Focusing on Value-Added Services in a Hosted Messaging Environment

An Osterman Research White Paper

Published July 2008

Why This White Paper Will Be Worth Your Time

OVERVIEW

Hosted email is becoming an increasingly popular option for organizations of all sizes, but particularly for small and mid-sized businesses (SMBs). An Osterman Research study conducted during 2007 found that the proportion of North American organizations using some sort of hosted or managed email service will increase more than 50% by 2010. Further, Osterman Research forecasts 52% growth in the hosted email security market and 530% in the hosted email archiving market during by 2010.

Osterman Research believes that the market that will benefit most from hosted messaging through 2010 will be organizations of between 20 and 500 users.

The advantages of using a specialist provider to host email services are several, but include:

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- The ability to provision new users very quickly.

- Greater reliability than small businesses can normally achieve because many hosted providers have deployed an infrastructure that is designed to scale to millions of users.

- Lower costs because there is no need to deploy hardware, install software, employ IT staff to manage the on-premise infrastructure, etc.

- Faster problem resolution because of the use of dedicated, 24x7 IT staff that most small businesses simply could never afford to maintain.

However, while email is critical to the success of virtually any organization, supplemental services will be needed in the future as organizational information requirements and work processes become more sophisticated. Consequently, using a top-tier hosted provider that continues to add to its service offerings will allow hosted messaging users to add services whenever it needs them.

WHO IS THE AUDIENCE FOR THIS WHITE PAPER?

This white paper is intended for SMBs that need to provide their users with reliable and affordable messaging services. This document, sponsored by Everyone.net, discusses the importance of highly reliable email services, as well as the variety of other value-added services that can improve the business efficiency of SMBs.

The Need to Add Capabilities Over Time

Email is absolutely critical to the way that most email users work – it is more useful than the telephone, instant messaging, voice and all other forms of communication for most users. Further, the bulk of the information that the typical information worker needs to do his or her job is somehow tied up in email – contracts, proposals, purchase orders, client communications, contacts, appointments, etc. are sent, received and stored in email.

However, for most organizations, email represents just the foundation of their requirements for communication, collaboration and information management. There are a number of additional requirements that most organizations will need as their requirements become more advanced.

ONLINE STORAGE

It is important to have online storage capabilities for email and file storage. This is particularly true for customers of hosted email services, since these companies have already decided that the online paradigm – as opposed to maintaining and storing corporate data on-premise – is their preferred choice. This provides greater flexibility for traveling users, those who work at remote offices and others that may want to access email and files from a variety of locations.

> Archiving is currently used by fewer than 30% of organizations in North America, but will be deployed by 61% of organizations by 2010.

BACKUP SERVICES

Another critical service that is of growing interest is a backup service that can automatically backup email, files and other content on a regular basis. Online backup services provide a number of advantages, including the ability to recover quickly from a disaster, the ability to recover lost files because of accidental deletion by employees, and the ability to maintain a duplicate copy of corporate records in a remote location for business continuity purposes. This is particularly important in areas that are prone to hurricanes, earthquakes, tornadoes, floods, power blackouts and other unexpected disasters – namely, all of us.

ARCHIVING

Archiving is becoming an increasingly critical requirement for organizations of all sizes and can assist an organization in a number of areas:

- **Legal compliance**
  Organizations are increasingly obligated to provide copies of their old business records stored in email during legal discovery, making it important to preserve these records for long periods of time. Organizations that do not preserve these records face the risk of sanctions, adverse legal judgments and other problems.

- **Regulatory compliance**
  All organizations have an obligation to preserve records for regulatory compliance, not just those organizations that are in 'regulated' industries. That said, organizations in certain sectors of the financial services industry, those that provide healthcare services, government agencies and many others have particularly stringent archiving requirements.

- **Knowledge management**
  An archiving system allows an organization to preserve its corporate 'memory' and to make older content available for employees, legal counsel and others. This is critically important, since the lack of an archiving capability makes this content very difficult – if not impossible – to access.

Osterman Research forecasts that the hosted archiving market will increase at an average annual rate of 85% per year through 2010.

