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OPEN SPECTRUM

Data Center Marketplace
Strategy - Optimization - Training

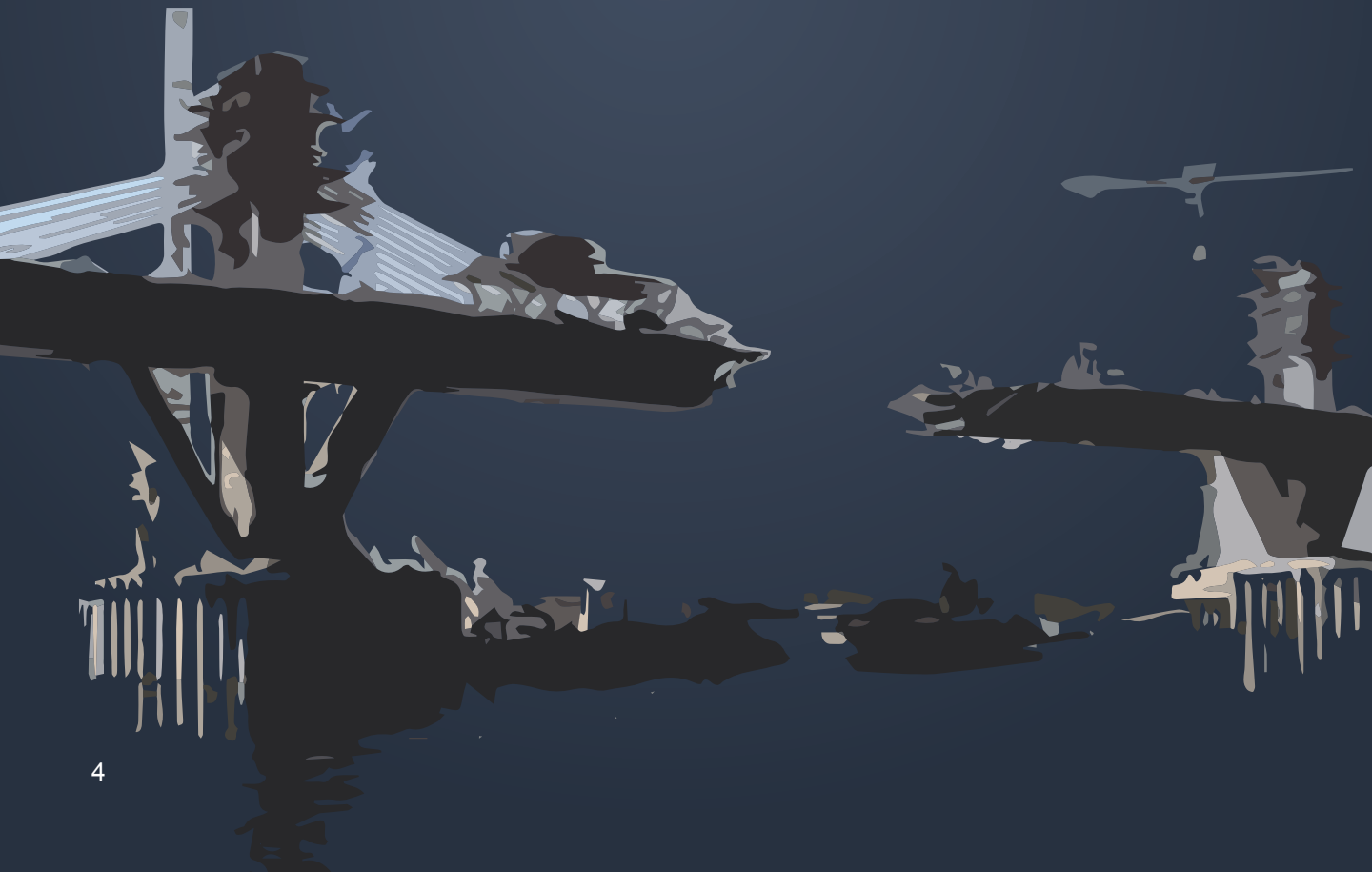
Our Story

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A **Void** in a Booming Industry

The transparency and knowledge gap between IT infrastructure service providers, buyers, and investors leaves billions of dollars on the table.



