COMMUNITY CLOUD DELIVERS EFFICIENT COMPUTING

Long before anyone ever heard the term "cloud computing," Florida's Northwest Regional Data Center (NWRDC) was pioneering something that looked pretty similar.

The organization began more than 40 years ago as a nonprofit consortium for shared mainframe services, providing local universities with the enormous computing power they required without shouldering the full costs of mainframe ownership.

Today, the unique nonprofit continues to evolve by offering software, infrastructure, storage and other data center capabilities as a service to 100-plus universities, K-12 school districts, and state and local government agencies — at significant cost savings.

"We view ourselves as a community cloud or data center co-op, because our goal is not to make money, per se," said Matt Stolk, NWRDC associate director. "Our goal is to help smaller organizations, or those with technology challenges, by providing enterprise-level solutions that reduce costs by leveraging the buying power of a group."

BARGAINING POWER THROUGH PUBLIC-PRIVATE PARTNERSHIPS

Signing up with NWRDC generally saves schools and agencies 15 to 20 percent compared with going directly to the vendors. The data center achieves those benefits by building strong public-private partnerships with providers such as EMC, SHI and ViON, and reselling those services to its customers.

"Our customers benefit by paying for just what they're using — just incremental costs, not buying the whole thing," Stolk said. And it's a win for many vendors that embrace the opportunity to serve smaller customers they often don't reach.

NWRDC succeeds, in part, by:

» Negotiating strong contracts that typically build in price-reduction clauses that lower everyone's costs as usage increases. If the organization renegotiates a cheaper contract, or hits higher usage milestones, it passes those savings to customers.

» Eschewing more typical marketing approaches in favor of enlisting its own customers to help sell its services to neighboring schools, counties and cities — which increases usage and lowers costs for everyone.

"We say 'Look, if you talk to another school district or another county, and they start using our services, your costs will go down,'" Stolk said. That strategy recently helped slice infrastructure-as-a-service costs by 45 percent. Storage-as-a-service customers saw an additional 10 percent cost reduction in 2015, and Stolk also expects savings on backup-as-a-service, provided by EMC, in 2016.

As a co-op, customers also receive a credit at year's end if the NWRDC's overall costs run less than what users have paid.

GROWTH THROUGH INNOVATION

NWRDC leaders definitely want to grow their customer base and the service catalog. "We grow by innovating. We listen to what our customers say and what they need," Stolk said. "Our goal is to help our customers achieve their goals. As long as they have things they're striving toward, there's always going to be something else for us to do."

The strategy continues to pay off. Over the past six years, its business has grown about 100 percent," Stolk said. "And that tells you something, coming from a nonprofit service organization."