

# MESSAGING NEWS

The Technology of Email and Instant Messaging

The Changing Locus  
of Collaboration

---

Spam: Bigger, Faster,  
and More Dangerous

---

Bad Behavior and Today's  
Reputation Analysis

---

Serving Up Managed and  
Hosted Messaging Solutions

C O V E R   S T O R Y

## Classification & Retention

**On the Cover**  
Paul D'Arcy, Director of Marketing  
for Dell MessageOne

JUNE 2008



# SERVING UP MANAGED AND HOSTED MESSAGING SOLUTIONS

by *Melisa LaBancz-Bleasdale*

Once considered the go-to solution for resource-strapped small-to mid-sized businesses (SMBs), hosted and managed messaging solutions are fast becoming a practical choice for organizations of all sizes. Such services increasingly appeal to large-scale businesses whose messaging requirements (Microsoft Exchange servers, IM, mobile, storage, security, etc.) have grown too complex and burdensome to handle with in-house resources. By outsourcing functions such as data archiving, disaster recovery, messaging and security, companies are better able to focus on core business objectives, freeing up valuable IT personnel previously chained to mundane systems management.

According to a 2007 study by Osterman Research, the hosted/managed services market is anticipated to grow at a healthy pace as companies realize the benefits of having specialist providers manage some, or all, of the corporate messaging infrastructure. "Just like the vast majority of organizations do

not generate their own electricity or drill their own wells, organizations should consider messaging to be a utility service that a specialist provider may be better equipped to manage," says Michael Osterman, principal of Osterman Research.

## **The Attraction**

Many organizations are finding that managed services offer key advantages over in-house implementations, such as capacity and scalability. "Spam volume is so large these days that a business not specializing in email services cannot possibly maintain enough spare capacity at their premise to ward off attacks that may completely cripple all correspondence with malicious spam, DoS, and other attacks," says Barbara Branaman, president of Concentric. "A good metaphor would be to say businesses are fighting a war against malicious spammers and they shouldn't fight it without having a well-formed strategy, which includes a layered email defense system." Branaman adds that other advantages to managed services include: maintenance of the most

current capabilities; smooth migration to new messaging platforms; very high reliability; Service Level Agreement (SLA) commitments promising excess mail capacity to handle unforeseen problems; good physical security; and access to expertise that might not otherwise be available.

Regulatory requirements for email preservation coupled with legal requirements for quick and easy access to archived communication, underscore the value of having off-site specialist providers. Richard Heitmann, vice president of product management at the EVault data protection business unit for Seagate Service, believes that online backup addresses many of the barriers to implementing an effective backup and disaster recovery solution that organizations face by removing the cost, complexity, and management of those functions. "It requires no capital investment in hardware, minimal staff resources, and data is securely protected offsite," adds Heitmann. "A backup and recovery strategy is only effective if data can be easily recovered. Online data backup ensures mission-critical

data is protected and safeguarded from loss, misplacement, damage and manipulation. In today's environment, online backup not only saves time and money, but ensures reliability and data integrity."

Osterman notes that archiving/data retention is one issue and that recovery/discovery is a related, but somewhat different, issue. "While it is critically important to retain data according to corporate policies and other requirements, recovering that

Hosting offers users control over access to their account and virtual domain environment, unlike shared hosting where security risks are inherent. [It] also offers you the benefits of a dedicated server at shared hosting prices. Additionally, you can buy as much computing power as you need from a virtually inexhaustible source."

Although EVault's aim is to assist the SMB, Heitmann says that the EVault InfoStage Unified Recovery

**How Much Will It Cost?**

Common belief is that managed services cost more to engage than implementing the same solution-set in house. In the 2007 Concentric-sponsored whitepaper, *A Guide to Understanding Hosted and Managed Messaging*, Osterman Research wrote that many decision makers do not consider the complete cost of providing messaging functionality within their organization when comparing solutions—often underestimating

**Email spam traffic, perhaps even more so than DNS or Web traffic, can experience huge volume spikes, which can be devastating for businesses with dedicated servers or that utilize traditional shared service providers."—Barbara Branaman, Concentric**

data, such as during e-Discovery, is often more difficult and involves more than just searching for data. As the volume of data increases, so does the need to have the discovery tools to find and recover it. This is where a company requires a multi-pronged toolset in order to find everything about a matter quickly and efficiently."

**So Many Flavors to Choose From**

Concentric offers their patented Concentric Clustered Hosting, according to Branaman, "To eliminate the problems found in typical shared hosting environments." Meant to replace shared hosting, VPS, and managed hosting, Concentric customers are protected from server capacity spikes or hardware failures. "Email spam traffic, perhaps even more so than DNS or Web traffic, can experience huge volume spikes, which can be devastating for businesses with dedicated servers or that utilize traditional shared service providers."

