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Storage

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Corporate IT Warms Up To Online Backup Services

Major vendors are entering the fray, seeking to address pricing and security concerns

Large businesses are looking more closely at online backup options as a way to ease systems administration headaches and avoid security concerns linked to physical backup procedures.

Analysts said they expect corporate interest in hosted backup systems to grow as major storage vendors enter the business and work to allay user concerns about pricing and bandwidth.

Walter Petruska, information security officer at the University of San Francisco (USF), said the upfront cost and the IT overhead needed to manage physical backup for 1,300 devices under his control prompted the school to move to a subscription-based hosted backup option.

"If you asked me three or five years ago [about backup], the economics would say, 'Build it yourself,'" he said. However, as storage vendors enter the online storage business and work to address IT concerns, "I can't imagine anyone doing it themselves," Petruska added.

The university is in the process of implementing the MozyPro hosted backup service, which storage vendor EMC Corp. picked up in its \$76 million acquisition of Berkeley Data Systems Inc. in September.

Late last month, EMC unveiled MozyEnterprise, which combines Berkeley technology with EMC tools, including RSA Security products, to provide subscription-based online backup and recovery services for Windows-based PCs and remote servers.

EMC and some of its key rivals are betting that their entry into the online storage business will expand interest among corporate IT managers looking to better deal with complex system and application infrastructures, noted storage experts.

Early online storage systems have targeted home and small-business users, analysts said.

Adam Couture, an analyst at Gartner Inc., said the technology is slowly becoming more attractive to large companies, thanks to moves into the hosted storage business by EMC and storage and backup rivals such as IBM, Iron Mountain Inc., Symantec Corp. and Seagate Technology LLC.

"In many instances, enterprises looked [down] at some of the [online backup] providers," Couture said. "Now you're starting to see big players get into the act. When EMC overlays [hosted backup] with encryption keys and authentication, it becomes much more palatable to businesses."

In fact, research firm IDC predicts that sales of hosted backup storage services will reach \$715 million in 2011, up from \$235 million in 2007.

Couture said that corporate interest in hosted storage services will likely grow quickly once the large storage

vendors can come up with an acceptable pricing plan.

Vendors are also moving quickly to resolve bandwidth problems that can slow the process of sending corporate data over the Web to hosted servers, Couture said. He noted that EMC, for example, is trying to shrink the amount of data it sends over the Web by using de-duplication technology on its servers.

Petruska said that when USF completes its MozyPro project, departmental and faculty data now held in PCs and file servers will be stored online.

The school began shifting to online storage last year as part of an effort to centrally administer its PC and Macintosh hardware, he said. The school had previously used "four or five" backup products for the task, he added.

USF plans to eventually back up data from 1,300 devices online, but it won't be able to finish the project until EMC releases a Macintosh version of MozyPro, Petruska said. That version is currently in beta testing.

University officials expect the online backup effort to cut the amount of equipment and personnel needed for data backup chores, said Petruska. "I had to devote full-time equipment and employees to do systems administration, data mining and backup to recover data," he said. "I needed specially skilled individuals."

Petruska also noted that USF officials feared that disks stored at the school could be damaged in a disaster. "In going with the outsourcing model, we got around a lot of those [issues]," he explained.

To date, USF has installed Mozy client software on 300 devices and is backing up more than 1TB of data online. The software provides 2GB of free storage to nonmanagement workers, including professors; 5GB to managers; and 20GB to top executives, Petruska said.

Online storage will not be offered to students, he added.

Meanwhile, the university has so far linked five departmental file servers to the online backup system, Petruska said. When the project is finished, 30 file servers will be linked to MozyPro, he added.

Petruska said the move to online storage will help USF implement new security policies that require all disks containing personal data to be encrypted. The free storage will allow the school's staff to forgo storing and encrypting that data on personal thumb drives or backup devices.

At least for the short term, the university's legacy applications and enterprise data sets -- stored on disk arrays and backed up to tapes -- will not be shifted to online storage, Petruska said. He noted that USF is already in the process of installing an Oracle ERP system and officials don't want to undertake the two major projects simultaneously.

IDC analyst Doug Chandler said that significant online storage growth will depend on whether vendors really do address user concerns about pricing. Today, there is no standard pricing scheme for the offerings, making it difficult for potential customers to conduct cost-benefit analyses.

"As you move up in terms of business size, everyone is going to be looking at pricing," Chandler said. "Right now, it's challenging to do that" because there's no standard pricing scheme.

Worthy Trade-off

The pricing issue didn't deter Joe Sinkovits at Lisle Savings Bank from turning to online backup.

The bank spends \$700 per month to use the eSure IT online backup service from Intronis Inc. Sinkovits, vice president of operations and compliance officer at the Lisle, Ill.-based bank, contended that the service reduces

labor costs and boosts productivity compared with tape backup efforts.

"I'm not going to say [online backup] is cheap; it's not," said Sinkovits. "[But] we felt what we are paying for is really insurance against losing data. I used to cringe when anybody deleted a file and I had to find the tape."

Lisle Savings Bank has been using the hosted service for more than a year to back up bank forms, reports and applications each month, Sinkovits said. He said the bank turned to the online option when tape capacity could no longer keep up with rapidly growing data.

"I was not getting out of a warm bed at 1:30 a.m. to come in and change a backup tape. That just was not going to happen," Sinkovits said.

Amy Olson, IT director at Shannon, Gracey, Ratliff & Miller LLP in Fort Worth, Texas, said the law firm uses Seagate Services' Online Backup and Recovery Service to store all of its data off-site.

She noted that the move to the hosted service quickly blunted management concerns about disaster recovery in the tornado-prone area. The online option also ensures that backup tapes will not have to be stored by a vendor that could carelessly allow them to be lost or stolen.

"I think any [online backup] risks in 2008 are trumped by the fact that tapes just aren't secure," Olson said.

She also noted that the hosted backup option eliminated the need for remote non-IT employees to manage backup in the firm's branch offices across Texas.

Every night, the firm's Microsoft Windows Server-based data center backs up more than 300GB of encrypted data over a 12Mbit/sec. Internet connection from Internet service provider Time Warner Cable Inc., Olson said.

"I certainly would think [online backup] would be great for large enterprises," Olson said. "It's the wave of the future, if it's not already here."

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