



The NEXT Big Thing

NEXTDC knows the cloud and why businesses need to embrace it for their future.

Images courtesy of NEXTDC

In the five years since NEXTDC was established, it has seen great success and expansion in its operations. The company was founded in 2010, with a vision to revolutionise carrier and vendor-neutral data-centre services throughout Australia.

Joining the board at the beginning of the journey as a non-executive director in 2010 before the company's initial IPO and listing on the ASX, and then taking up the CEO role in June 2012, Craig Scroggie has been aggressively driving growth, especially with the delivery of NEXTDC's national network resulting in data centres in major capital cities across the country.

Craig spoke to *The CEO Magazine* about NEXTDC's rapid growth, the nature of hybrid cloud, and how companies could take advantage of

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today's information technology to make savings in their business.

***The CEO Magazine:* Can you give an overview of how NEXTDC has grown and expanded?**

Craig: NEXTDC was founded in 2010, so we're only five years old as a business. We opened our first data centre in Brisbane in 2011, and since then we have opened four more data centres in Canberra, Melbourne, Sydney, and Perth. P1 Perth is our most recent data centre, and was opened at the beginning of last year after only 11 months of construction from bare earth to official opening.

So we have built out our facilities over a very short period of time and invested in a lot of significant infrastructure to take advantage of the globally expanding market for data centre services—Cisco predicts

that over the next few years worldwide data centre traffic will nearly triple, of which cloud computing will account for three-quarters. NEXTDC is operating in a still-developing market for independent data centre services, and we have been very successful in creating and filling a unique niche in the marketplace—last year, NEXTDC was named Australia's fastest-growing communications company and fastest-growing technology company at Deloitte's Tech Fast 50 awards.

Colocation data centres like NEXTDC's are not just about securing a purpose-built hosting environment. One of the key advantages to being in a NEXTDC data centre is the opportunity to make direct connections—virtual or physical—to the hundreds of different service providers and carriers operating in a data centre's ›



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‘ecosystem’, which is a strong driver of differentiation and revenue for NEXTDC. Worldwide, the market for physical interconnection alone is predicted to surpass US\$4.2 billion by 2019.

NEXTDC’s tag line is ‘Where the cloud lives’, and we have focused our messaging and our customer engagement around being the ideal home for your cloud computing—public, private, or hybrid. But the second factor, and I think potentially the most significant one, is that NEXTDC made a very specific strategic decision to be a data-centre

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company dedicated to the IT community, so we sell our data-centre services primarily with and through our ICT partners. It is the combination of physical data-centre space, connectivity, and technical services that NEXTDC offers, coupled with our partners’ broad array of products and services, which ultimately delivers the value that customers are looking for today—a complete solution that can be delivered 24/7 with guaranteed availability.

Could you give a brief explanation of what ‘hybrid cloud’ is and how the cloud industry has evolved over the past couple of years?

IT strategy has evolved away from businesses using capex to purchase their own hardware and software to build and manage their IT platforms, to consuming that as a service from a cloud provider. The hired IT organisation is now taking responsibility for building the hardware or software, managing

and operating the platforms, and selling their customers the outcome of all that work. Customers now can pay by the month to consume whatever application or service they need, and that’s what they call their clouds. For our channel partners, the shift to ‘on demand’ consumption economics is supporting their business because the future success of service providers increasingly comes from their ability to customise products for individual customers.

A hybrid IT model is the combination of some cloud services with the organisation’s own IT infrastructure, because there are still many computer requirements that are not suited for the cloud, so today most organisations operate a combination of build and run your own plus services from the cloud. Many organisations are choosing to locate their own IT infrastructure in a NEXTDC colocation facility, closer to the

cloud services they are consuming, and cloud plus colocation is the predominate strategy in the market today.

In terms of cloud, data centres, and technology, what do you think CEOs and executives need to be focusing on to improve their business?

Increasingly, CEOs are focusing their investment strategy, their future planning, on the core of what their business does, which usually isn’t IT. CEOs are saying “I don’t want to invest capex in IT infrastructure, but I absolutely need IT in my business”. They are relying on IT organisations to build and operate more of the services or the outcomes they need rather than having to build this infrastructure themselves. They want to pay for the IT they use, they want to pay for outcomes and business benefits, not products.

How would you describe the values and culture of NEXTDC as an organisation?

As an organisation, we are growing and evolving at an incredible pace, with nearly 200 employees across six locations. Our values of Excellence, OneTeam, Innovation, Communication, Efficiency, and Customer First are a response to our need for exceptional teamwork and active engagement with the Australian IT industry. These values are a critical part of our business, and they apply to how we work with our customers and partners as well as how we work with each other.