Clustered Hosting balances the load over multiple servers and keeps sites separated from one another. "It's similar to partitions, but better because your site isn't affected by other sites living on the same server," Branaman explains. "Because traffic is balanced across multiple servers, reliability and availability of your site and email is greatly improved. Clustered

Percentage of North American Organizations That Will Be Using a Hosted or Managed Solution			
Messaging Function	2007	2008	2009
Hosted email services (e.g., hosted Exchange)	13%	14%	19%
Anti-virus and anti-spam	22%	29%	32%
Email retention and archiving	14%	24%	31%
Wireless/mobility services	21%	21%	27%

Source: Osterman Research 2007

platform was designed to offer customers complete flexibility as their business and data protection requirements grow and change. "EVault offers customers backup and recovery in three different ways to best meet their current and future needs: 1) as a backup and recovery Software as a Service (SaaS), 2) as a licensed software or 3) as a hybrid managed service for businesses interested in owning the hardware/software, but preferring to have the backups managed at a secure data center by EVault experts."

Similarly, Concentric is designed to grow with an organization's needs. "We have Perimeter Email Protection (PEP) customers with more than 1,500 seats," offers Branaman. "Our hosted IT services are preferable to other shared platforms and more cost effective than in-house hardware and software."

the total amount of labor required to manage the system; the disruptive impact of outages and other unforeseen events; the true costs of capital expenditures; and the unexpected costs of managing a system.

The maintenance of corporate messaging systems can be very costly depending on the size, geographic disbursement and individual user requirements of the organization. Osterman Research found that the total cost of ownership for a messaging system can range anywhere from \$15 to \$50 USD per seat (user), per month, and is much more in some cases. These costs fluctuate due to the inherent, unpredictable nature of messaging—virus outbreaks, unexpected server downtime, hacking, etc.—all have a significant potential to drive up the daily cost of messaging.

## Pros and Cons

Fans of hosted and managed services feel it makes sense to hand over their headaches to vendors with the tools and technologies necessary to scale their services up or down to meet specific needs. In the case of business continuity, proponents say that their vendors provide them with multiple data centers operating concurrently, in addition to a full-time staff of experts—resources they could not possibly afford or employ on their own. Detractors argue that messaging is a critical functionality that belongs in-house. Citing internal management as less costly than a managed service and the data in question as too critical to be trusted to an off-site source, they feel costs inherent with maintaining and securing messaging functions will be driven lower over time.

Osterman observes that many organizations are finding benefit in using a hybrid approach, in which some functions are handled using on-premise capabilities, while other functions are provided by a hosted or managed solution. Using a hosted perimeter email protection service, he says, can eliminate most spam before it ever hits the corporate network, eliminating much of the storage and bandwidth requirement for on-premise systems. Before deciding on a hosted/managed model, a complete in-house approach or a hybrid of the two, an organization must evaluate its existing in-house resources to determine whether they are equipped to handle increasing business, compliance, legal and security needs.

**MB/TMP**

FOR YOUR REFERENCE »»

**Concentric**

[www.concentric.com](http://www.concentric.com)

**EVault, Inc.**

[www.evault.com](http://www.evault.com)

**Osterman Research, Inc.**

[www.ostermanresearch.com](http://www.ostermanresearch.com)

# Evaluation Criteria

## Recommendations

EVault suggests organizations ask the following questions when evaluating hosted online backup solutions:

- 1) Is this a trusted, stable vendor with flexible delivery options to meet the needs as businesses change and grow?
- 2) Is this an easy to manage service with wide platform and application support for both physical and virtual environments?
- 3) Does the vendor offer end-to-end encryption and multiple secure Tier 3 or 4 SAS 70 Type II data centers?

Concentric recommends considering four key areas when deciding on a hosted or managed service provider:

- 1) **Reliability**—This is the measure of the Web site and services uptime and resistance to down time due to hardware or other problems.
- 2) **Scalability**—This is the ability to accommodate additional size or bandwidth needs and traffic spikes.
- 3) **Flexibility**—This is the ability of the Web master or designer to add custom features and modules beyond those already supplied on the platform. This can include libraries written in PHP, Perl, or Python, as well as binary level shared libraries, CRON jobs, and special server configuration.
- 4) **Resistance to Account Abuse and Attacks**—This is the ability to stay online regardless of abuse, whether from a co-hosting account, from outside attacks, or from co-hosted Web sites that are poorly designed or have sudden surges of traffic.

## Opinion

Barbara Branaman, president of Concentric believes that:

**Shared Hosting** is weak in all four areas of critical importance—reliability, scalability, flexibility and resistance to account abuse and attack. She sees no strengths in any key area.

**Virtual Private Server (VPS)** is weak in reliability, and resistance to account abuse and attack. While VPS can be strong in the area of scalability, Branaman feels flexibility is the strength of VPS.

**Managed/Dedicated Hosting** is weak in reliability. It is mixed in scalability and resistance to account abuse and attack. Branaman believes managed is strong in the area of flexibility.

**Clustered**, like Concentric Clustered Hosting, is strong in reliability, scalability and resistance to account abuse and attack. Branaman thinks it is mixed in flexibility (strong attributes are that the service provider invests in new features and applications and integrates advanced features for the entire platform; weaknesses are that it is more difficult to customize it at a library or binary level). **MB/TMP**