

GSI Sees Data Center as Big

New 'big box' facility will be area's largest

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Three years ago, GreenSoft Solutions Inc. was a Web-hosting company without one crucial ingredient: a data center.

On Nov. 1, GSI will show just how far it's come, opening the largest commercial data center in Kansas City. Founder Robin Greenhagen refers to the facility at 10828 N.W. Airworld Drive, near Kansas City International Airport, as the first "big box" data center in the area.

"It's going to put them into a larger league," said Bert Weidt, a systems architect at VML, one of Kansas City's largest advertising agencies.

VML, which refers its interactive media clients to GSI for Web-hosting services, already has helped line up Colgate Palmolive to use GSI's new 20,000-square-foot data center. The data center is inside a 77,000-square-foot building that GSI bought in June for \$2.5 million.

GSI secured its first data center in 2003, when Greenhagen outmaneuvered about 10 other interested parties to lease CommuniTech.Net Inc.'s downtown data center at 1627 Main St.

At the time, GSI was a tiny Web-hosting and software development company left stranded when Sprint Corp. decided to close a data center where GSI had been renting space.

Since taking over the former CommuniTech.Net facility, annual revenue at GSI has surged from \$1.6 million to an expected \$8 million this year. The company's primary thrust is hosting Web sites and managing the IT infrastructure of businesses.

The Northland location has GSI thinking bigger. Greenhagen said that filling the new data center would equate to \$25 million to \$30 million in revenue.

"And that's not including expansion opportunities," he said.

The building includes a 15,000-square-foot warehouse, which could be converted into data center space.

GSI's aggressive expansion comes amid a larger arms race to buy and build data centers.

The surge is driven by an increasing reliance by businesses on the Internet. With more Web pages, more e-mails and the need for faster connections, companies are turning to data centers and their racks of computing power.



"Today, if you're offline, you're losing sales," GSI CEO Kelly Kephart said.

NetStandard Inc. CEO Walt Lane, who has operated a Merriam data center since 2002, said that although demand is rising, he can't envision that there will be enough business for all the players.

"The market will be oversaturated by facilities," Lane said. "There will be winners and losers."

He said the winners will boast the most reliable power infrastructure -- a power failure can cripple a data center operationally and in reputation -- and the highest level of service.

Of course, Lane said, NetStandard's power infrastructure is unrivaled locally. GSI makes the same claim.

GSI's play to win is to use the big-box concept to appeal to more national accounts. The company already has locked up Burger King and Miller Brewing Co. (the brewer's Manlaws.com site is hosted at GSI) at the downtown facility.

By having all the extra space at the Northland location, GSI can appeal to the big national customer that needs expansion space.

"You could have someone who has 100 servers, and all of a sudden they need 1,000," VML's Weidt said. "And a lot of people are outsourcing their entire IT department."

