

March 2010
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business//review

Monthly news and analysis for Luxembourg



Going global

Sanjiv Sawhney on the worldwide ambitions
of Citi and Luxembourg



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// Visual Online's entry-level datacentre

Luxembourg has made a concerted effort to create international grade datacentres to serve the financial industry and attract e-commerce businesses. The so-called Tier 4 facilities run by eBRC and other service providers are top of the line. Local firm Visual Online, which made its name providing internet service and voice-over-internet-protocol (VoIP), saw a market opening.



Claude Schuler, Visual Online

Steve Eastwood

Visual Online has created in their Contern building a Tier 2 datacentre, referring to the level of backup and security offered by the facility. "In Luxembourg, all the current services offered are Tier4," said Francisco Malpica, a client account manager at Visual Online. "Our situation is implementing a Tier 2 solution offering all the business features people would expect but with less security and less backup than normally available in Tier 4." Malpica pointed out that while more security is always desirable for sensitive data, this costs money. "In this case we are able to reach new customers with our service because it can be almost half the price you expect on Tier 4 premises," said Malpica.

// Levels of redundancy

While a Tier 4 datacentre has two completely independent power supplies (from different providers in case one has an outage), as well as a double backup battery-based uninterruptible power system (UPS), as well as a double connection to the internet. Visual Online's Tier 2 system has only one UPS, one internet connection and gets its power from two separate feeds from national energy provider CEGEDEL. The facility also has a top of the line argon gas fire-extinguishing system. Visual Online is 51% owned by the EPT group, giving the firm access to major data-

centre provider eBRC's Tier 4 solutions. "We are the only provider that give you a Tier 4 room and a Tier 2 room as a backup," said Visual Online Managing Director Claude Schuler.

// Lowering the price point

Offering a lower cost service also makes it possible for smaller companies to use such services, Malpica pointed out.

"The idea behind our data centre and a cheaper solution is also not to attract the big names, like Amazon or Skype, but to bring along any company that would be interested to be based in Luxembourg and enjoy also the fiscal environment that we have here in Luxembourg." Malpica said two business centres that used to run their own IT server rooms have outsourced their needs to Visual Online's facility.

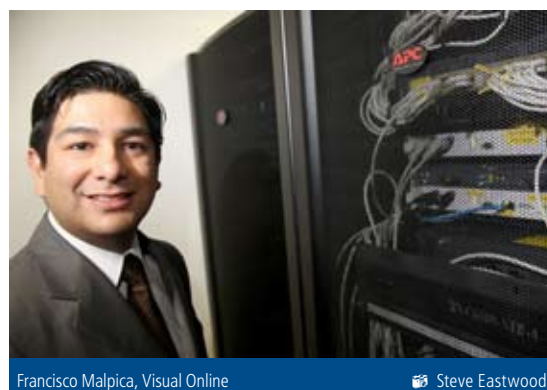
In addition to the standard racks for servers, Visual Online's facility also includes shelves with standard PCs wired up as dedicated servers. Malpica said the dedicated servers are of interest to a wide range of companies who need flexible access for a short time. "We see a huge need for this service from people that are developing software or similar sorts of thing that just need to have a server for a certain period of time – they can rent that for a few months," he said. The market for these is quite international. Schuler said that Chinese customers rent these inexpensive servers (58 euros/month) to play World of Warcraft - a game banned in China.

// An open, competitive environment

Luxembourg is unusual as a place to set up a datacentre because the forces that lead the this market to be dominated by big companies in other countries seem not to apply, according to Malpica. "This is a good place to be because you have really different companies that are not really big names and they all compete with each other," he said. In larger countries, he said, a datacentre company needs to have several centres to compete. "Here in Luxembourg, even if you're only in one place in the country, you're near any other place that could be interconnected," Malpica explained.

Offering an entry-level service fits in with Visual Online's approach to customers, Malpica explained. "We always tend to offer different levels of service to our customers," he said. "we tend for each service that we provide to have small product, and then to grow with the customers to bigger products."

By Mike Gordon



Francisco Malpica, Visual Online

Steve Eastwood



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