Running A Successful Web Hosting Business

By
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Apachecon Europe   London, England, October 2000

What is a Web Hosting Service?

An entity that maintains a web server, a dedicated Internet connection and hosts web sites for residential and corporate customers. Revenues may be drawn directly from the web sites or through another business model (eg. advertising).

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Why Become a Web Hosting Service?

- Adds another revenue stream for your ISP operation
- Takes advantage of already existing Internet infrastructure
- Provide expertise in an area that may be able to serve specific web host clients (eg. PHP, payment gateway)

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Why Become a Web Hosting Service? (cont'd)

- You feel you can run an operation that would be attractive to a potential buyer
- You would like to generate extra revenue to fund the real reason you needed an Internet connection and server
- You enjoy going to bed wondering if your system will survive the night ☺

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Basic Needs for a Web Hosting Service

- Dependable Internet Connection
- Server running Apache HTTP Server, of course
- Data backup system
- Electrical backup (ie UPS, external generator)

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Basic Needs for a Web Hosting Service (cont'd)

- Customer Support system
- "System monitoring" tool (eg. WhatsUp)
- Billing System
- Protection against outside world (firewall, etc)

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How Should My Server Be Set Up?

- Plenty of RAM
- Lots of drive space (SCSI)
- Dependable, supported OS
- Backup drive
- Apache HTTP Server
- Apache SSL
- PHP
- MySQL

How Should My Server Be Set Up? (cont'd)

- FTP
- Secure Shell
- Very limited or NO telnet access
- Close services that you don't need
- Avoid Shell Access
- Avoid MS Extensions in UNIX

How Should My Server Be Set Up? (cont'd)

- Web based log file analyzer for clients (ie Analog, Webalizer)
- For smaller operations, automatic and dependable monitoring and paging system (to wake you at 3:27 AM)

How Should My Server Be Set Up? (cont'd)

- Reboot automatically on panic (for some versions of Unix)
- Limit server to being a web server only if possible
- Solid network adapter

Apache Server Setup for Web Hosting

- Install mod_php to add very powerful server-side scripting language (http://www.php.net)
- Add mod_vhost_alias which allows additions of new vhosts without restarting server

Apache Server Setup for Web Hosting (cont't)

- Install mod_perl to allow faster execution of CGI scripts (http://perl.apache.org)
- Streamline complex conf files by installing mod_macro (http://www.cri.ensmp.fr/~coelho/mod_macro)

Apache Server Setup for Web Hosting (cont'd)

- Set aside swap space
- For your platform, adjust fstat, netstat, maxusers, vmstat
- In Apache, adjust MinSpareServers, MaxSpareServers, StartServers, MaxClients, etc

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Apache Server Setup for Web Hosting (cont'd)

- Disable DNS lookups
- Avoid unneeded I/O (logging, content)
- Keep logs on separate drive/bus

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Security Issues for Apache

- Stay up to date on issues regarding Apache and security!!!!!!!
- No shell access
- No clear text passwords
- FTP setup
- Disable unneeded daemons (smail/qmail/sendmail)

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Security Issues for Apache (cont'd)

- Run server as an unprivileged user
- Log files and PID file locations – avoid file overwrites
- Protecting file access – symbolic links and document root
- Monitor your server and Apache

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Security Issues for Apache (cont'd)

- Protect server from the risks of multiple users and CGI scripts by installing cgiwrap which runs CGI scripts as the actual user. Also prevents against users over-writing others files (see http://www.umr.edu/~cgi-wrap)

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What Should be Standard with User Accounts?

- Full details for publishing and updating sites
- Web based log file summaries updated periodically (preferably daily)
- Email forwarding for mail sent to their domain
- Minimum 10 Meg Disk Space

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Service Level Agreements

- What can you comfortably guarantee? Think about financial flexibility and liability.
- What does your insurance cover? (review your policy…you'll probably find that it does not cover much)

Service Level Agreements (cont'd)

- Do you have SLA's with your suppliers? If upstream provider goes down, will they help you with lost revenues?
- Before proceeding, *see your lawyer* and see what your competition does.

Other Services/Options to Offer

- NT Hosting with MS Extensions
- Secure server access
- Payment gateway services
- Domain Registration Services
- Web/Application development
- Server collocation
- Advertising on home/user sites

What a Server I've Set Up!!! Now What?

- Develop a pricing structure
- Have a working billing system
- Have a clear procedure for clients on how to upload and update their web sites
- Develop a procedure for adding new accounts and domains that will allow you service new customers quickly

Attracting Users/Customers

- If you own an IPS, up sell your clients
- Affiliate yourself with ISPs and service their clients
- Offer services for Web Designers and help them service their clients
- Contact marketing firms who include WWW presence as part of a marketing plan

Attracting Users/Customers

- Conventional advertising (Print, Radio, TV, Direct Mail, Internet)
- Referral incentive for current customers

Questions

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- Vince Mammoliti, Cisco Systems, vince@cisco.com

For More Information

- "Web Hosting for Fame and Fortune" presented by Jim Jagielski at Apachecon 2000 in Orlando, Florida
- "Workshop for Small to Medium Size ISPs Entering the Web Hosting Industry" developed by 14 attendees at Apachecon 2000 in Orlando, Florida

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