

The Data Center Boom Dilemma: New Construction or Retrofit?

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In keeping pace with the trends of our current data center boom, you're likely to see an intense focus on newness. New construction, new designs, new technologies and new power solutions are all top of mind for operational leaders as we all try to keep up. But some of the biggest gains can come from refurbishing existing data center spaces. This is especially true for enterprise data centers or colocation companies.

While conversations around new construction are inevitable, the value opportunity of retrofits and existing upgrades tend to be overlooked. Unfortunately, the buzz around new construction often means retrofit programs are under-resourced. When plans are put into action, they're often led by existing management teams who operate the business day-to-day and don't have the time to take the 10,000 foot view of improvement results. This strategy means moving quickly without substantial data or insights and can mean driving down the wrong path for your specific facility.

As you determine the best course for your business, try to find partners focused on those refurbishment projects versus solely construction since the work streams are very different. Creating a focus on improvements can lead to long-term benefits, and doing this with the above points in mind can make the entire process quicker, easier, and more cost-effective.

Here are a few ideas to improve and accelerate your existing data center retrofit plan and accelerate success across your operations:

- **Define qualified project partners.** The team leading your retrofit should be unique to this project, since that's how many great retrofits differentiate themselves from new builds. For the most part, people working in this space focus on one side or the other of the coin, so you need a true leader with expertise and a singular focus on retrofits. Retrofitting existing data centers can be significantly less costly
- than building greenfield. Upgrading components like cooling systems, power supply, and IT infrastructure often requires less capital expenditure. The team executing the work should be seasoned with the challenges of upgrading an operational data center. This requires meticulous planning to avoid disruptions, which can be complex and resource-intensive.
- **Separate the budgets.** A budget set aside specifically for retrofits will be a massive asset in tracking the progress and investment put into the project. Separate this budget from new construction and also set up the objectives and KPIs you'll deliver on completion. Track those successes and report on all retrofits as one unit, not buried inside of existing operations.
- **Track separate KPI's.** The value statements and measurements of success for a retrofit should be separate from the business-wide statistics. Make this a value change for the company and evaluate the value of a new building versus those of existing upgrades. Find out the specifics of your business to see which drives more bang for your buck, and align your future strategy with that. A few bits to consider:
 - **Scalability.** Older infrastructures might have physical and technological constraints that limit scalability and future expansion.
 - **Technological Constraints.** Retrofitting might not fully address the integration of newer technologies, which can be a limitation if the existing infrastructure is significantly outdated and/or underpowered.
 - **Compliance.** Facilities being retrofitted may be required to meet the latest industry standards and regulatory requirements. Upgrading older systems to meet these standards may provide added complexities for the project.