

Ching-I Hsu

Chairman and CEO of Raritan

BY JENNIFER SIMONI

In 1985, you and your wife Esther started a PC component resale business out of your house. As they say...you've come a long way. How did you go from selling resale PC parts to being recognized in the industry as one of the fathers of KVM technology and now a leader in data center energy management and DCIM?

Raritan, indeed, has come a long way. Today we have three business units. Knowledge gained from one Raritan business has helped open doors to other businesses. In Raritan's early days, we moved from reselling PC components to manufacturing PCs. To help make our PC business more efficient, we developed a tool that helped test multiple PCs simultaneously from one console—the tool was the predecessor of the first KVM switch. In the early '90s, we saw a market for KVM and started a business to provide customers with a more efficient way to control multiple servers from a central console. The KVM business grew rapidly. With Raritan becoming one of the top vendors, we expanded internationally and established a strong presence in data centers.

Being in 50,000 data centers and server rooms, opened the door to another new business. We had early insight that energy was becoming a major data center issue in terms of costs, capacity and greenhouse emissions. Then, because we were the first to enter the intelligent power management market in 2007—by providing data centers a way to measure energy accurately at the device level—we found ourselves in the enviable position of recognizing other issues, closely related to energy, that needed to be solved. These issues concerning the complexity of asset and change management and capacity planning of IT and facility infrastructures gave birth to yet another new market—DCIM (Data Center Infrastructure Management), which Raritan entered in 2008.

Your solutions are used in just about every data center in the world today. What's next for Raritan?

Helping data centers reduce complexity and improve operations has been our core business for decades. The data center transition to the next-generation design has just begun, and many of the necessary technologies to support and guide this transition are emerging. Raritan will continue to lead the industry and innovate to help accelerate the arrival of the next-generation data center.

This issue of TechNews is our Energy issue: Would you talk a little bit about Raritan's energy business?

Our power business has enjoyed incredible growth in the past five years. Raritan

is considered the leader in intelligent power management as a result of our extensive intelligent rack power distribution unit (iPDU) portfolio and energy management software. Our solution has helped many data centers around the world meet their goals of being more energy efficient, resulting in cost savings and environmental conservation. We will continue to innovate and bring new ideas to the market that will aid the data center manager in creating state-of-the-art energy-efficient facilities. We are grateful to have the support and trust of world-class customers—such as ADP, Cisco, Deutsche Bank, eBay and Royal Caribbean—who are today's leaders in energy-efficient data centers.

Raritan has developed many 'firsts,' and continues to innovate. What is your secret to staying ahead of the curve?

Frankly, our secret is to follow one of our company values, Customer Focus. Raritan defines Customer Focus as striving to delight our customers with innovative products and superior service. With every customer interaction, we carefully listen to fully understand their operation and the problems they need to solve. Armed with that knowledge, we then develop a complete solution to meet their data center needs.

Were there any major (or minor) missteps along the way?

Like any technology innovator, Raritan has had missteps, but we learned from them. If we didn't take risks, we never would have been able to adapt to the fast-changing market, and we most likely would not be here today. The key to innovation is experiment, learn and adjust to lessen the chance of major missteps.

Data Center Infrastructure Management (DCIM) is a big topic, and is predicted to experience explosive growth. What challenges do you see in the DCIM market?

Like most new emerging markets, there are lots of entrants, varied approaches and many views on market definition. As a result, there is great confusion on what DCIM means, what problems can be solved and how to solve them—resulting in a substantial gap between customer expectations and solution vendors' promises. In my opinion, this is the key roadblock to the advancement of the DCIM industry.

DCIM can be very complex, often crossing and requiring different functional domains to maintain its performance and availability. Today's point tools—such as homegrown databases, spreadsheets, and diagramming software—can only take you so far and quickly become ineffective when sites get larger and

work processes get more complex. Recognition of this problem and prioritizing budgets to solve it will be important for all data center operators, if they are to be competitive in the future.

How can we address those challenges, before they become problems?

Education and expectations are key tenants. Data Center operators should clearly understand the functional possibilities of DCIM software. DCIM solutions are more than a tool or widget that you simply procure and turn on. They are process solutions, similar to a CRM or ERP deployment, requiring alignment of problem, solution, processes, and people. Successful DCIM deployments often take fundamental changes of process and work practice in the organization to be successful. So we need to educate and provide the tools that help data centers assess their operations and identify the key problems that they want to solve. Without this first step, it becomes challenging to deploy the right solution.

It is also prudent to implement in phases. Experience suggests that by taking incremental steps, experiencing success and realizing value, customers gain confidence in further deployment. This is the approach that Raritan takes. We help customers take a practical path with a roadmap or maturity model that starts with an initial project to learn and extract value.

For example, our DCIM software suite, called dcTrack, helps a typical data center professional answer the questions faced everyday: "How many servers do I have and where are they located?", "How are they physically connected to the power line, and network patch panel?", "Can I place these servers in those racks?". As users become more sophisticated with DCIM's capabilities, they can incorporate power chain and cable plant management with workflow to get answers to more sophisticated questions, such as "tell me the impact of performing a UPS maintenance" because the DCIM solution knows exactly all the devices connected to the UPS downstream. In addition, a change management function with ticketing system, can help customers better manage equipment moves, adds, and changes. With DCIM they can measure exact capacity of space, power, and cooling—at a building level, room level, or down to the individual port level in a rack—in order to improve operational efficiency and productivity.

Back to your success: What do you look for when hiring your executives—Skills? Characteristics? What is your management style?

Raritan has several business units at different lifecycle stages, so we look for individuals that have both leadership skills and entrepreneurial skills. In new markets you need to inspire and help shape tomorrow's vision, yet grasp the reality of today's dynamic changing marketplace to deliver solutions that are valued by customers. We look for individuals who are independent thinkers, embrace new ideas, and are agile, effective, and innovative.

My management style is open and consultative. I encourage individuals from every level of the organization to share ideas—I believe sharing knowledge enhances growth of the individual and the entire team. I also encourage the team to take prudent risks with the knowledge and assurance that I understand the potential upside and downside inherent in risk taking. As I previously stated, the key to innovation is experiment, learn and adjust to lessen the chance of major missteps.

As a serial entrepreneur, what advice would you give other companies looking to grow in today's technology industry?

I am an atypical serial entrepreneur because I started one company. However, under the Raritan umbrella we started four different businesses—PC, KVM, intelligent energy management, and DCIM. We were early entrants and helped shape these new market categories. In addition to luck, my advice is to listen to customers and partners as they are the ones closest to where the important pain points exist that must be addressed.

Also, keep an eye on business fundamentals—business model, organizational structure and go-to-market strategy—and be nimble so that adjustments can be made to ensure that you add value and meet customers' needs, stand out from competitors, and operate a healthy business in all kinds of market conditions. Be thought leaders for the industry. At times, it is difficult to be pioneers, but it is very rewarding.

What do you think data centers will look like 10 years from now?

The industry will continue to be shaped by technology trends toward faster, smaller, smarter, securer and connected data centers. I imagine that today's data center will be replaced with new technologies that are more space and energy efficient, and with advanced infrastructures to make it easier to shift compute resources to better meet business and societal demands. Innovation is taking place today in how data centers are cooled and powered, including using ocean water and solar power. The future will be extraordinary; I can't wait to see this future, and how the people of Raritan will help in the transformation. ■