Every member of the team is encouraged to drive continuous innovation in developing new thoughts and new ideas to improve the efficiency of our business and the customer experience. Doing a great job today is not good enough; we need to be doing a great job tomorrow and the next day, so we must continue to innovate. Perhaps the most important value, but often the most challenging, is communication. Unless everybody knows what is going on and why

we are doing it, it is very hard to align everybody in one team and drive the business in a consistent direction. In July we spent three days together as an organisation on these priorities, carefully refining our strategies and services to align with our customers’ priorities.

The things that drive us to succeed need to be lived throughout the business by every one of our staff members. I passionately believe a company’s values should be reflected in every interaction, and when we see behaviour inconsistent with our values every member of the team can call it out and reinforce our shared culture.

What do you think is the key to keeping and forming good relationships with suppliers, partners, and customers?

For me, it starts and stops with trust. If you do not have a high-trust relationship with your partner or with your customer, then you are simply facing an uphill battle to keep that customer for the long term. You need to be consistently focused on the customer at all times, and everything you do needs to be aligned to helping your customer achieve their goals. Doing what you say you will do and proactively exploring new ways of supporting your customers goes a long way to developing and maintaining that trust over time.

Developing effective partnerships is a very specific skill, so we have built our business with people who have partnering in their DNA. Our highly respected team has hundreds of years of collective experience in the ICT and services industry and a strong track record of developing long-term partner relationships.

What does the future hold for NEXTDC, and what is your vision moving forward?

Over the past five years, we have built and successfully operated five world-class data centres, and they are filling up rapidly around the



country. So, looking forward, you will certainly see more of the same; we will continue to build more data centres to meet market demand, and we will no doubt look to new markets that make sense for us.

We have also brought new products to market that are driving some very exciting innovation in networking connectivity and data-centre infrastructure management. We are bringing the concept of Connectivity-as-a-Service to the Australian marketplace, which represents a new way to facilitate connectivity for business to and from the clouds and networks like a utility, by only paying for what is consumed inside these highly secure private networks, rather than driving traffic over the public internet or public networks. NEXTDC is also releasing a new entrant into the DCIM Software-as-a-Service market that enables centralised management of assets across any data centre to deliver real-time intelligence to decision-makers. •

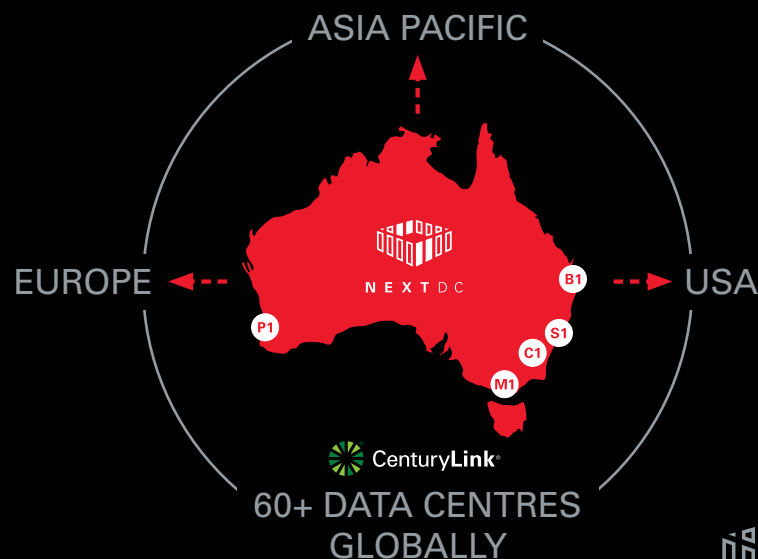
“CenturyLink has a strong and collaborative relationship with NEXTDC. Their deep understanding in technology and the colocation and cloud markets in Australia complements our global service offerings. Together, we deliver enterprise-grade hybrid IT services to businesses and service providers in Australia and MNCs expanding internationally.” - Stuart Mills, Regional Director - Australia/New Zealand, CenturyLink

CenturyLink and NEXTDC Deliver the Power of Hybrid IT

Gain the ‘best-of-both-worlds’ in enterprise-class colocation services

Hybrid IT is a more comprehensive approach to IT strategy with a mix of in-house and outsourced IT services. Wherever your business is on its hybrid IT journey, CenturyLink and NEXTDC will ensure your critical infrastructure is protected with security, reliability, flexibility and enterprise agility.

Hybrid IT delivered through our joint network of local and global data centres enables Australian customers to get connected and benefit from CenturyLink’s and NEXTDC’s deep domain expertise.



For further information please contact: centurylink.com.au | 02 9006 1101



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