



THE INTERCONNECTION  
COMPANY



## Case Study

# SoftLayer Recognizes Hard Business Benefits with Telx Colocation and Interconnection

### Operational Impact & Benefits

- Improved the reliability, security, and latency of the SoftLayer infrastructure
- Boosted network performance for customer applications
- Enabled SoftLayer to offer a value added and differentiated service
- Provided SoftLayer access to Telx's ecosystem of service providers and customers

### The Customer

SoftLayer, Plano, Texas provides global, cloud on-demand data center and hosting services from facilities across the U.S. The company seamlessly integrates all facets of IT to provide fully automated solutions that offer complete access, control, security, and scalability. SoftLayer has over 5,700 customers in more than 110 countries and has deployed more than 24,000 servers.

### The Challenge

As a growing company in a competitive market, SoftLayer has to continually bring new value-added services to market. Senior management determined that in early 2010, the company should embark upon an expansion strategy to bring the company's services closer to its customers. To do this, SoftLayer built a national network to extend its data center and cloud offerings across the U.S. and beyond. The key challenge was finding the right cloud connectivity providers in seven key cities: Atlanta, Chicago, Denver, Los Angeles, Miami, New York and San Jose. This strategy would give SoftLayer a Point of Presence (POP) for its data center network in each of these seven strategic urban markets.

A key component of SoftLayer's strategy was to partner with firms that could provide connections to multiple network providers. As such, SoftLayer began searching for alliance partners that could not only offer superior interconnection capabilities, but also premium colocation facilities in its seven target markets.



### Organization:

SoftLayer, a provider of global, on-demand data center and hosting services

### Industry:

Information Technology – data center and hosting services

### Sales/Service Area:

National

### Operational Impact:

Telx's cost-effective solutions have improved the reliability, security, and latency of the SoftLayer infrastructure, enabling customers to get better performance out of their applications and network environment

### Solution:

Leverage Telx's colocation and interconnection services in Atlanta and New York City

## The Approach

"In any given market there are probably 10 or more providers that we could have gone to, especially in a place like New York or Atlanta," said George Karidis, chief strategy officer at SoftLayer. "We looked at all the major providers and it really came down to locations and the team we would work with. We would never consider a vendor unless they had multiple fiber providers and lots and lots of interconnected customers in their locations – and that eliminated quite a few vendors."

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**"We looked for the best provider that had the right cost structure, the right rate flexibility and fundamentally the right amount of connectivity. Telx was that provider."**

– George Karidis  
Chief Strategy Officer, SoftLayer

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"We also looked for the best provider that had the right cost structure, the right rate flexibility and fundamentally the right amount of connectivity so we could interconnect with our customers in those seven markets," said Karidis. With a very short list in hand, SoftLayer eventually selected Telx for cloud colocation and connectivity in Atlanta and New York City.

Telx is the leading provider of interconnection, colocation and business exchange services in strategic, high demand North American markets. With 15 premier facilities, Telx increases speed to market and reduces connectivity costs by providing direct connections to the industry's highest performance networks and access to more than 750 leading telecommunications carriers, ISPs, content providers and enterprises.

According to Karidis, one of the biggest drivers behind selecting Telx was the company's industry leading interconnection capabilities as network services make up a significant part of SoftLayer's business. "The ability for SoftLayer to tap into the Telx customer base was critical," said Karidis. "Since we are both in the same facility, Telx customers can directly tap into our cloud infrastructure using a relatively cost-effective cross connect on a guaranteed, high-speed connection without going out to the public Internet. This solution provides high redundancy, security, state-of-the-art disaster recovery and limitless scalability."

Networking gear and a Virtual Private Network (VPN) gateway were deployed in each POP, providing customers with a secure connection into the SoftLayer network. Alongside that equipment SoftLayer deployed DNS servers. According to Karidis, once the company adds its three data centers to the mix, it will have 10 DNS server farms across the U.S. that will broadcast the domain names for all customers that use SoftLayer for their name servers. "Name servers are the essence of how traffic routes around the Internet," said Karidis. "This gives each of our customers a very reliable service that ensures their web site is always available."

## The Benefits

In partnership with Telx, SoftLayer is providing direct access to its network through VPN services, thereby connecting seven cities on an owned and operated private network. This means that a customer in Atlanta for example can connect to a SoftLayer data center in Dallas through a VPN connection. By avoiding the public Internet, the network is more secure, latency is improved, quality of services is enhanced, and the number of hops are minimized. This enables customers to get better performance out of their applications and network environment.

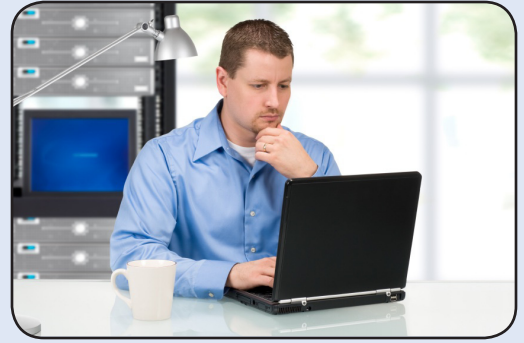
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— George Karidis  
Chief Strategy Officer, SoftLayer

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By partnering with Telx, SoftLayer has been able to deliver significant value added benefits to its customers. "By broadcasting customer domains from multiple sites, if any single site is attacked or goes down, the traffic will route around the site that's down," said Karidis. Although, this type of routed DNS service is typically very expensive, SoftLayer is providing it free of charge to its customers. "This service provides more reliability in the event of an Internet issue like a fiber cut or a distributed denial of service attack. Plus it makes our network much more sustainable and robust while improving performance for our customers and their users."



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With all POPs deployed, Telx has helped provide SoftLayer with sub 40-millisecond latency to its data centers. In this case, latency is measured from the end user to a SoftLayer facility and back or between SoftLayer customers (example: from a SoftLayer desktop to a SoftLayer or customer server and back. All requests have a roundtrip element).

“This is a huge differentiator for SoftLayer because it lowers our performance requirements for time-sensitive applications like VOIP and databases,” explains Karidis. “With sub 40 and in some cases sub 25-millisecond latency, you can replicate and synch databases across locations. That’s what we are striving for as we bring a higher level of service to our customer base.”

With Telx, SoftLayer has been able to develop an appealing value proposition for current and prospective customers. “We have been able to take enterprise grade service and bring it down to Walmart level pricing,” said Karidis. “You could probably find a cheaper server somewhere, but you are not going to get the level of capabilities we bring along with that server – like being in one the biggest interconnection drops in the U.S. for example, which is something that our partnership with Telx provides.”

During the entire process, SoftLayer has valued Telx’s flexibility and “can do” attitude. “Their ability to be flexible in terms of the way we would deploy the infrastructure as well as start generating traffic and revenue was critical,” said Karidis. “This flexibility enabled us to move the entire build forward rather than having to delay and stage this over a longer period of time. Normally we would not have done all seven cities at once, but we were able to compress everything into a couple of months and Telx’s flexibility was a big part of that.”



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