The Disconnect - **Consumers**

Often do not understand their own needs

It is still the case that over 75% of retail and wholesale data center clients use less than 40% of the usable power they have contracted for.

Often do not know what they are really buying

Retail and wholesale data center clients are paying a minimum 30% premium above market rates for contracted services. We have recently even seen some client contracts at 300% current market rates in region.

Do not have time to keep up with the ever evolving technological landscape

Migrations to cloud computing and “on-demand” infrastructure have caused virtual server sprawl and stranded capacity at far greater levels than within owned physical environments. As a result, even within “cloud” environments, clients are still paying far more for services than they need to be.

“The computer industry is the only industry that is more fashion driven than woman’s fashion”
- Larry Ellison

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The Disconnect - Service Providers

Offer limited industry or product education and training for employees

We are routinely told by attendees of our training events that they, *"would be light years ahead in (their) career had (they) received this training when (they) started in the industry"*.

No incentive to educate their clients on current market pricing despite per unit pricing for data center services dropping y / y

Most data center contracts have built in y / y unit price escalators and clients can not depend on a service provider to instigate a contract renewal conversation offering cost reductions for same services

Often do not understand their clients' evolving needs or the use cases behind their own products and services

Retail Cloud spending is expected to reach \$204B globally in 2016, with 71% of enterprises adopting hybrid cloud services in some way.

“In this brave new digital world, learning the language of data center industry provides those professionals working within it a unique and strategic advantage”
- Sean Patrick Tario

The Disconnect - Investors

Are consistently looking for industry specialists to help make educated decisions on where to invest

Investors struggle to make sense of the data center industry because it is, in essence, a real estate transaction driven by complex and evolving technology and technological needs and demands.

Are looking for investment opportunities with predictable returns, within sustainable and growing industries

The data center industry is at an all time high in 2016. Valuations are up, IBIDA projected to be 16% y / y growth, received revenue per square foot projected to be 7% y / y growth.

- Data center stocks up globally 19% in Q1 '16 and up 50% in Q2 '16.
- Global multi-tenant data center market expected to rise at a compound annual growth rate of 12.1% between 2015 and 2018.
- IT Infrastructure Services represents one of the fastest growing IT sectors in the US growing from ~ US\$30 billion in 2009 to US\$60 billion in 2013 (CAGR of ~ 20%).
- 87% of IT Infrastructure Services spending growth is forecast to occur in the Cloud, Colocation, and Managed Services, which has already doubled in the past four years.

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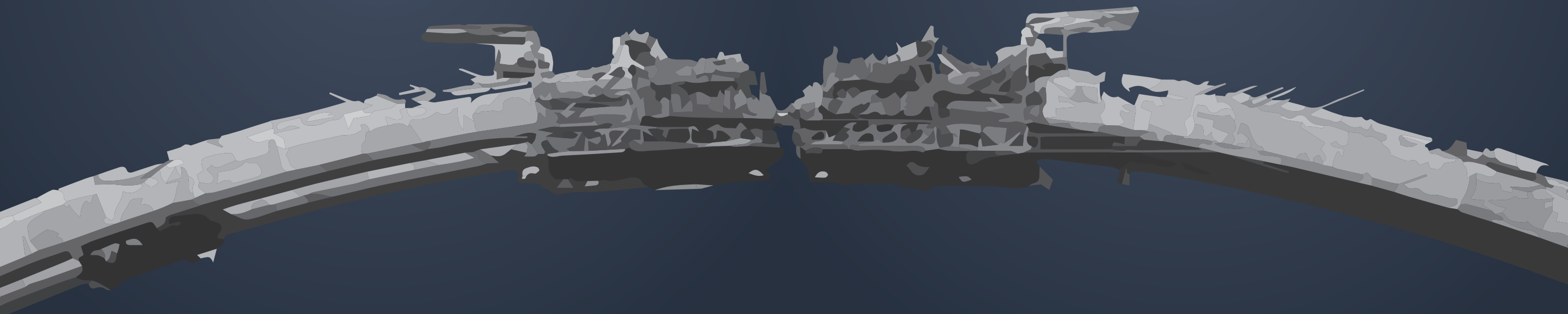
We Bring Efficiency & Alignment

