Executive Summary

Challenge

Deploy a cost-effective data center infrastructure that delivers world-class cloud colocation services to service providers

Extreme Solution Components

- Extreme Capital Solutions
- ExtremeSwitching™ VDX Switches
- Extreme VCS Fabric Technology

Results

- Accelerated time to market for new colocation services with reduced risk
- Increased competitive advantage with ability to deliver cost-effective colocation services that include support
- Gained reputation as colocation services provider of choice for international cloud companies to serve customers in Nordic countries

Colocation and Cloud Delivery Services Provider Grows Its Future with Innovative Funding and Technology

Ficolo Oy always has done things differently. When it became apparent that data center services were needed in Finland, Ficolo's founders leapt at the chance to provide them. Instead of building typical data center buildings and rooms, the company located operations in a Cold War-era underground military facility that was available for next to nothing. They began with no customers. They went to market in just a few months and within five years, they've become one of the fastest-growing companies in Finland.

Building Success on a Shoestring

Unlike many colocation services providers that serve individual businesses, Ficolo is the wholesale cloud provider for other service providers. Its service provider customers choose the data center capabilities they need from Ficolo to support their individual service portfolios.

Ficolo also is a trusted partner for SaaS companies who deliver their software to customers in Finland and other Nordic countries. As these companies migrate from CD-ROM-based software to cloud delivery, Ficolo handles cloud connectivity, availability, and security so that they can focus on their software and customers.

"Because our original location was a bit remote, we needed cost-effective networking solutions and innovation to attract customers," said Seppo Ihalainen, Managing Director of Ficolo Oy. "We take a leadership role in understanding new technologies, such as fabrics and Software-Defined Networking (SDN), so that when customers are ready to adopt them, we're ready."

From Startup to Success

Ficolo's customers provide all kinds of cloud services to their customers, ranging from SaaS, storage, and compute to mobile and consumer offerings. All rely on the Ficolo data center, which means that the networking infrastructure is mission-critical.

However, it wasn't easy for Ficolo to get started, many vendors couldn't cost-effectively deliver the small amounts of equipment that Ficolo needed. Neither did they allow Ficolo to pass an equipment leasing agreement through directly to customers. Ficolo had to fund the entire infrastructure itself. This left only two choices: borrow money from the bank, which was costly and inflexible; or purchase and resell equipment to its customers as part of its services. Neither was appealing. "It's challenging enough to sell services without adding complex financial agreements to the customer's decision," said Ihalainen. "We needed a more cost- effective way to acquire infrastructure Fortunately, we turned to Extreme."

"Extreme Capital Solutions is one of the best deals we've made. It helps us launch new customer deployments quickly and makes the business case easy to explain, which builds trust. It also allows us to test new colocation services or take a new direction with very little risk."

Seppo Ihalainen
Managing Director, Ficolo Oy

Finding an Innovative Solution

Ficolo wanted to migrate from its existing 1 Gbps network to an infrastructure with capacity to scale to 10 Gbps, 40 Gbps, and beyond. The Ficolo team also needed the ability to easily segment networks for Internet peering, shared services among customers, customer-specific capabilities,

and customer premises equipment installations. Most importantly, Ficolo needed the flexibility to grow as business grew, without having to make a huge capital investment and assume all of the associated risk.

"We found the perfect solution with Extreme Capital Solutions," said Ihalainen. "It enables us to support a modern business model that grows as customers purchase our services."

Ficolo uses Extreme Capital Solutions to purchase its network as a service, with pay-as-it-goes, risk-free acquisition. Extreme Capital Solutions includes support and enables Ficolo to scale up or cancel anything as needed with no penalties. With Extreme Capital Solutions, Ficolo built its core network using Extreme VDX Switches and Extreme VCS Fabric technology. Extreme VDX Switches also support multiple individual customer environments, which connect to the core network together with a separate iSCSI storage network.

A Low-Risk Launchpad

With Extreme Capital Solutions, Ficolo avoided having to purchase and re-lease equipment to its customers, removing financial obstacles to growth. At the same time, it enables Ficolo to include support in its colocation services offerings, creating a complete solution and a more comprehensive and appealing offering for customers. When a customer needs to scale up or down, the network will never become an obstacle.

This arrangement also enables Ficolo to continue maintaining close relationships with its partners and preserve the trust that it builds. As Ficolo relies on Extreme Capital Solutions and the pay-as-you-grow acquisition model, its customers can count on their colocation services being delivered with industry-leading reliability and availability, and as cost-effectively as possible.

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Agility for Rapid Growth

Extreme Capital Solutions finance model has enabled Ficolo to start small and expand as it grows. At the same time, Extreme VDX Switches and Extreme VCS fabric technology make it easy for Ficolo to deliver exactly want its customers want. Do they need 10 Gbps or 40 Gbps capacity? No problem. Finely segmented networks per customer? Easy. Sharing services among multiple customers over the fabric? Piece of cake.

"Extreme VCS Fabric technology lets us easily expand our networks step by step and tailor segments exactly as needed," said Ihalainen. "I estimate that it takes 30 percent less time to implement a new customer network or service with the fabric technology."

Next Steps

Ficolo is continuing on its path with the goal of becoming one of the top colocation and cloud delivery services providers. The team is proactively investigating SDN technologies and analyzing automation opportunities to be ready to help customers take their next big steps forward. To keep up with growing demand, Ficolo is planning a new 10MW data center to serve customers globally. Ihalainen expects that Ficolo will encounter many new opportunities in the next couple of years as cloud services change. With the ability to quickly meet challenges in innovative ways—it will be ready.

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Customer-Driven Networking

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