing revenue through add-on services," he says. For example, Bell plans to start providing multiple tiers of the company's Virtual Private Data Center, increasing revenue overall while allowing customers that don't need certain enterprise features to reduce costs.

Bell adds that the vCloud Director community has further reduced the need for custom development. "We have ISVs [independent software vendors] that have written software to integrate with vCloud Director that we use every day. Backup tech from Veeam, DRaaS from Zerto—things like that have been great."

### Looking Ahead

Bell's team continues to increase the integration between the vCloud Director solution and the company's proprietary portal. This will deliver new self-service capabilities to customers, such as expanding their resource pools and adding burstable resources without recontracting.

Bell is also excited about the native integration of the VMware NSX® solution into vCloud Director 8.2. "The integration with NSX will be truly transformative for us. In the past, after provisioning vCloud Director, we'd have to provision NSX. Going forward, we can do it all in one portal without any coding."

