

# Online Services

*Get the Benefits Without the Maintenance*

**W**hy doesn't your business make its own electricity or purify its own water? It's obviously faster and more efficient to plug into an existing grid—whether for power or for plumbing.

Why stop there? What about other needed services? Now, with a few clicks, you can connect to online “grids” ready to supply business capabilities such as payroll, CRM, email archiving, storage, and data backup.

By getting services online rather than building out your software and hardware infrastructure to provide them,

By Alan Drummer

“businesses shift the burden of getting and keeping an enterprise application up and running from the customer to the vendor,” says Jeff Kaplan, Managing Director of THINKstrategies, Inc.

Benefits include faster time to value, a quicker ability to scale, less risk and up front investment, and lower annual operating costs in equipment and support staff.

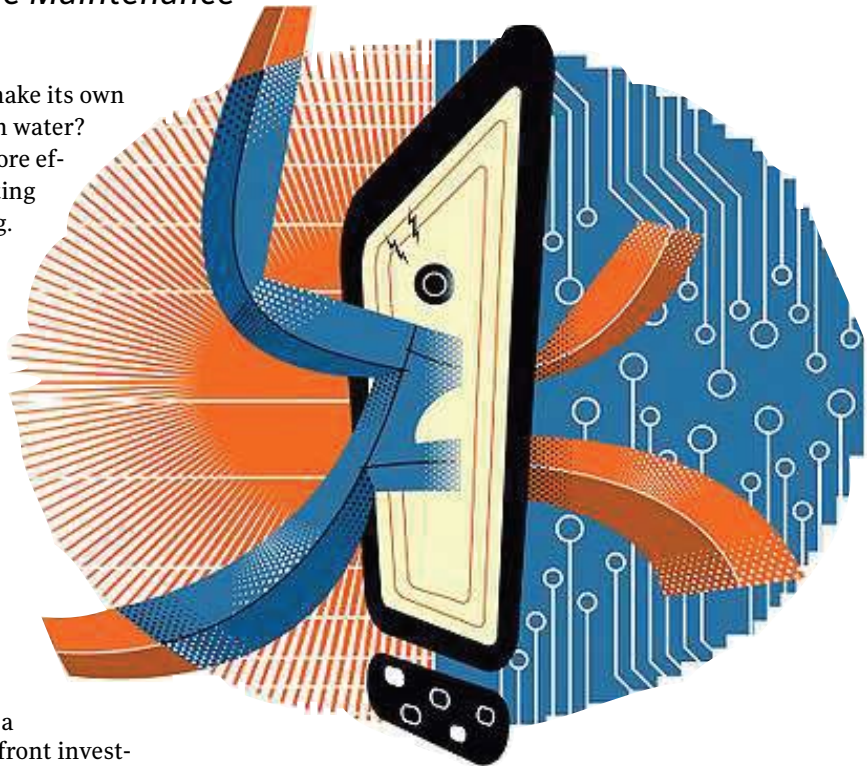
## Plug in and Grow

According to Gartner, the business world is catching on to the benefits of online services, which are growing in revenue at twice the rate of the overall enterprise software market.<sup>1</sup>

Part of this phenomenon is that online services—once thought to make sense just for small to medium-size businesses—are also better for large enterprises and are rapidly being adopted by them.<sup>2</sup>

Organizations are finally realizing that it's more cost-efficient to rent a service than to buy it, Kaplan says. “When you add up the cost of additional hardware, software, upgrades, and on-going staff support, on-premise applications cost more than an online service, even for large enterprises,” he says. “And with an online service, IT staff and resources are available for more productive and strategic purposes than keeping applications up and running.”

Discussions with two different IT executives from the SMB sector bear him out.



## We're growing too fast to backup!

Both of them manage innovative businesses. And both businesses are growing so fast they don't have sufficient time to properly focus on data protection. They're not alone according to new research (see sidebar). While backup is cited as a top computing priority by the small and medium-sized businesses surveyed, it seems that for many there is always something more pressing to do than manage their backup.

One of these businesses is Stratis Business Systems, founded in 1999 to help home healthcare clinicians spend more time with patients and less with paperwork. Stratis provides clinicians nationwide with an innovative online application for operations management, scheduling, and billing.

Competitive advantages have enabled the company to win a large contract recently and triple its installed base—yet it has just 22 employees. Growth has put pressure on the company's vice president of systems implementation, Justin Jugs (pronounced “Yugs”), to enhance data protection. He was spending three to four hours a week running a tape-based backup solu-

tion for key corporate data.

"I needed that time back for application development," Jugs says. "And I didn't have time before to verify that data was complete on the backup tapes, or to run recovery tests."

Bryce Ashey, CEO of mmolecule, Inc., had a similar problem. His company provides Web-based game services portals to players of online games, such as the 11 million subscribers to World of Warcraft, from Blizzard Entertainment. mmolecule.com provides services similar to those found on MySpace and Facebook but dedicated for gamers, bringing gamers value-added features and, for a small monthly fee, hosting for their individual or team Web sites.

