

NBFCs trust data centers for stable growth

Technology experts discuss the changing role of data centres to boost the NBFC sector's growth:

verything is a transaction. That's the concept BFSI companies have been adopting lately. This has led to swift payments, a technologically diverse financial ecosystem and the growing quantum of digital journeys, with data expanding on each point of exchange. Cloud technology is riding the digitisation wave through business process transformation. Businesses have increasingly embraced the Cloud platform realising its pivotal role in dayto-day operations.

CRITICAL ADVANTAGE

A Hybrid Cloud in all its variants supplies the agility, standardisation, capabilities, scalability, and enhanced control needed to quickly develop, deploy and support digital applications, features and services. Consider it an organisational investment that enables growth while unlocking the space to introduce new technologies and innovation.

For companies who intend to streamline their continuity, colocation data centers can free up the physical footprint while delivering a fullyfunctional Hybrid Cloud. More importantly, IT assets in a colocation facility allow fast and easy connectivity to the services that are a part of every remote working strategy. As businesses move their workforce to distributed locations, a secure, robust, and efficient data center can act as the hub that ensures flexible access for future scalability in terms of technology infrastructure.

Nikhil Rathi, CEO and Founder, Web Werks, recommends that Financial institutions typically can leverage colocation facilities and can set themselves free from the cost of IT legacy, challenges, and complexities while they house, protect and connect their company's critical IT infrastructure and integrate all storage, compute, and other networking assets to run any app.

Customers demand instant transactions and digital payments whenever they need. Thus, there has to be interconnection between the different financial services providers and thirdparty organizations such as banks, cloud service providers and telecom companies. Whether NBFCs are managing big data workloads or processing electronic payments, they can build a customised network that meet their unique business needs within a fully secure and compliant data center environment. By migrating data and hardware into a data center, they can deploy low-latency edge computing networks that keep them a step ahead of competition sand deliver the services their customers want, when they want them," he adds.

Ramesh Chandra, Chief Information Officer, Tata Motors Finance shares: "First and foremost, data centers enable a scalable processing capability while reducing IT needs and physical data storage, resulting in significant lowering in costs and hence more savings. Moreover, it is more secure, providing higher levels of data integrity. It also lowers the risk of losing data for users by backing-up data offsite - decreasing threats from viruses, ransomware, and other cybersecurity issues.

He also explains additional benefits: "With the cloud, it is easy to access data at any time, keeping the users connected regardless of where they work, and it can be used on any platform or operating system. There are numerous aspects of business that get simplified by switching from on-premises to the cloud which helps in moving the business ahead of the curve. But of course, conducting a cost-benefit analysis is always









Ramesh Chandra



Rishabh Garg



Nikhil Rathi

Hardika Shah

recommended. Benefits which Tata Motors Finance got by moving to the cloud in a hybrid model was scalability with agility, less cost by pay as you use a model with complete security and improved service levels."

Rishabh Garg, CTO, U GRO Capital adds additional benefits for NBFCs: "While moving from on-prem to the data center, IT infrastructure maintenance, resilience, scalability, security, and compliance to regulations gets simplified. These data centers invest heavily in their infrastructure to be in line with most regulations which takes off much load from financial services organisations in maintaining infrastructure to focus on things that can bring differentiation."

"If your data center or cloud strategy is not in place, you may see challenges like spiralling costs and support. You may also need to invest in complex agreements safeguarding one with SLAs," he adds.

Through a Hybrid multi-environment structure, businesses can have more choices to warrant a stable foundation while preparing for any disasters. Even in the case of limited exposure, enterprises can use Backup-As-A-Service (BaaS), Security-as-a-Service (SECaaS), Disaster Recovery-as-a-Service (DRaaS) and Storage-as-a-Service (STaaS) for modernising the operations.

Moving services from on-premise to a cloud like AWS helps with high availability and resiliency, reduced management overhead, on-demand provisioning, multiple choices of offering about compute and different cloud managed services. No capex cost and planning required. Karthikeyan K, CTO, KreditBee adds: "One complication is that you lose physical access to the infra and would have to rely on the cloud service provider to maintain your application and services. Also, there is an issue of high opex cost. Any issue or outage on service provider end would impact our services as well."

Ramesh cautions about critical issues that should not be ignored: "Despite the plethora of benefits of cloud migration, in the rush to get cloud acceptability, businesses sometimes overlook issues such as managing IT system complexity, consumers having reduced visibility and control, on-demand self-service simplifying the unauthorized usage, compromising the internet-accessible management APIs. These can be mitigated, of course, by ensuring that our IT architecture is prepared for cloud migration, monitoring the performance of our app and network, leveraging a portfolio of compliance services as well as an experienced security staff."

Nikhil adds: "Working with a colocation provider to gain a secure on-ramp to the cloud or build a customised hybrid cloud or multi-cloud environment within a data center, businesses no longer must choose between convenience, security and connectivity. Data Centers like Web Werks offer dynamic digital infrastructure spanning private and public environments, choosing multiple providers and distributed geographies. The connectivity options offered through a carrier-neutral colocation provider allow financial companies to retain full control and visibility into their IT infrastructure while also leveraging the scalable power of the world's leading cloud computing services. Our ecosystem is designed to provide our customers and partners with one globally interconnected place to meet, interact, and transact with all of the stakeholders in their business ecosystem including financial institutions. This significantly shortens the time, resources, and effort required for them to create, consume, and commercialize new digital value."

