



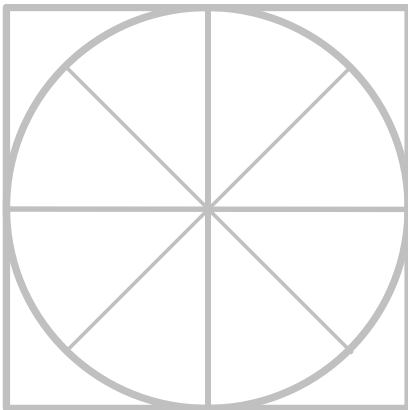
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Microsoft Hosted Exchange - Market Quadrant 2010

*An Analysis of the Market for
Microsoft Hosted Exchange,
Revealing Top Players, Mature Players,
Specialists and Trail Blazers.*

September 2010



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RADICATI MARKET QUADRANTS EXPLAINED

Radicati Market Quadrants are designed to illustrate how individual vendors fit within specific technology markets at any given point in time. All Radicati Market Quadrants are composed of four sections, as shown in the example quadrant (Figure 1).

1. **Specialists** – This group is made up of two types of companies:
 - a. Emerging players that are still very new to the industry and have not yet built up much of an installed base. These companies are still developing their strategy and technology.
 - b. Established vendors that offer a niche product.
2. **Trail Blazers** – These vendors offer cutting edge technology, but have not yet built up a large customer base. With effective marketing and better awareness, these companies hold the power to dethrone the current market leaders. “Trail blazers” often shape the future of technology with their innovations and new product designs.
3. **Top Players** – These are the current leaders of the market, with products that have built up large customer bases. Vendors do not become “top players” overnight. Most of the companies in this quadrant were first specialists or trail blazers (some were both). As companies reach this stage, they must fight complacency and continue product innovation, or else they will be replaced by the next generation of “trail blazers.”
4. **Mature Player** – These vendors have large, mature installed bases of customers, but no longer set the pace for the rest of the industry. These vendors are no longer considered “movers and shakers” as they once were.
 - a. In some cases, this is by design. If a vendor has made a strategic decision to move in a new direction, it may slow development on one product line and start another.

- b. In other cases, a vendor may simply become complacent as a top vendor and be out-developed by hungrier “trail blazers” and other top players.
- c. Companies in this stage either find new life and revive their R&D, moving back into the “top players” segment, or else they slowly fade away as legacy technology.

Figure 1, below, shows a sample Radicati Market Quadrant. As a vendor continues to develop its product, it will move horizontally along the “x” axis. As market share changes, vendors move vertically along the “y” axis. It is common for vendors to move between quadrants over the life of a product, as their products improve and market requirements evolve.

