Inside Data Centre Podcast.

WITH ANDY DAVIS

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Title

John Day, Chief Commercial Officer at CleanArc Data Centres: Delivering the Data Centres of tomorrow, today.

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Transcript

(0:00 - 0:26)

This is the Inside Data Centre podcast.

We talk to the people who power the data centre sector to give you insider info on everything happening in DC today. Here's your host, Andy Davis.

Andy Davis (0:30 - 0:37)

Welcome to the Inside Data Centre podcast. Today, I'm joined by Ben Pritchard, CEO of AVK SEG. Good evening, Ben.

Ben Pritchard (0:37 - 0:38)

Hi, Andy.

Andy Davis (0:39 - 1:05)

I always struggle with the time, because I'm used to doing it with people in different countries, but we're actually both in the UK for once, so it makes it nice and easy. Thanks for coming on. There's a lot happening with AVK at the moment.

Only yesterday, we saw the training academy released, which is obviously a big, big thing for the industry. So well done for doing that. You've had the rebrand recently.

There's always a lot happening. So looking forward to covering a few of those points. Before we do all that, do you want to give a quick introduction of who you are and what your role is at AVK?

Ben Pritchard (1:06 - 1:34)

Yeah, no worries. Thanks. So yeah, I'm Ben Pritchard.

I'm CEO of AVK. So I've been in the role for just over two years. Been at AVK for 12 years, so I've seen AVK grow significantly and change and morph into what it is now.

So as you mentioned, some really, really exciting times that we've been through over the last six months and some really, really cool stuff that we're going to be looking at in the next six months as well. So yeah.

Andy Davis (1:35 - 1:46)

Exciting times. And I always ask people how they started their career and how they ended up in the industry. I think your story will be slightly different to some of the others.

But do you want to give us a quick insight into your journey in the world of data centres?

Ben Pritchard (1:47 - 2:50)

Yeah, for sure. So AVK is my first sort of, I call it my first proper job. I played professional rugby for two years prior to that and then joined AVK, started out as a service engineer, just spinning filters and then went out with the commissioning guys and then stepped through pretty much every practice over the first six years of me being involved in AVK and then found myself in sales, running the sales team and found a bit of a passion, I suppose, for the data centre market. I thought it was quite fascinating. It was definitely the area of growth and the area that we wanted to push into.

But it's great. I've seen the 12 years of being at AVK, of the people that sort of taught me when I was just as a commissioning engineer, still with us, still commissioning engineers. And it's just awesome to see how the company's sort of grown.

So and definitely learned so much from great engineers across the business.

Andy Davis (2:51 - 3:13)

Yeah, it's interesting because I always say to people when they ask me when they're starting their careers to try and get that exposure to all the different avenues within the industry because it's easy to just start as an engineer and you're finishing the engineering side of it. Whereas it's like you say, there's so many different avenues you can take your career. But also it gives you great exposure to the industry as a whole and helps you develop later on in the latter stages of your career.

Ben Pritchard (3:13 - 3:56)

Yeah, and we tried to sort of blueprint sort of what I did, I suppose. So we've got two guys within our business who have now been with us for just about seven years. And they came in when I took over as sales director, did exactly the same.

And now they're senior salespeople. And similarly, you mentioned the academy. That's sort of exactly the premise there as well.

We've got the Centre of Excellence, but trying to get people to just feel and understand exactly what they want to do within the industry. Because we sort of talk about the industry really sort of singular, but actually it's so broad, the skill sets. And I think as a young person coming in, there's kind of a job for everyone.

And it's such an attractive market to work in.

Andy Davis (3:57 - 4:37)

Yeah, I agree. I think it's one of the best things about the industry. It's easy to think it's just engineering or just construction or whatever it might be, but there's so many avenues and you see so many people that have taken their career quickly and really far in

a number of different facets where there's not a lot of industries where you see that.

You kind of see people pigeonholing a lot of industries, but data centres allows you to spread your wings a little bit. From an AVK perspective, you touched on it.