TECH@WEB WERKS

Web Werks has put together the most extensive range of colocation and cloud hosting services designed to allow our customers to work seamlessly. Furthermore, major Hyperscale Cloud Service Providers (CSPs) like Azure, AWS, and Google come within the ambit of our Cloud On-ramp services for Private, Public, SAP-certified, and Hybrid Multi-Cloud deployment. This is coupled with 3 state-of-the-art TIER III Data Centers spread across Mumbai, Pune, and Delhi-NCR, with more coming up in Bengaluru, Hyderabad, and Chennai. Additionally, organisations get seamless cross-country localisation through unrestricted access to 15+ advanced data centers spread across the US, Europe, and APAC in partnership with our Joint Venture partner Iron Mountain Data Centers.

As India's leading Tier III Colocation Data Center provider, Web Werks offers a cohesive Interconnection ecosystem of local, national, and global ISPs with

S Future-proof Platform

Cloud On-Ramp Services, Content Delivery Networks (CDNs) and Internet Exchanges (IEs). We also extend our connectivity to some of the country's largest Peering Exchanges like DE-CIX, Extreme IX, and NIXI, which help you run resource-heavy applications without any bottlenecks.

Web Werks also offer a cloud based solution on Hyperconverged Infrastructure (HCI) platform, integrated with modern cloud technologies. 'Web Werks VMX' is a cloud-ready operating model for modern businesses,

PARTNERSHIP TERM

One thoughtful question always arises – should the partnership be short term or long term? Which is better?

Rishabh supports the long-term partnership between NBFCs and data

centers, since shifting the workload from one data center to another is complex. He says: "NBFCs should take a long-term view while selecting the data center. The long-term agreement covers costs given future workloads; SLAs should be taken care of while selecting a data center."

Rahul reveals: "Robust connectivity and power supply backups are a musthave for smooth operations. Besides, redundancy is another important factor to maintain a long-term relationship with data centers. Since the latter involves cost investments to build identical facilities, expenses for the same can impact the budget."

Hardika avers that data is gold for NBFCs and adds: "For Fintechs like us to be able to offer collateral-free credit to MSMEs, long-term partnership is recommended as it will also be more cost-

SMOOTH TRANSITION

Although data centres are much easier to use and handle, there are downsides too. You are dependent on the data centre provider's ability, expertise, and financial stability to ensure reliability. Rahul Bhardwaj, CIO, Fullerton India Credit Company speaks about the challenges: "Since multiple people have access to data centres, there can be challenges while carrying out operational tasks and maintenance. However, having in-house data centre experts can help alleviate these issues. At Fullerton India, we have been in an outsourced data centre for quite some time." Many others have done the same.

According to Hardika Shah, Founder & Chief Executive Officer, Kinara Capital, one of the biggest challenges of an on-premises data centre is the hefty costs associated with purchase - hardware and continual maintenance of the data centre. She says: "Third-party data centres and data centers offering cloud environment, on the other hand, offer plug-and-play solutions to companies. For highly regulated industries such as ours, data security and the location of the data centre becomes critical. This is also a mandate by the Reserve Bank of India (RBI). For companies to make better use of their resources, cloud-based data centres offer a much more convenient solution. Working with established and credible partners ensures data security and compliances while costs and latency are usually reduced significantly."

Nikhil Rathi, Founder & CEO, Web Werks comments on the current scenario: "For many years, NBFC companies managed their data and applications on-premises, but the rising costs of building and maintaining a private facility have pushed many of them to seek other solutions. While cloud computing in financial services has benefited consumers immensely, companies are understandably hesitant to migrate sensitive financial data to the public cloud." effective. For a long-term partnership to work well, NBFCs must ensure that the data centre is in full compliance with the national rules and regulations and is secure."

Nikhil promotes the new operating model for the CIOs and he also support long term partnerships with the NBFC companies: "Each enterprise is looking forward to redefining their products portfolios to build margins in the current scenario. Certain key parameters to maintain a long-term relationship with the data center involve stability vis-àvis the infrastructure provided. From a longevity perspective, the primary reasons many enterprises choose to build their own data center are security and control. While both these aspects have an extreme impact on the functionality of a service, they can also be easily achieved by outsourcing your data load to an established colocation data center facility. This essentially saves the thousands of hours of work and a higher CAPEX dedicated to going through the five phases and ensures on-demand scalability that only a colocation provider can offer."

Web Werks has one of the most comprehensive compliance programs in the industry. In addition to global certifications, we also have PCI-DSS and GDPR Compliance to meet the most stringent requirements of the financial institutions. Web Werks Data Centers are SAP certified for Cloud and Infrastructure services.

In India, the demand for data centers is boosted by regulations related to data security and localisation. Government PSUs require their data to be stored/ hosted on Government empanelled cloud platform. Web Werks is MEITY empanelled cloud provider to host Government data/ servers at our 3 data centers in Mumbai, Pune & Noida. PSUs can choose to deploy their workloads (data/ servers) on Government Community Cloud or Govt. Public Cloud or Govt. Private Cloud, created specifically for PSUs.

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