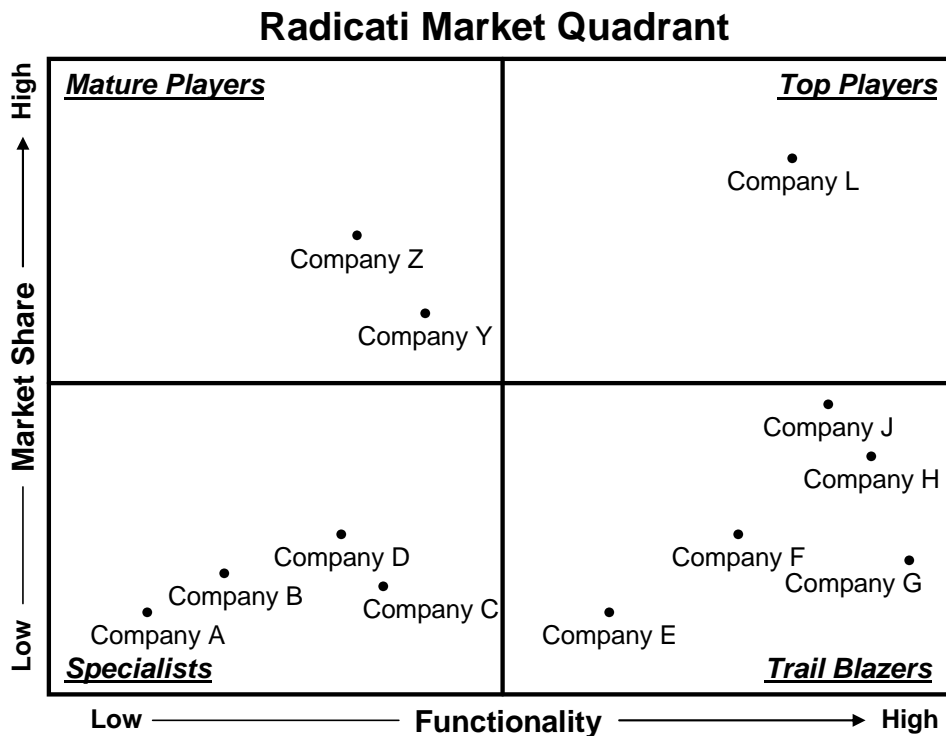


Figure 1: Sample Radicati Market Quadrant

- **Functionality** – is rated from 1 to 10, with 10 being the highest, and 1 – the lowest.
- **Market Share** – is assigned according to the company’s ranking in our latest annual reports, based on its user Installed Base (e.g. the company with the largest installed base market share is number 1, the one with the second largest installed base market share is number 2, etc.).

MARKET SEGMENTATION

This edition of Radicati Market Quadrants covers the **Microsoft Hosted Exchange** market. The Microsoft Hosted Exchange market is a sub-set of the Hosted Business Email market.

- **Hosted Business Email:** Hosted Business Email providers offer hosted email services for businesses that do not wish to deploy on-premises email servers. Unlike Managed Email providers, Hosted Business Email providers typically do not provide consulting services or systems integration services. These companies typically host email systems in their own datacenters. Some of the more widely known Hosted Business Email providers include: *Apptix, AppRiver, Ceryx, Electric Mail, Go Daddy, Google, Intermedia, Microsoft, mindSHIFT, NaviSite, Rackspace, SherWeb, USA.NET/PERIMETER*, and others.
 - **Microsoft Hosted Exchange:** A rapidly growing sub-segment of the Hosted Business Email market, these providers typically host Microsoft Exchange Servers for small and mid-sized businesses. Well-known Microsoft Hosted Exchange providers include: *Apptix, AppRiver, CenterBeam, Ceryx, Electric Mail, Intermedia, Microsoft, mindSHIFT, NaviSite, Rackspace, SherWeb, USA.NET/PERIMETER*, and others.
- This market quadrant focuses specifically on the Microsoft Hosted Exchange market. The Microsoft Hosted Exchange market currently accounts for approximately 25% of worldwide Hosted Business Email mailboxes. It should be noted that many providers in this market offer both Microsoft Hosted Exchange, and standard POP/IMAP services.
- Microsoft Hosted Exchange providers have the option of offering a variety of different mailbox types to subscribers, including POP, IMAP, and MAPI. This report evaluates market share as a provider's total installed base, including POP, IMAP, and MAPI Microsoft Hosted Exchange mailboxes.
- Figure 2, below, shows the Microsoft Hosted Exchange installed base as a percent of the total Hosted Business Email market.