Open Spectrum is a data center marketplace consulting firm, with a proven track record of delivering strategic knowledge and unique value to buyers, sellers, and investors in mission critical infrastructure around the world

Our Strategic **Advantage**

OPEN SPECTRUM

- Our team *literally* wrote the book on buying and selling both data center colocation services (now on its 4th Edition and sold over 1,200 copies) and hosting/cloud services (1st Edition scheduled to be released in January of next year)
- Our deep consulting expertise in buying, selling, and investing in data center services provides us unparalleled insight and unique value that is not easily replicated by competitors or possible for the vast majority of clients to attain on their own
- Our data center and cloud industry training programs and materials are the **ONLY** training of its kind offered within the industry today



What Makes Us Different

Open Spectrum is a data center marketplace consulting firm working with buyers, sellers and investors in mission critical infrastructure around the world. Our team has personally negotiated hundreds of contracts and toured hundreds of facilities across the country. Our targeted data center and hosting education programs and supporting materials have become the de facto training standard in the industry.

- We operate as a fiduciary consultant with our clients, not a broker or agent, providing a truly unbiased perspective.
- Our team has extensive experience working on both the buy side and sell side of the equation, providing a unique and holistic perspective.
- Our team has personally negotiated over 500 contracts for mission critical services, toured over 400 mission critical facilities across the country and interviewed over 150 hosting and cloud services providers, providing an intimate perspective unmatched by any other firm in the country.



A few of our over 200 clients

Industry Recognition

Infrastructure Optimization & Sourcing



Data Center and Cloud Services Consulting & Training



Investors in Data Center and Cloud Services



Enterprise Advisory Services

Open Spectrum's Enterprise Advisory Services provide you with the tools necessary to navigate the maze of solutions in the Data Center Marketplace and build the right data center platform solution for you or your clients. The Open Spectrum team of experienced industry experts can help you answer questions like these:

- What's the best data center for my infrastructure?
- Which hosted or virtual infrastructure is right for my applications?
- How do my existing contracts compare to current market rates?

Open Spectrum's Enterprise Advisory Services is an extension to your team, providing experience and knowledge that will get you further, faster – guaranteed.



Migration

Engineer a solution that can manage and execute both virtual and physical migrations.



Build vs Buy

Build financial models to understand the total cost of ownership and make the best decision.



Contract Audits

Audit the IT infrastructure to see where you can optimize your existing environment.



Contract (Re)Negotiations

Rightsize your agreement to current market rates to shift the balance in your favor.



TCO Analysis

Review the underlying financial truth and dissect to make the accurate short and long-term decision.



RFP Development

Expedite the process with the industry knowledge and experience our team offers.



Procurement

Align solutions and contracts to ensure the best possible price based on your business model, drivers and goals.

For more details on how Open Spectrum Enterprise Advisory Services can help you build the ideal solution, contact us at [919.241.1914](tel:919.241.1914) or visit us at www.openspectruminc.com

Open Spectrum Adds Value

MARIN SOFTWARE - www.marinsoftware.com (NYSE: MRIN)

Performed audit of existing data center contracts and coached them through a large site renegotiation and expansion contract saving over \$250k/year in annual spend and reducing their rates for expansion services by over 25%.