Yeah, you've been there 12 years, but the business has been going obviously longer than that. And there's been a lot of change recently, a lot of growth. Do you want to give a quick overview and an introduction into AVK and obviously some of the milestones you've achieved over the last however many years?

Ben Pritchard (4:38 - 6:09)

Yeah, so AVK is a 35-year-old business. We started off doing rotary truck systems. And I suppose the uniqueness of AVK is we don't build anything.

AVK is built on foundations of collaboration and partnerships. So we go and pick best of breed technologies and sort of offer that to the market. And our sort of speciality is engineering and that whole power solutions piece.

So as I said, we started off as a truck business, and then we stepped through static UPSs, then diesel generators, then now recently sort of HVO generators, gas generation and battery storage. So we've kind of followed or tried to follow that market trend of always being critical power, but trying to just answer the difficult exam questions and sort of more recently, we look at the sort of transfer to HVO. You know, we were probably the first people to work with Rolls-Royce to get their engine through on HVO.

And especially around sort of gas side, looking at micro grids, you know, we'll be the first, we're one of the first companies to deliver a data centre completely off grid, which is so topical. It was an exam question put to us probably about four years ago, and it was a bit of a head-scratcher and safe to say we got there with a really, really strong team and a really strong supply chain. So yeah, some really, really big milestones that we've sort of come across and achieved, but it's kind of only the foundations I see it as what we've laid.

Andy Davis (6:10 - 6:24)

Yeah, what happens next, which is to say we'll go on to that point. And I know you recently, you were featured in the FEBE Growth 100 as well, which I think was an important milestone for you in the business. Why was it so important to you to achieve that?

Ben Pritchard (6:25 - 7:17)

Yeah, I think it's quite a proud moment. I think obviously being a family business as well, sort of legacy is quite a big thing for me. Obviously my dad started the business 35 years ago, and to get recognition of the growth and the hard work that the business has sort of put forward or put into the growth is just amazing.

You know, you don't really get times to stand back and actually reflect on the journey. I think this industry is really fast paced and sometimes you can just get your head stuck down into problems and problem solving mode. And when you get recognition like that out of the blue, you know, it's actually a really nice moment for everyone just to take a breath and look around and just actually recognise what we've achieved as a business.

So it was a really proud moment for us, you know.

Andy Davis (7:18 - 8:05)

Yeah, well done. I totally agree with you as well. This industry doesn't give you time to consolidate sometimes and sit down and think, well, have we done a good job?

We think we're doing a good job, but are we actually doing a good job? So it's nice if someone comes along and says, well done, you're doing the right things. When I was looking at the podcast and trying to structure it, I sort of positioned it around sustainability and power.

I know you're very passionate about sustainability side and obviously you're a power business. I just wanted to go into those subjects a little bit more detail. But from a sustainability perspective, if I can say it, obviously as a company, you're really pushing it and you're really having an impact in what the data centre sector is doing.

But why is it that sustainability is so important to you and to your organisation?

Ben Pritchard (8:06 - 9:26)

Yeah, so I think when I look at data centres, I see data centres getting more and more media attention, the person on the street understanding what data centres are. And I think the industry is so, so important to societal growth. I think everyone requires data now.

And I think if we don't, as leading companies within the industry, really step through sustainably conscious ways, I actually feel that we're probably doing ourselves a bit of a disservice. I hear a lot of the time data's the new oil and that really does scare me. As a sort of a young person, that scares me en I see how oil companies have sought the path that they've treaded, or trodden, sorry.

I kind of sit and feel that it doesn't have to be this way. We have an opportunity where data centres use so much power and there's so much money floating around in the market that if we take a bit of a different view of it, that we could actually be quite a powerful problem solver to the global sustainability crisis, I suppose, if you want to label it a crisis.

Andy Davis (9:27 - 10:03)

And it's an interesting thing you said around about young people, because I'm a big believer that the younger generation will create this change. Do you think that the industry needs that viewpoint of people saying, I don't want to operate this way? Like you say, if you compare it to oil, because we all hear that phrase, and do you think it needs that new mindset, whether it's younger people or people from different industries to come into the sector and say, look, you don't actually have to do it like that.