As a result, players were uploading their game stills and video to mmolecule, and customer data was growing fast. Ashey found himself devoting eight hours a week to backing it up.

### Automated, centralized backup—no upfront costs

For similar reasons, Ashey and Jugs searched for an online backup service versus rather than building out their data protection infrastructure. Says Ashey: "We needed something early on that wouldn't cost much upfront, but would scale as our business grew."

Jugs found that an online backup service had a number of other useful features. "In an online demo of Symantec Online Backup, I saw that our backup data would be encrypted in motion and at rest. It's stored off-site in secure, redundant data centers. I can recover data using a Web browser and receive email notification of backup status. All of that was a big draw."

Both Ashey and Jugs chose to get their online backup service from Symantec, and found deployment faster than expected. "We kicked it off on a weekend," Jugs recalls. "Twenty minutes of setup, and the first full backup was done by Sunday. I just let it run in the background. Now that the files are offsite, I've chosen continuous, incremental backups in order to accommodate any additions and/or changes to our



data. The service runs efficiently in the background and has no impact on our day-to-day operations."

### Immediate payback

Having "plugged in," Jugs is using two hours that he previously spent on backup for more valuable tasks. Payback was immediate. "We are paying \$50 a month to backup our 25 gigabytes," says Jugs. "To be honest, I'd probably pay more for this solution. Our investment is minimal for what we receive: instant gratification. Files at your fingertips. Restore them almost instantly. Real-time confirmation."

Ashey has reclaimed the eight hours a week he previously used to spend on backup and uses it to sharpen his site's competitive edge. "I can shorten development cycles now by about three or four days a month," he says. "That's not insubstantial. Our online backup service paid for itself the first day."

Ashey's completely sold on getting software as a service. "Some small businesses try to do their own backup with a USB drive,"

he says. "My reaction is 'Hey, for the cost of that USB drive you can pretty much let Symantec Online Backup do the backup for you automatically, and the data's sitting there online for you when you need it. So who needs the added worry?'"

### Your "wheel" is already invented and ready to roll

For backup or any other service, the online service model provides additional benefits, Kaplan points out. "Online services have been



#### One Fast-Growing Online Service Area: Data Protection<sup>4</sup>

From a new study:

- > Half of SMBs have lost important data from computers
- > A third that lost data lost sales as result
- > A quarter of SMBs do not back up their servers or PCs
- > Half of SMBs store backed up data locally, increasing risk

Source: Rubicon Consulting, Inc., "Data Backup for Small and Medium Businesses: Priorities, Current Practices, and Risks," Symantec.com, November 24, 2008.



tested by a broad cross-section of customers to ensure they work well and can satisfy a range of corporate requirements," he notes. "The online service provider has already made a significant up-front investment to ensure that an application is ready for activation." Less testing is needed, and there's a faster time to value.

In addition, since the online service vendor's business depends on service quality and secure customer data, it's likely that the service is protected by a considerable investment in state-of-the-art security and delivery technologies.

The overall result, Kaplan reports, is that more than 94 percent of organizations using an online service are satisfied and plan to renew. What's more, 89 percent of them plan to add additional online services. And 98 percent of organizations surveyed would recommend online services to other enterprises.<sup>3</sup>

"The question to ask yourself as you look at providing your company with a service," Kaplan challenges, "is exactly what business should your IT team be in? Innovation? Or maintenance?" ■

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<sup>3</sup>Gartner/Dataquest Insight.; "SaaS Demand Set to Outpace Enterprise Application Software Market Growth," August 3, 2007.

<sup>2</sup>Worldwide software-as-a-service (SaaS) revenue in the enterprise application markets is on pace to surpass \$6.4 billion in 2008, a 27 percent increase from 2007 revenue of \$5.1 billion, according to Gartner, Inc. The market is expected to more than double with SaaS revenue reaching \$14.8 billion in 2012. Source: Press release, Gartner Inc. October 22, 2008.

<sup>3</sup>Kaplan, Jeff Kaplan. "SaaS Market Surging," Business Technology Trends & Impacts Advisory Service Executive Update 9:19, Vol. 9, No. 19, Joint Report with Cutter Consortium, www.thinkstrategies.com, p. 5.

### Symantec Protection Network

**Online Backup:** Simple, secure backup of critical data to off-site data centers managed by Symantec.

**Online Storage for Backup Exec:** Enhance Symantec Backup Exec™ 12 (versions 12 and higher) by storing copies of backup files in off-site data centers for maximum protection.

**Online Remote Access:** Powered by Symantec pcAnywhere™, provides a quick, easy, and secure way for remote workers to access computers from anywhere using an Internet connection.

**MessageLabs:** Now part of Symantec, MessageLabs® is the market leader in online services for messaging security. MessageLabs enables over eight million end users to protect, control, encrypt, and archive electronic communications.