INFORMATICA - www.informatica.com (NASD: INFA)

Coached the numerous decision makers within the organization through a large site migration and expansion contract. Client had begun what they thought were aggressive negotiations with providers when we began the engagement, however, our expertise and experience brought an additional 50% savings. During the site selection, needs assessment and contraction negotiation process.

ALL COVERED - www.allcovered.com (a division of Konica Minolta)

Performed site assessments and contract negotiations for new deployments with multiple providers around the world. We are now leveraged on all new data center contract negotiations and deployments globally for the organization.

ROI 360 Engagement Process

At Open Spectrum, we follow a proven engagement process that we call ROI 360. The relationship we establish with our agents and clients follows this life cycle to meet your immediate business need and long-term strategic goals. As a strategic overlay, Open Spectrum will:



- Provide full visibility into your existing IT budget and how it can be optimized using both current and new technologies and platforms
- Build a roadmap of potential initiatives to provide quick impact on IT budget, shore up infrastructure resiliency, and mitigate business risk with focus on empowering the business through modern IT practices
- Initiate renegotiations with current vendors and source new vendors if needed, utilizing data center marketplace knowledge and experience
- Assist with internal organizational approach to get project approvals and move initiatives forward

Review

The first step is for us to assess your current situation and future needs. This involves a detailed technical and business assessment that allows us to map your existing applications, services, contracts, providers, teams and related infrastructure to your primary business goals and drivers. This assessment will cover details of all mission critical IT and facilities.

Optimize

Once the assessment is completed and we have developed a total cost of ownership model, we can provide detailed data based recommendations that outline how to best optimize the environment and/or modernize it while supporting both the strategic business goals and operational initiatives. Depending on what is uncovered during the first stage, these recommendations may vary.

Implement

The final phase of our process comes only after we have reviewed our recommendations with you and we come to a clear understanding around how you would best like to proceed, given the data presented.

Provider Advisory Services

The nuances of the data center industry are extremely complex and ever changing. Critical decisions made without accurate data or visibility can result in millions of dollars of lost revenue. Precise and accurate market intelligence can be the difference between the service providers who are industry leaders, and the ones who are struggling to stay afloat. Our experience across hundreds of unique clients and providers affords us an unmatched level of industry intelligence, from both a tactical and strategic level. We can provide the intelligence and significant industry insight to ensure you are making the right data backed decisions for the continued growth of your company.

- M&A Due Diligence Assessment
- Go to Market Strategy
- Site Selection Analysis & Comparisons
- Regional Market Reporting & Assessments

Data Center Industry Training

Whether you are a seasoned sales professional, a recent hire, or an experienced buyer, our materials and bootcamps will quickly bring you up to speed, and take your career to the next level...

GUARANTEED.

Live Bootcamps

Our process is far from your typical corporate shmoozefest or mind-numbing sales skills training. The Open Spectrum live bootcamp is designed to transform your team and deliver results.

Online Bootcamps

The Open Spectrum Online Bootcamp is developed from the industry-leading live workshop. The Online Bootcamp allows you to attend the bootcamp, even if you can't get to one of our live events.

One on One Coaching

Our coaching is perfect if you have specific questions on specific topics you need answered ASAP, or you're a Bootcamp graduate who wants to learn more about a specific thing.

Proprietary Training Materials You'll Actually Use

Our live bootcamps and one-on-one sessions educate and equip you with the most relevant and unbiased intelligence on the data center, hosting, network, and related "cloud" computing industries.

- Provide tangible relevant case studies and stories based on personal experience
- Maintain attention levels and attendee engagement throughout
- Provide material and content that is instantly relevant and usable in the field



Our Training Bootcamps are Endorsed by **ALL** who Attend

"Having bought and sold many megawatts worth of power within data centers around the world, I can assure you, these bootcamps should be the de facto training for anyone who wishes to be taken seriously in this industry."