You can do it this way. We can coexist. We can give back.

It doesn't have to be a take, take, take scenario all the time.

Ben Pritchard (10:04 - 11:36)

Yeah, so I wouldn't necessarily say it's just young people. I'd say there's a lot of people who are really sustainably conscious, who are varying different generations. But I would say it's definitely the people from different industries, I think, is a really, really interesting area.

You know, I think sometimes we get a bit caught up in the data centre industry, thinking that it's the most cutting edge industry ever to live. And actually, when we look at how data centres have been built, you know, for the last 25, 30 years, they're pretty similar. We've been massively focused on PUE.

And I think actually learning from some of the other industries that are under pressure and how they've attacked it, we can take the good from them and learn from the bad. So if we look at sort of aviation, I was chatting with someone the other day, you know, aviation is probably in a similar spotlight to data centres around sort of carbon footprint. And you'll see any flight that is, where they utilize any SAF fuel, they shout about it so much, when really actually you probably dig in and it's probably a little bit of greenwashing to some extent.

You know, so I think that there's a lot of experts out there is just trying to hone in and educate people on the importance of data that will then, I suppose, flip people's opinion on how we can be sustainable.

Yeah, agreed. And I was chatting to somebody this week around the scale as well of the build. So, you know, we're up to a gigawatt conversations now.

And they're always the headline grabbing developments. But I always say like, how big is too big? You know, when does it reach a plateau?

Nobody really knows the answer, but sustainably, how can we build, continue to build sustainably when the scale is increasing so much?

So I think firstly, it's understanding that sustainability is a journey, not an answer. You know, I think when everyone talks about sustainability, they look for the silver bullet that is just going to be the answer to say, we've cracked it. And it's really not, you know, for me, if we look at the UK, for example, the UK turned off its last coal power plant sort of last week or the week before, you know, there's a lot we can learn from that as the data centre market.

So the way in which they've done that is increase renewables, but they've also understood that just increasing renewables doesn't solve the problem. You need flexible assets on the grid. So probably about four or five years ago, there was a massive impetus around deploying gas generation for areas for peak shaving when the grid is too, or the demand's too high on the grid.

And that's part of the reason why we've got to removing coal from the energy stack in the UK. So then if you applied that logic to Europe, where Europe still burns coal and oil, and actually you've got the ability to deploy that solution on steroids essentially, because instead of building a 10-megawatt peaking plant in the north of England, you can build 100-megawatt microgrid that is going to serve a data centre that actually could give back to the grid and when in peak demand could actually provide, all right, albeit gas generation, but it will remove that coal and oil from the energy stack in Europe. So when I talk about the journey, that's sort of the first step that we see as a completely logical step that you would deploy, have HVO generation a standby and in areas where there's grid constraints, build gas generation that can operate on future fuels.

But when there's a grid connection, actually give a little bit, or give power back to start greening the energy stack.

Yeah, and it brings us onto the power discussion because power, again, everybody talks about power at the moment, is there is no power, can't find power, where is their power? It's pretty much the majority of the questions that I have. But from a grid capacity perspective, particularly in the UK, it's a huge challenge now.

And I know this is the case across a lot of industry, a lot of regions, sorry. But what can you do as AVK to address the challenges and obviously ensure there is that stable and sustainable energy supply? Because obviously something needs to be done to ensure the industry can continue to scale.

Yeah, so I think our approach is one of a realistic approach. You know, we're building microgrids as we speak. We've got over 200 megawatts of microgrid in build where the client either has a limited grid connection or will never have a grid connection.

So that's allowed that client to go and build on site now. I suppose when I say we're realistic, we're dealing with technology that is available now, you know, and I think there's always this misconception that. Unfortunately, the data centre market and the capacity can move instantly, but R&D is a timed piece, you know, R&D to develop a new product, to develop a new fuel takes time.