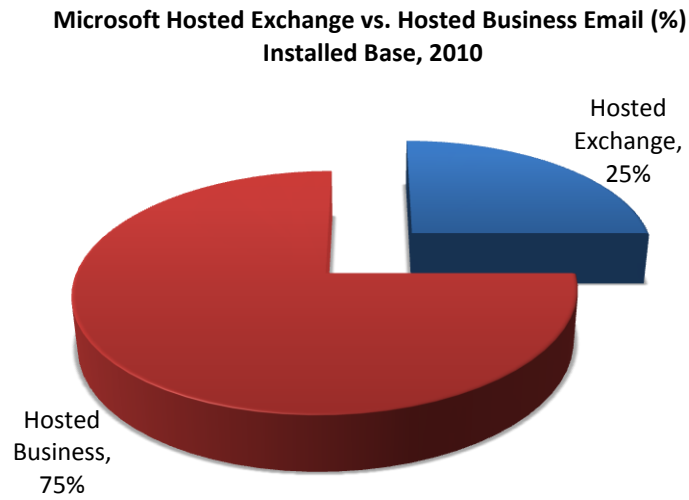


Figure 2: Microsoft Hosted Exchange vs. Hosted Business Email IB (%), 2010

Note: This Market Quadrant deals only with Microsoft Hosted Exchange providers in North America.

EVALUATION CRITERIA

Hosting providers are positioned in the quadrant, according to two criteria: Market Share, and Functionality.

Market Share – is based on the installed base published in our “Hosted Email Market, 2010-2014” report. The hosting provider with the largest installed base has a market share of 1, the one with the second largest installed base has a market share of 2, etc. In order for a hosting provider to be positioned in the Top Player or Mature quadrants, they need to have a market share of 1 to 5. Hosting providers with smaller installed bases are positioned either in the Trail Blazer, or Specialist quadrants.

Functionality – we assess each hosting provider’s solution based on a number of key service differentiators.

In order for a Microsoft Hosted Exchange Provider to be on the right side of the quadrant (*Top Player* or *Trail Blazer*), their solution should have the following capabilities:

- **Platform** – Hosting Providers should offer Microsoft Hosted Exchange 2007 or later version. Hosting Providers should also offer a number of email related services to complement their Hosted Exchange offerings. These services do not necessarily have to be their own technology, but can be technology offered in partnership with another vendor who has expertise in the field. Key email related services include:
 - Email Security, which includes anti-virus and spam filtering protection.
 - Wireless Email Synchronization, which includes Microsoft ActiveSync and BlackBerry Enterprise Server (BES).
- **Datacenters** – Datacenters should be SAS 70 Type II certified.
- **Development Team** – Hosting providers should have a strong development team that is able to customize services to fit the needs of their subscribers. Hosting providers should be able to address security and privacy requirements customers may have, as well as provide custom integration with a customer’s existing

infrastructure, including business critical software, directory synchronization, and others.

- **Hosting Options** – the solution should be able to support multiple hosting options, such as multi-tenancy and dedicated hosting.
- **Migration Support** – Hosting providers should offer migration services. The hosting provider should provide a number of migration tools, as well as dedicated support to help in the process of migrating to their new messaging service.
- **Service Level Agreement (SLA)** – must be at least 99.99% to help ensure business continuity.
- **Support** – Hosting providers should be able to offer credible professional customer support that is suitable for businesses. This includes a team of experts that is easy-to-reach and is available 24/7 to answer questions and help troubleshoot problems that may occur via phone or email.
- **Microsoft Exchange Server Related Services** – Hosting providers should be able to offer other Microsoft messaging and collaboration services, such as Windows SharePoint Services (WSS) and Microsoft Office Communications Server (OCS). These services integrate tightly with Microsoft Exchange Server and Microsoft Outlook for improved productivity and collaboration.
- **Other Unique Features and Capabilities** – other email-related services that we look at to position a hosting provider in the top functionality rankings, include:
 - Email Encryption.
 - Email Archiving and Compliance.
 - Disaster Recovery (DR).
 - Instant Messaging (IM).
 - Unified Communications.
 - Active Directory (AD) integration.

Note: *On occasion, we may put a player on the right side of the quadrant by giving them a higher than typical Functionality Score, even if they are missing one or two of the*

features mentioned above, if we feel that the other aspects of their solution are particularly unique and innovative.