Richard Donaldson, Director Global Managed Services - ebay

"Open Spectrum was immediately credible in their delivery. They captivated sales personnel and technical engineers alike with their full command of the data center industry."

Jeff Swain, VP of Sales - C7 Data Centers

"These bootcamps are a worthwhile endeavor for the new and veteran player in the industry. Sean is an enthusiastic and knowledgeable instructor. I highly endorse the training for any one who works within the industry."

Jason Dill, Director Sales West Coast - zColo/Zayo

"It is always tough to commit to being out of the office for a day and even more so to sit through training. I am so happy that I did as it definitely helped to put all of the pieces together and offer me the foundation I need to be successful in this space. You are so engaging as an instructor the time flew by."

Rachel Weissberg - Coresite

"Sean Tario's Bootcamp was unlike any other training I've been through. He really is an expert and thought leader who conveys his wealth of knowledge with tremendous energy. This is a great training and everyone, no matter who they are, will walk away having learned valuable information."

Doug Fulton - Digital Realty Trust

"I thought the training was excellent. It was very informative, and it was thorough. It is not a marketing session designed to promote data center companies, it is an educational session to increase knowledge for the overall industry, which is exactly what we were looking for. Sean is very knowledgeable and was a tremendous resource for us."

John Firmin - New World Communications

"I wish I had this training years ago, I would have been so much farther in my career by now."

Jackie Moaf - Coresite



Data Center Industry Training

Open Bootcamps:

Santa Clara (May 2013 & Feb 2014)
Seattle (April 2014)
Denver (May 2014)
New York City (July & Nov 2014)
Los Angeles (August 2014)
New Orleans (Sept 2014)
Chicago (Sept 2014)
Dallas (Oct 2014)
Phoenix (Feb 2015)
San Francisco (April 2015)
Ashburn (May 2015)
Portland (July 2015)
Boston (Sept 2015)
Austin (April 2016)
Portland (July 2016)
New York City (Sept 2016)

Private Bootcamps:

Coresite (Jan 2015)
C7 Data Centers (Feb 2014)
C7 Data Centers (Aug 2015)
Hidalgo / LeFrak (Feb 2015)
Milestone (Oct 2015)
SungardAS (Nov 2015)
Instor (Dec 2015)
Canara (May 2016)
Zayo/Zcolo (July 2016)
Venyu (Sept 2016)
Microcorp (Nov 2016)
Microcorp (Feb 2017)
Microcorp (June 2017)
Cisco / Tech Data (Aug 2017)

Open Spectrum's Risk Advisory Services provide industry-leading investment advisory services that deliver the clarity, insight, and data necessary to make sound investment decisions in today's data center and mission critical IT markets. Our extensive marketplace experience, from both buyers' and sellers' perspectives, provides you the strategic advantage to find, vet, and close investment transactions, and maximize returns on your money.

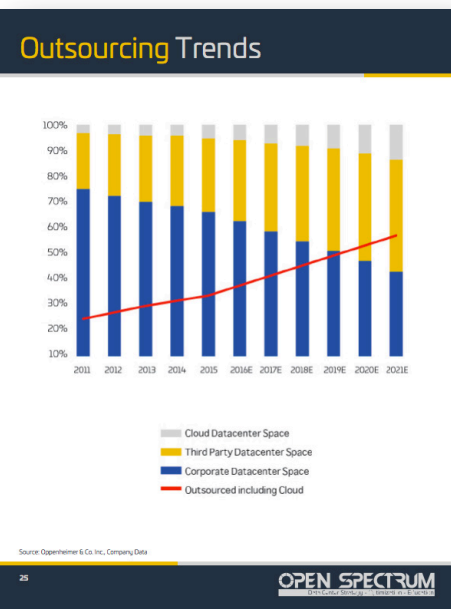
- Asset and Deal Discovery
- Regional Market Reporting & Assessments
- Service Provider Infrastructure & Delivery Team Audits
- General Industry, Region, Service, or Facility Due Diligence

"The volume of unbiased market intelligence found within these reports is impressive and actionable. Without question an incredible resource for our team and all buyers, service providers and investors in the data center industry."