So we have to sort of install equipment now that we know that in the future has the best opportunity to run on renewable fuels, be it HVO, be it SAF fuel, be it biogas, be it hydrogen. You know, there's so many different fuels in there that we're all sort of betting on that we need to make sure that all of the products that we install can run on. So I suppose that's the first thing, you know, we are addressing that now.

We've got probably over a gigawatt of microgrid in design at the moment that where the clients haven't yet got to the point to pull the trigger and start building. But probably every twice a week, we get someone saying, we've got a site, we have no grid connection, what can we do? And, you know, and the winners are the people that started that journey probably three or four years ago.

And we've sort of, they've got, they've done the design, they've got planning. But I think we'll see that be more prevalent in sort of day-to-day discussion. And I think, again, it's not, it's not the answer to everything.

You know, there's still areas like we look at sort of KEO moving to Manchester, you know, big news article today or this week, you know, there's definitely runway for looking outside the box for places that do have grid connection and aren't necessarily as geographically constrained. So I think it's an industry-wide piece on, we're going to have to build where there's grid constraints. So we look at microgrids, what's the best way to sustainably build that?

And what can we do with those assets when they're built? But similarly, can we look further afield and traditionally build a site and ensure that we're deploying HVO generation instead of diesel and making sure that we're working with the fuel manufacturers like Neste to ensure that we have enough HVO in the local area.

Andy Davis (17:42 - 18:06)

It's interesting you talked about adaptability as well, because it's a topic I always comes up when I talk to people about the design of data centres, or how do you design a data centre when you don't know what a data centre will need to look like in two, three years? I guess it's similar from a power solution perspective, isn't it? It's like you say, you need to be able to adapt to whatever the solution is that comes forward as the right solution at any given time.

Ben Pritchard (18:07 - 19:06)

Yeah, for sure. And what's really interesting is as we look at more sites and different sites, they are all slightly different exam questions, although the sort of heading topic of the question is we need power. When you really dig into the detail, actually there's slight nuances that does change technologies.

As AVK, we offer sort of turbines, reciprocating engines, battery storage, medium speed, high speed. We're technology agnostic, not vendor agnostic, is our sort of piece. So in some cases, we're designing sort of three different schemes for one site to then work out what we think will be the right solution for the client at the point when they want to move into sort of work stage three, work stage four.

So definitely optionability is at the key, or at the core, sorry, of being able to deploy these sort of microgrids.

Andy Davis (19:08 - 19:26)

Yeah, and as customers have become more aware of, I guess, carbon footprint or they have targets around it, whether it's carbon footprint, net zero, whatever it might be, have you found that then they will now come to you and say, look, we need to reduce our

carbon footprint. How can your solutions help us to achieve that?

Ben Pritchard (19:26 - 21:27)

Yeah, so I think that's sort of the next step, I think. You know, I don't think as an industry, I think when we look at sustainability, there's some companies and some data centres who are doing great work. The famous piece being sort of the Paris Olympic swimming pool that's heated by a data centre, you know, which is great, but it's done in silos, you know.

So when we look at what we're doing, even on the standby side, the standby generation, we've got some really great initiatives there on how we give back to the local community. And I think at sort of AVK's core is how do we be sort of responsible data centre sort of civilians, I suppose, and ensure that we're doing sort of making the right decisions to give back, which will also net the reduction in the carbon footprint, you know. So I think, again, it's job by job, especially microgrids.

There's obvious sort of heat and carbon that you can capture and try to use it. But again, there has to be motivation for everyone involved. It's not, it's got to be client led.

It's got to be AVK led. It's got to be local planning led, you know, and how we actually solve that solution. And that's where I sort of say that I don't think we're there yet as an industry, but I see a lot of clients really pushing the envelope and really trying to be creative with it.

And it's great for us because it's absolutely where we want to be. You know, we don't want to provide standard solutions. We really want to be that sort of market leader pushing the envelope with the client and actually creating a good, sort of a good, not brand awareness, because that'd be AVK, but a good sort of community awareness in data centres.