MARKET QUADRANT - MICROSOFT HOSTED EXCHANGE PROVIDERS

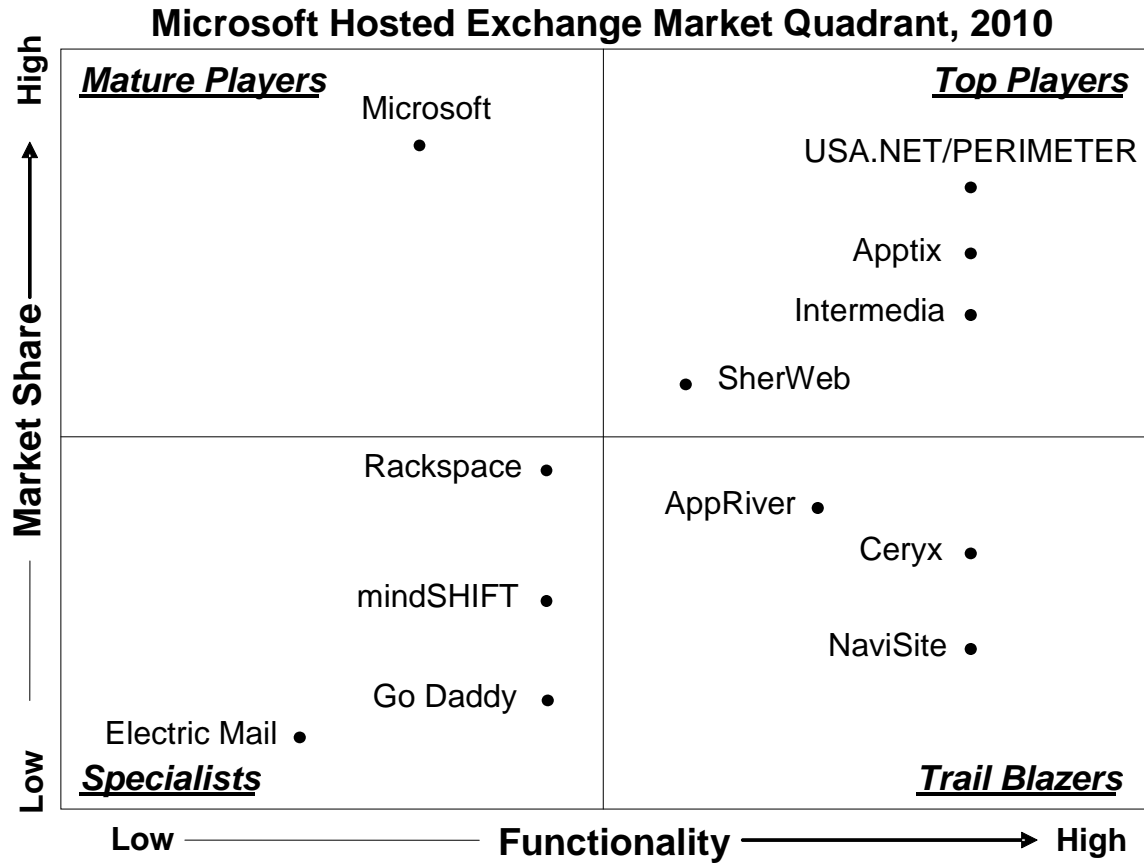


Figure 3: Microsoft Hosted Exchange Market Quadrant, 2010

Note: The market share shown above includes all POP, IMAP, and MAPI Microsoft Hosted Exchange mailboxes. This Market Quadrant deals only with Microsoft Hosted Exchange Providers in North America.

