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THE RADICATI GROUP, INC.

Why You Should Consider Cloud-Based Email Archiving

A whitepaper by The Radicati Group, Inc.

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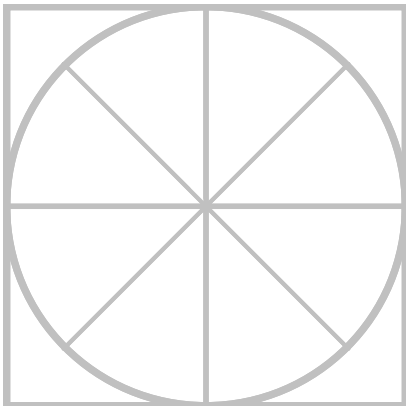


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INTRODUCTION

A vast majority of information today is being exchanged via email. In 2011, the average corporate user will send and receive about 112 email messages per day¹, and this volume of emails sent and received is only growing with time. Organizations not only need a system to store and manage these messages, which may contain sensitive and confidential data, but also a system that provides an efficient way to monitor and retrieve messages that can pose serious legal and reputational threats to organizations. These threats could be internal (loss of sensitive information, a missing paper trail in case of litigation, etc.) or government non-compliance, where a failure to preserve electronic data can lead to large fines, loss of business licenses, as well as personal responsibility – all of which can result in loss of revenue and severe public relation challenges.

Email archiving solutions enable organizations to store, monitor, and collect electronic data exchanged by their users to comply with internal policies, as well as government regulations. They provide long-term preservation of messages with advanced search, collaborative tools and retrieval capabilities. In addition to email, most archiving solutions can also archive and manage other types of electronic content, including: Instant Messaging, Web-based emails, calendars, contacts, files, and other documents.

Enabled end user access to personal archives is also a key option for many organizations. End user archiving can reduce messages stored on mail servers and transfer ownership of nominal or time consuming tasks, such as message recovery, from IT personnel.

Today, archiving solutions are available as products (software or appliances), or services in the cloud. However, the deployment of cloud archiving solutions is growing at a much faster rate than that of on-premises products. By 2014, we expect that over 30% of all archiving solutions will be deployed in the cloud. Archiving in the cloud is easier, less expensive, and is often more secure than archiving on-premises.

This paper looks at the key reasons organizations should consider moving to a cloud-based archiving solution and introduces **Perimeter's Messaging Continuity and Archiving Service**, a cloud archiving solution for businesses of all sizes.

¹ Email Archiving Market, 2010-2014 – August 2010, The Radicati Group, Inc.

1.0 WHY YOU SHOULD OUTSOURCE YOUR ARCHIVING SOLUTION

The Software as a Service (SaaS) model is becoming increasingly popular for organizations of all sizes, enabling them to quickly deploy new technologies at a fraction of the cost of in-house products. Some of the key reasons for outsourcing your archiving solution include:

- *No Large Upfront Investment* – since the initial purchase price of an email archiving solution can typically range anywhere from \$100,000 to over \$1 million, by choosing an outsourcing provider organizations can avoid making a significant upfront investment.
- *Lower Deployment and Implementation Costs* – organizations deploying cloud solutions will also avoid the costly expenses of initial design, planning and set up, and will avoid having to deal with hardware compatibility issues.
- *Predictable On-Going Costs* - hosted solutions typically charge on a user/month basis, which allows businesses to more accurately budget their costs on an annual basis, and plan their investments accordingly.
- *Smaller Onsite IT Staffs* – since cloud solutions are managed by a hosting provider, organizations can free up their own IT staffs for other important tasks.
- *Scalability Issues are Easier to Resolve* – according to our research, the sheer volume of messages that need to be archived is expected to grow quickly over the next few years – from about 11 MB per user/day in 2011, to about 15 MB per user per day in 2014². Expanding the capabilities of on-premise solutions at such fast rates is costly and time consuming, and sometimes not even possible without significant infrastructure upgrades. On the other hand, hosted solutions can quickly adapt to the needs of organizations to scale quickly and cost-effectively. In addition, new users can be provisioned into the system in a matter of minutes.
- *Strong Security Features* – despite the old perception that cloud-based solutions lack in security, they often provide better protection of archived data as opposed to on-premises products. Typically, all archived data is stored encrypted, as well as protected by

² Email Archiving Market, 2010-2014 – August 2010, The Radicati Group, Inc.

encryption while in transit. The storage facilities provide multiple backup features to ensure data preservation in case of power failure, and other emergencies. In addition, the site itself is usually physically more secure than a typical office building, protecting against theft, as well as natural disasters.

- *Higher Uptime* – while on-premises solutions are prone to going off line due to power failures, hardware malfunction, and other unpredictable circumstances, these instances are highly reduced when the solution is hosted in the cloud. Hosting providers use failover clusters to prevent hardware malfunction interfering with service delivery, power backup sources, and other techniques that are often kept to a minimum in a typical corporate environment. In fact, many service contracts come with an uptime guarantee.
- *Not Only for Small Organizations* – despite the general perception that outsourcing is mostly suitable for smaller organizations, the features, scalability, and customization features of cloud solutions today are often on par or better than those of on-premises products, and more suitable for very large deployments.
- *Faster, More Timely Solution Upgrades* – cloud-based solutions provide a seamless upgrade path to the latest versions, and technology without the added costs, while with on-premises solutions organizations have to continually incur the costs of staying current with the latest product releases. The archiving market is undergoing quick changes, which would often require the deployment of a brand new system.
- *Uniform Policies Across Geographic Regions* – solutions deployed in the cloud can apply archiving policies more uniformly to users in various geographic locations, as well as users who are traveling.