And I really do see data centres as becoming a consumer product, you know?

Andy Davis (21:28 - 22:01)

Yeah, I think obviously I'm big on the awareness piece myself as well. I think it's important that that message is correct, isn't it? Because it's easy to dilute the message of data centres.

It's a very broad topic. It is very easy to, as I say, associate the industry just with massive buildings. And that's all we do.

You know, we just suck up power and build these giant buildings, but it's not what we do. That's part of the product, but it's not what we do. It's a hard message to get across.

But like you say, these conversations, people like you, companies like yours and others are helping to spread that message.

Ben Pritchard (22:02 - 23:07)

Yeah, and I think on that message, I suppose that it's again the educational piece, isn't it? And it's sort of doing stuff like this, trying to educate not only people in the industry, people outside the industry of just the requirements of data. Like, I don't think anyone fully understands, and you mentioned earlier about the gigawatt campuses, I don't think people truly understand the full power of data yet.

You know, we talk about AI, we don't necessarily understand where that ends. And I think us just all trying to be sensible and educate people. And, you know, I get scared again sometimes when I see us sort of blaming the consumer as sort of the reason why we have to build these data centres.

You know, I get really worried about that. I think that's a dangerous sort of narrative to spread. And I think, again, it comes back to companies like us and exactly why we are kind of really big on that sustainability piece and that journey is to try and show people

that it doesn't have to be that way.

You know?

No, exactly. And well done for doing it. And what's next for AVK?

What have we got to look forward to over the next few months, years?

Ben Pritchard (23:17 - 25:07)

Yeah, so we've got quite a lot for sure. So yeah, we recently launched our, we started to build our own SCRs in-house. So not NOx or emissions abatement for generation, because again, we realized that that was a bit of a gray area.

No one was really an expert. You know, people just specify that you need to reduce emissions, but not necessarily understand what it was doing. So we went and got some really, really strong experts in that field.

And they're sort of a startup within the business. And we've started to deliver some of our own units now. And again, that's that education piece.

We sit with the emissions authority and then start setting up on how actually generators run and the importance of the SCRs. Similarly, on the control systems, how we actually control and link these microgrids to a data centre. I think that's the bit that's sort of unknown at the moment.

So we actually build our own control panels as well. So we've started on that and we'll see that come really into fruition over the next six to eight months. But obviously the big moment for us is that this year, we're looking to deliver over sort of 650 megawatts of power and just standby alone, let alone the 200 megawatts of prime power, which is huge for us when we look at our growth in what we used to do to now, that's the business's biggest focus.

And in order to do that, we've got some really exciting hires and people who are coming into the industry or coming from the industry to join AVK.

Andy Davis (25:08 - 25:20)

Yeah, exciting times. And we should talk about training academy. So as it was only launched yesterday, I feel like we have to cover it.

Do you want to give a quick insight into what that is? And again, why it was important to you to do it?

Ben Pritchard (25:20 - 27:20)

Yeah, for sure. So I think we see the two main topics in my eyes in the data centre industry is power and resource people. Everyone says we don't have the sort of right people, but we sort of believe that there are as AVK, I think we're testament to that.

We look at people that have been in the business for 25 years, me for 12, six, seven, all grown through the business. And we've opened a site in Lennon, which in partnership with Rolls-Royce as well, where we've got a Rolls-Royce engine that we've written our own curriculum. So we can actually start to take people through the relevant training to actually start being engineers.

And that relates to both service and commissioning for now. So these are people on the tools that are looking to gain skills, maybe do an apprenticeship with us, or maybe finish an apprenticeship and look to that next level to be a commissioning engineer. But the next stage of that academy is to roll it out across sort of project management, quantity surveying.

And I think the importance to grow our own talent is probably the thing that makes ABK most successful in the next, when we look at that five, 10 year period, the work that we put in now will really set AVK aside. And we sort of highlighted that as a board. And yeah, it's extremely exciting.