**Andrew Marcus - VP,
Transwestern**

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Local Tax Incentives

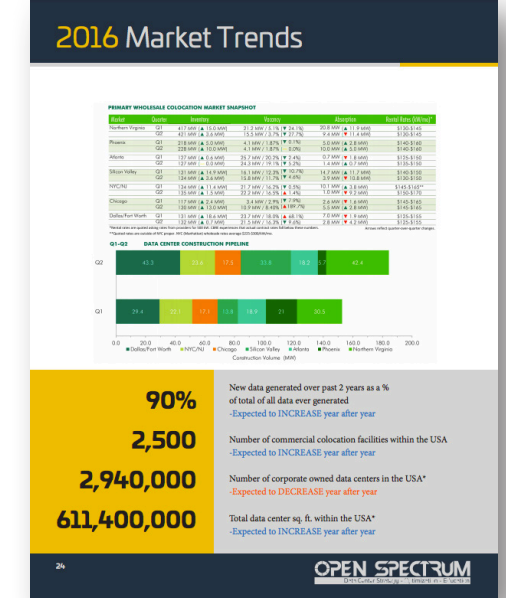
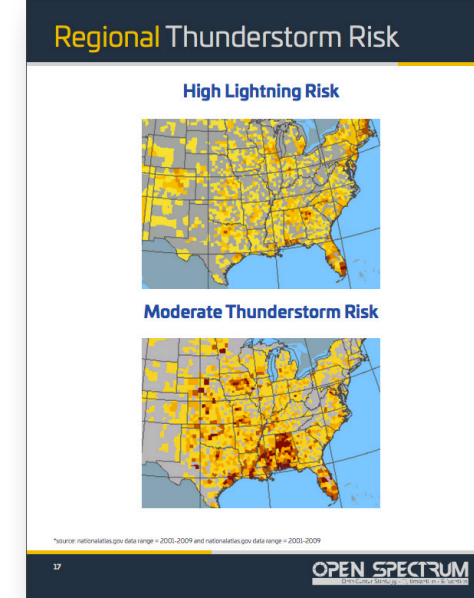
Sales and use taxes, property taxes, and real estate taxes all play a role in the total operating costs of data centers. Some states, however, offer incentives that lower the operating cost, or Total Cost of Occupancy (TCO) for both data center developers and clients installing infrastructure within these facilities. Site Selection is typically based on four primary drivers:

- Power: Cost per kWh, carbon footprint, fuel mix, and infrastructure
- Telecom: Fiber Providers, Latency
- Geography: Proximity to headquarters, population size, labor force, water
- Climate: Environmental risk (i.e. hurricanes, tornadoes, earthquakes, etc), free cooling

Sales & Property Taxes

Illinois currently does NOT offer sales tax incentives that affect data center owners, operators, or their clients installing hardware and related infrastructure.*

*Source: Lewis, John and Lynch, Patrick, "Impact of Taxes & Incentives on Data Center Incentives," CBRE, July 2013





Sean Patrick Tario – CEO/Founder

Sales/Training/Consulting

Sean is a seasoned IT professional, entrepreneur, author and investor. He has worked over the years with hundreds of startups and scaling companies as a general advisor, director, consultant, professional trainer and award winning sales producer. He has personally produced over 30 high impact sales and data center marketplace training events across the country and his firm has negotiated and closed hundreds of data center and hosting contracts with service providers around the world. Sean also spends his time serving as an industry advocate through his work with the Internet Infrastructure Coalition (I2C) and Digital Education Institute (DEI) in Washington DC.