COLLABORATIVE APPLICATIONS

Email is an incredibly useful tool and the one that most users rely upon to accomplish their work. However, it is increasingly important to provide applications to these users that allow multiple users to share information, such as shared calendars and shared address books. This allows critical business information to be shared by workgroups or across an entire organization, making individuals more productive.

The need for collaboration is being driven by mobility: not just the use of mobile devices and services, but the larger concept of allowing employees to be productive regardless of their location. Many organizations today do not provide a permanent workplace for their employees, but instead offer collaborative tools for employees to work from home and from temporary workspaces at corporate facilities. This trend is being driven by major employers like Boeing and IBM, but will migrate to smaller organizations, as well. For example, an Osterman Research survey completed in February 2008 found that 76% of employees in SMBs typically check work-related email from home on weekdays, while 74% do so on weekends.

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Mobility allows organizations to reduce their costs of real estate and other facilities-related costs, but it requires them to provide employees with collaborative tools that will allow them to remain productive regardless of their location.

REGISTERED EMAIL

Osterman Research estimates that 80% of organizations use email for sending critical business documents, including purchase orders, contracts, invoices, etc. As a result, it is critical to have a capability that can permit senders to verify that electronic documents were received successfully by the intended recipient, as well as the date and time they were received. This is critically important if there is to be widespread and reliable replacement of paper-based document transfer with electronic data transfer.

What is the Everyone.net Value Proposition?

Everyone.net provides a carrier-class hosted messaging solution, including a number of value-added services. While email is the lifeblood of virtually any organization, additional capabilities are necessary to meet the growing needs of organizations as they arise. An organization that cannot provide these capabilities can still be successful, but will eventually not be able to meet the needs of their users and will experience a decrease in productivity and efficiency. Among the advantages of using hosted messaging services provided by Everyone.net are:

> Using hosted email services, particularly for smaller organizations, can dramatically lower the cost of providing email services to users.

- **Lower costs**
  Using hosted email services, particularly for smaller organizations, can dramatically lower the cost of providing email services to users. Because there is no need to deploy hardware or software or to maintain IT staff to manage the internal email infrastructure, the cost of hosted email per user in an SMB can be dramatically lower than for an on-premise deployment.

- **Predictable operating costs**
  Not only is the cost of email for SMBs lower when using a hosted solution, these costs are also much more predictable. This is important for planning purposes.

- **Robust spam and virus control**
  Hosted providers typically offer extremely robust control of spam, viruses, worms and other forms of malware, normally as part of the basic email service itself. These services can be maintained on-premise, but this adds to the cost of the email infrastructure.

- **Greater reliability and scalability**
  Because top-tier hosted messaging providers maintain carrier-grade facilities that are typically more robust and resilient than on-premise facilities (which is particularly true when comparing hosted providers vs. SMBs), the reliability and uptime of email services can be dramatically improved.   This is particularly important for after-hours support requirements, since most SMBs cannot afford to maintain a 24x7 staff to

manage email services. Further, hosted providers offer an infrastructure that is far more scalable than virtually any SMB could afford to deploy and maintain.

- **Ease of adding services**
  As new services must be added to basic email, the use of a hosted provider means that these services can be activated much more rapidly than would be possible when deploying these services on-premise.

- **Mobility**
  Mobility is an increasingly important issue that SMBs will need to address. Not only do users access corporate email from mobile devices, they also require the ability to access email through Webmail while working at home, while traveling and in other remote locations. While SMBs could deploy mobile email servers and the associated infrastructure required to provide mobility services, the cost of doing so for most SMBs is typically very high.

Summary

For SMBs that use hosted messaging services, it is important to choose a service provider that can offer a growing array of services, that can offer these services at reasonable prices and that can guarantee high availability. Further, most SMBs that use hosted messaging want to use a single service provider that can offer a complete set of services rather than use a variety of providers and then integrate these services themselves.

Everyone.net's sole focus is on providing messaging services: the company has more than 10 years' experience in offering these services, it has a proven infrastructure, offers very high reliability and uptime, and has a history of successfully supporting a broad range of small, medium and distributed enterprise businesses. Further, the company is committed to delivering leading messaging solutions, including Web 2.0 applications, mobile device support, collaboration tools, online storage, archiving and registered email. Everyone.net allows its customers to carry their own branding and vanity domains with no mention of Everyone.net in the customer interface.