It's a lot of investment for sure. But I don't think if we just sit here and wait for people to just go on the merry-go-round and jump job to job, that we actually become the business that I know that AVK is going to be and what the market needs AVK to be. So yeah, it's a really exciting time.

And obviously when it's fully up and running, we've got the first cohort through, I'm really excited to see how they sort of progress through it.

Andy Davis (27:20 - 27:56)

Yeah, no, definitely. When you talk about legacy, there's a legacy for you. You know, creating the people of the future is really important.

Very well done for doing it. I always say when I'm on a panel and people ask me about talent and future talent, I always say it, it needs money. It needs investment.

And, but it needs people to back it as well. And, you know, a lot of companies talk about it, not a lot of companies do it. And we'll leave it, we'll leave it there.

A couple more questions before I let you get on with your evening. Obviously there's a lot of challenges in the sector at the moment. Obviously we just covered a couple there really, but is there anything particular you think is a big industry?

Ben Pritchard (28:00 - 28:49)

No, I really think the optics part is probably the biggest thing. You know, I think everything else is solvable. You know, we've got great minds in the industry that will solve the power issues.

You know, we'll solve the ability to build gigawatt campuses, you know, but I really think that optics part of sort of consumers and the wider sort of audience is probably the most underplayed problem that's staring us in the face. And I think if we don't all sort of buy into that educational piece, I think that's the bit that makes the market not so great. And I feel that it is a great market.

But yeah, I think we've probably covered most of them. But as I say, I think the optics piece can't be downplayed.

Andy Davis (28:49 - 28:59)

No, totally, definitely, completely agree. A couple more. If you could ask everyone in the sector to start or stop doing one thing, what would it be?

Ben Pritchard (29:03 - 29:59)

Oh, that's a tricky one.

I would probably say, you know, I would say start talking or start doing what they believe they should do. You know, I think you touched on it there that a lot of people talk about the problems that don't actually do anything to solve it. You know, we talk about being more sustainable.

Like, then let's go and set a benchmark. You know, let's go and understand, actually put a line in the sand and say, well, this is what

we do now and be transparent, you know, with it. And I think there's a lot of talking.

And I think sometimes we get caught up, and I said before about, we get caught up in the delivery mode. And sometimes I think the industry needs to sort of put its head up and look at the future and actually go, well, what are we doing to solve the problem in the future, not just now.

Andy Davis (30:01 – 30:17)

Yes transparency is a big one. Definitely we've got to share more as an industry to collaborate to actually solve the challenges, we can't do it all on our own.

Final question, if you could give one piece of advice to anyone wanting to work in the sector, what would it be?

Ben Pritchard (30:18 – 31:34)

I would say go and do it I think the industry is, I always say that I'm extremely lucky I feel to have landed in an industry that's so topical, so cutting-edge, and so important to societal growth.

I think it's an amazing opportunity for anyone to be involved in this space. I also think, and we touched on it earlier around even if you're not an engineer there are so many varying roles that it doesn't require you to be an engineer.

One of the greatest things about our industry is the people, the people through my journey, the 12 years in my career, have really helped shape my knowledge of business, delivery, engineering, you name it, people are really willing to help grow talent and that's something we need to keep as an industry. So my advice would be jump into it head first and start networking.

Andy Davis (31:37 – 32:08)

Yeah definitely, there's such an opportunity to be in the industry at this game-changing period as well, it's like someone said to me once it's like being in the Industrial Revolution when machinery was invented and you don't really consider it, you don't really think about it a lot of the time but what a time to be in it.

Thanks for your time, we could talk for longer, there's too much to cover in this short space of time but we'll do it again. If anyone wants to find out more about AVK what's the best place to find you?

Ben Pritchard (32:09 – 32:12)

Our website avk-seg.com

Andy Davis (32:13 – 32:40)

No problem, we'll put that in the show notes when we release the episode. Thanks for your time Ben, as I said there's always a lot going on, we're busy, I appreciate you taking the time and we'll catch up again soon.

Ben Pritchard

Thanks Andy.