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KEY MARKET QUADRANT TRENDS

- *USA.NET/PERIMETER*, *Apptix*, *Intermedia*, and *SherWeb* rank as **Top Players** in the Microsoft Hosted Exchange services market.
 - *USA.NET/PERIMETER* offers a highly-featured comprehensive, end-to-end Hosted Exchange service. *USA.NET/PERIMETER* has found success in this market serving the highly demanding mid-market with customized Hosted Exchange solutions. The company currently hosts numerous dedicated environments for organizations with highly regulated or complex requirements such as financial institutions, multi-national enterprises and government agencies. In addition, *USA.NET/PERIMETER*'s offerings go well beyond hosted email, and include a wide breath of email related services, such as email security, email archiving and compliance, wireless email, Microsoft SharePoint, Microsoft Office Communications Server (OCS), and others. The company also continues to have strong renewal rates for its email services. This past year, the company expanded their presence in Asia, by adding Mandarin speaking support.
 - *Apptix* has made great strides this past year. The company has successfully integrated the services of its various acquired brands (ASP-One, MailStreet, and Mi8) into a more cohesive offering. The company is a top tier Hosted Exchange hosting provider, and has also established a solid installed base of Hosted Windows SharePoint Services (WSS). *Apptix* continues to show its commitment to the Hosted Exchange market by evolving its product portfolio beyond just email. In the upcoming year, *Apptix* plans on offering a complete unified communications (UC) to the SMB market when it integrates its hosted VoIP services with its recently released Hosted Microsoft Office Communications Server (OCS) 2007 R2 solution.
 - *Intermedia* continues to be one of the fastest growing Hosted Exchange providers in the market, and has done an excellent job of marketing their services. *Intermedia* also has a strong development team that has helped the company be the first to market with its Hosted Microsoft-based

products. This past year, with the help of its development team, Intermedia became the first service provider to offer Microsoft Hosted Exchange 2010 to its subscribers. The company has also had significant success with its comprehensive and cost-effective Business Productivity Suite (BPS), which combines Microsoft Hosted Exchange 2010, Hosted Office Communications Server (OCS) 2007, Hosted Windows SharePoint Services (WSS) 3.0, and Microsoft Outlook 2007/2010.

- *SherWeb* has made a name of itself in the market with a simple, ready-to-deploy Microsoft Hosted Exchange solution. The company is a quickly growing Hosted Exchange provider and is often first-to-market with new service offerings. This past year, SherWeb became one of the first Hosted Exchange providers to offer Microsoft Hosted Exchange 2010, offering two comprehensive packages based on Microsoft Hosted Exchange 2010. The company is committed to this market, currently offering a wide breadth of Microsoft-based messaging and collaboration solutions that few other service providers can boast, including Windows SharePoint Services (WSS) 3.0, Microsoft Office Communications Server (OCS) 2007 R2, and Microsoft Dynamics CRM 4.0.
- *AppRiver*, *Ceryx*, and *NaviSite* rank as **Trail Blazers**. These companies offer a comprehensive range of services and are innovators in the Microsoft Hosted Exchange market. However, they do not yet have the large market share that would position them as Top Players. As these companies build momentum and grow their installed base, they are likely to move into the Top Player quadrant.
 - *AppRiver* is an email and web security company. The company integrates their proprietary email and web security solutions with its Microsoft Hosted Exchange solution for a secure solution for the SMB market. AppRiver's Hosted Exchange offering also deploys a unique IP acceleration technology from Akamai for improved network connection and enhanced email performance comparable to on-premises solutions.
 - *Ceryx* is a business-class email provider with over 18 years of experience in the messaging market. The company differentiates itself from most Hosted Exchange providers by offering a highly configurable hosted email

service that can satisfy the complex needs of mid-size and large enterprises. Ceryx continues to show promise with a strong development team and well-focused go-to-market strategy.

