Not all networks and data centers are created equal:
A technical perspective.

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The digital infrastructure market is undergoing significant transformation. Consolidation of service providers, BEAD funding, cablecos embrace of fiber, and AI-enabled data centers are just of a few of the major developments driving seismic changes in the sector.

Across this evolving landscape, how can digital infrastructure investors explore and evaluate new opportunities intelligently? More than ever before, savvy investors are conducting thorough due diligence in each work stream. The risk of not doing this is too great - especially when it comes to technical due diligence of a network or a data center.

As our experience bears out, not all networks or data centers are created equal. Across more than 90 assessments for over 60 clients, we have seen the good, the bad and the ugly. While most of the assets we've investigated have passed with flying colors, some have not. Red and yellow flags emerge – demanding attention from prospective buyers and sellers.

Our evaluation of capital and operational expenses, data center power and cooling, fiber connectivity, inside and outside plant, equipment, network operations centers, security, organizational structures, customer service and technical support across a wide range of providers has yielded these major issues:

Planning and Design
- Non-scalable, custom solutions for data center tenants
- Inadequate architecture lacking needed redundancy
- Limited available fiber

Data Center Power & Cooling
- Limited power availability
- Obsolete cooling equipment
- Power & cooling needs heightened by AI

Construction
- Unprotected, single leased connecting circuits
- Constrained construction contractors
- Lack of aerial slack storage

Management & Performance
- Network availability below 97%
- Maintenance risks: externally owned critical routes
- Redundant circuits exceeding fail-over capacity

Equipment
- Sloppy, untraceable wiring
- Obsolete and unsupported; outdoor use of indoor-rated equipment
- Insufficient battery size: exhausation before generator connection
- Inadequate warehouse inventory control

Customer Service
- Poor metrics: average speed of answer, cost per call
- High mean-time-to-repair for single customer events
- One customer service individual for entire company

Technical Service / NOC
- Overstretched tech staff with broad individual responsibilities
- High labor costs
- No centralized Network Operations Center (NOC)

OSS/BSS
- Reliance on in-house developed systems
- Limited scalability
- Single-employee critical support

Do any of these issues sound familiar? Hopefully not, but if they do, don't worry. While each of these challenges can affect current performance, future scalability, or the overall value of the business, none are insurmountable. By identifying the problem, allocating the right resources, and applying appropriate solutions, every issue can be resolved.

The key takeaway from our findings is simple: leave no stone unturned. It's essential to fully assess both the current condition and future readiness of the asset. Thorough due diligence ensures that potential risks are addressed, and opportunities are maximized.

Broadband Success Partners
The company is the leading digital infrastructure M&A technical advisor and due diligence specialist – having completed 100+ evaluations of networks and data centers for 60+ clients in North America, South America, and Europe. This includes Gigapower for BlackRock and MetroNet for T-Mobile. The team consists of former service provider executives who have designed, built, operated, and maintained networks and data centers. For more information, please visit www.broadbandsuccess.com or call David Strauss at +1 917.806.5567.

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