2.0 UNIQUE BENEFITS OF CLOUD ARCHIVING

Besides the many benefits inherent in all cloud services, archiving data in the cloud also presents some very unique benefits. These include:

- *Easier to Prove That Messages Have Not Been Tampered With* – by archiving messages in the cloud, organizations put them in the custody of a third party. This usually means that in case of a lawsuit or audit, it is easier to prove the authenticity of records, and can

help achieve SEC compliance by leveraging a third party downloader service. The third party usually is not only not willing to tamper with documents, but often is unable to do so because of the implemented encryption and other multiple levels of security built into the system.

- *Unlimited Archives* – over the past year, many cloud archiving providers have transitioned to a flat fee per user, storing and managing an unlimited amount of data per user, as well as offering unlimited bandwidth. On-premises based solutions, on the other hand, require organizations to buy more servers/appliances to accommodate the growing number of messages.
- *Ensured Compliance* – risk mitigation is no longer an industry specific requirement; regulatory compliance needs for messaging services are realized across virtually every form of business. Leveraging a provider to ensure that not only is data captured and easily retrievable, but that the latest in regulatory requirements are met, can dramatically reduce resources and risk.
- *Additional Complementary Best-of-Breed Services* – cloud-based archiving solutions can also offer best-of-breed services complementary to archiving, including Litigation Readiness Services (eDiscovery, Legal Holds, and Tamper Proof Exports), Data Loss Prevention, Email Continuity, and others. These services can be difficult and costly to deploy in-house, and for some organizations are simply not affordable as an outright purchase.
- *Transitioning to a Subscription Model* – as more and more archiving vendors of on-premises solutions are transitioning to a subscription model, the economies of scale that organizations could sometimes achieve with an on-premises solution are now becoming lost.
- *Outgoing, Incoming and Internal Email* – one of the main objections to deploying cloud archiving solutions in the past was that only incoming and outgoing messages could be monitored. However, cloud archiving systems, today, can just as easily monitor and archive all internal messages, making them suitable for compliance with internal policies, as well as all government regulations.
- *Reduced Downtime* – email is a business critical solution and any interruption of the message flow can be costly and debilitating. Many cloud-based archive solutions can also be used as a mail client, enabling end users to send and receive messages in real

time, with little or no disruption to daily business activities in the event of an email outage. Key differentiators to consider in an email continuity solution are redundancy, platform independence, and post-continuity message synchronization between the archive and message platform.

3.0 PERIMETER'S CLOUD ARCHIVING SOLUTION

Perimeter's cloud-based secure messaging services include compliance, end user and continuity archiving services, which combine archiving with powerful Litigation Readiness tools that deliver message capture, storage, management, and retrieval in an encrypted repository. All messages can be monitored in real time with supervisory review capabilities, available for incoming and outgoing emails.

Perimeter developed and solely owns its archiving services thus eliminating reliance on third party solutions for product updates and innovation. Furthermore, Perimeter's archiving services deliver geo-redundancy on a UNIX based messaging platform that can be accessed from any web browser to provide true email continuity that is impervious to platform-specific email outages.

Access to messages, litigation and compliance tools, and reporting is based on established user privileges and can be fine-tuned for end users, administrators, and compliance officers. For easier user access privilege management, the archiving solution can be integrated with Active Directory.

The archiving solution enables compliance officers to create custom filters and place messages on Legal Hold. The solution saves a record of each review, including time, date, and comments. For audit purposes, relevant messages can be offloaded on an encrypted CD, or delivered online. Perimeter also offers Business Continuity, email security, and other related email management features that can be easily added by customers to their archiving service.

The archive is compliant with SEC, FINRA, HIPAA, SOX, FERPA and the Federal Rules for Civil Procedures (FRCP). Perimeter has gone through a number of government audits to ensure that the service is compliant with all of the established standards.

4.0 CONCLUSIONS AND RECOMMENDATIONS

For most organizations today, archiving in the cloud offers unlimited, secure archiving at predictable costs with no significant upfront investment, or large on-going costs. In addition, by putting the messages in the custody of a third party, the authenticity of the preserved records is guaranteed in case of a lawsuit or a government audit.

Perimeter's compliance, end user, and continuity archive solutions offer an integrated archiving, litigation readiness and email security service in a single solution at an affordable cost. To preserve data in its original form, all messages are encrypted. For organizations in regulated industries, Perimeter offers one of the most secure archiving systems in the cloud, having gone through multiple government audits that tested the system's data preservation procedures to be fully compliant with government regulations.

All organizations concerned about their archiving and information governance practices should evaluate cloud archiving as a viable, cost-effective, and secure option for meeting their archiving and compliance needs.