Todd Smith – SVP Data Center Marketplace

Sales/Training/Consulting

Todd Smith has had a successful career in direct sales, sales management, channel sales management, and operations management in multiple fields. Prior to becoming an independent advisor, he served in multiple roles from 2007 to 2013 with CyrusOne, a globally recognized, publicly traded leader in the fast growing data center colocation market. During Todd's tenure with CyrusOne, he was an instrumental part in developing and directing the CyrusOne Channel, Customer Service, Account Management, and Contract Renewal departments. He also personally conducted over 70 new customer service contracts for the CyrusOne portfolio of facilities throughout the world.



Paul Carrico – Regional Director & Technology Strategist

Sales/Training/Consulting

Paul has an extensive background in strategic IT and all things mission critical. He contributes to the firm's long term strategy and is focused on building out the managed hosting and cloud practice. Paul is based in Portland, Oregon and represents the entirety of Open Spectrum Inc's portfolio in the Pacific Northwest. Paul is currently Chairman of the Technology Association of Oregon's Technology Services Committee, and a contributing content editor and trainer for Delta Force IT.



Christopher Corr – Network & TEM Optimization Specialist

Consulting

Chris is an experienced Telecom "Utility Infielder" with a wide range of skills and experiences. Chris leads our practice helping customers to assess, optimize, source, and transform their Network and Mobile Connectivity environment. In his 25+ years with Accenture, Rivermine, and IBM, he has worked with a wide range of clients from medium-sized enterprise up to banks and technology companies spending over \$2 billion annually. Drawing on his experience as a CFO, Chris has very deep knowledge of pricing structures and cost allocation methodologies and how they can lead to optimal outcomes (or not). Finally, Chris has significant global experience, having launched and led the Rivermine TEM business in EMEA.



M. Todd Partain – Director of Marketing and Education

Marketing/Training

Todd has had a successful marketing, branding, and training career across a variety of technology verticals. Most recently, Todd served as the Director of Learning & Development for QTS Realty Trust, a publicly traded data center REIT HQ'd in the USA selling retail and wholesale colocation along with shared and private managed hosting services. Mr. Partain is a seasoned, certified, and award winning consultative sales trainer with experience producing content and presenting to groups large and small.



Stephen Richardson – Critical Facilities Operations & Design

Consulting

Stephen has been responsible for the successful strategic management of critical facility operations for Data Centers around the globe. His extensive knowledge of facility systems and operational procedures, coupled with a thorough understanding of client expectations, makes him a true thought leader in the industry. Additionally, Stephen is an active instructor of data center management certification courses for The ICOR/EPI. Stephen also successfully built and delivered site specific technical training programs for clients. His instructing expertise includes a focus on data center build and commissioning, “human error free” operations, resiliency-driven best practices, procedure development, and industry standards.



Jabez Tan – Research Director - Asia Pacific Region

Consulting

Jabez is the Research Director, Data Centers with Structure Research. His coverage is focused on the data centre infrastructure market – primarily retail and wholesale colocation providers, and also includes modular data centre, managed hosting and cloud infrastructure companies for the Asia-Pacific Region. Jabez is a regular speaker at industry events and has been quoted in publications such as Data Center Knowledge, theWHIR.com, The Deal, and The Business Times Singapore.



Mark Del Bianco – Outside Contracts Counsel

Legal

Mr. Del Bianco’s practice focuses on assisting U.S. and international clients using new technologies to provide innovative communications products and services. Most of his projects are transactional or regulatory matters. He also represents clients in a variety of regulatory proceedings at the Federal (FCC) and State levels, as well as channel partner clients in their business disputes with master agents and service providers. Prior to opening his practice in 2003, Mr. Del Bianco spent 11 years in the Washington, D.C. office of Skadden, Arps, Slate, Meagher & Flom, LLC. His legal experience also includes three years in the Antitrust Division of the U.S. Justice Department. He is a Phi Beta Kappa graduate of the University of Maryland and the Yale Law School.

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