- *NaviSite* is a provider of complex hosting, application management and managed cloud services to the mid-market. The company continues to set itself apart from other service providers with its strong internal development team that has helped it deploy cutting-edge technology. This past year, the company deployed a new, innovative virtualized infrastructure called the NaviCloud MCS platform. The NaviCloud MCS platform allows NaviSite to offer dedicated versions of Microsoft Exchange Server at a price comparable to multi-tenant versions of Hosted Exchange.
- *Rackspace, mindSHIFT, Go Daddy, and Electric Mail* are in the **Specialist** quadrant. These companies have a loyal client base, but have been less aggressive in coming out with new features and functionality. Moreover, their overall market share is also somewhat limited.
 - Founded in 1998, *Rackspace* is a leader in the cloud computing market. Rackspace offers two reliable hosted email services in Hosted Exchange and Rackspace Email. Both have helped Rackspace accumulate a very large installed base of hosted mailboxes. Rackspace has also done a great job of marketing its Fanatical Support Team to new customers. This dedicated IT support team of experts continues to successfully ease new customers into migrating to its hosted email services. However, Rackspace continues to be slow to add new services. It was only this past year that Rackspace began offering Windows SharePoint Services (WSS), and the company still does not offer a hosted version of Microsoft Office Communications Server (OCS).
 - *mindSHIFT* offers a wide breadth of IT services, which includes services for Virtualization, Security, Storage, Legal Applications, VoIP, Hosting, CRM, as well as Messaging and Collaboration. The company offers Hosted Exchange using the Software as a Service (SaaS) solution model directly via its 123Together brand and indirectly as a white-label service

via its group SPARK brand. However, the company has not made any major changes to its Hosted Exchange solutions over the past couple of years.

- *Go Daddy* is one of the largest paid web hosting providers on the market. The company develops most of their products internally, and has found much success with selling its Go Daddy Email and Hosted Exchange solution to individual users, SoHos, and small SMBs. However, Go Daddy's only focuses on the low end of the market with very basic services.
- *Electric Mail* is a subsidiary of j2 Global Communications, and first entered the email market in 1994. The company offers a full email protection suite that includes four solid, proprietary services; SpamSMART for spam filtering, VirusSMART for virus protection, PolicySMART for content filtering, and ContinuitySMART for email continuity and disaster recovery. This past year, j2 Global acquired FuseMail, a business email hosting provider, to improve its Hosted Email offerings. FuseMail is currently being integrated with Electric Mail, which is anticipated to be complete by the end of 2010.
- *Microsoft* is ranked as a **Mature Player**. It has a large installed base but does not offer highly innovative solutions.
 - *Microsoft* has had a great deal of success in the Hosted Exchange market with its Business Productivity Online Suite (BPOS). This past year, Microsoft made a number of moves to increase the value of its BPOS package. The company dropped the price of its popular messaging and collaboration suite from \$15 per user to month to an even more affordable \$10 per user per month. In addition, Microsoft expanded the email storage for its BPOS package from 5 GB to 25 GB for an increased price value. However, the BPOS solution offers only a plain vanilla version of Microsoft hosted applications and may not be suitable for organizations with more demanding requirements. Microsoft still lags behind many of its own hosting providers, due to the fact that these hosting providers can offer a higher level of customization, integration, and support for Hosted

Exchange than Microsoft. In addition, Hosted Exchange providers are not restricted solely to Microsoft based products for email-related services (e.g. email security, email encryption, email archiving, etc.) whereas Microsoft is limited primarily to its own products.

MICROSOFT HOSTED EXCHANGE PROVIDERS - VENDOR ANALYSIS

TOP PLAYERS

USA.NET/PERIMETER

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Denver, CO 90237
www.usa.net/perimeter

USA.NET/PERIMETER is a messaging service provider that offers core messaging and collaboration platforms. All services are provisioned through a web based administrative console. With USA.NET/PERIMETER, customers utilize a single provider to deliver many services leveraging one username and password. All the company's services are SAS 70 Type II certified.

USA.NET/PERIMETER has a tenured Professional Services team whose focus is migrating customers from their legacy messaging solution to the company's Hosted Solutions. Each customer is assigned a Technical Account Manager to provide a single point of contact. USA.NET/PERIMETER also has 24x7x365 support from Tier I through Tier III with premier support relationships with all partners.

USA.NET/PERIMETER offers the following messaging and collaboration solutions:

- **Microsoft Hosted Exchange** – a secure messaging and collaboration solution that provides individuals with access to email, calendars and contacts. Based on Microsoft Exchange Server 2007, USA.NET/PERIMETER supports OWA, POP, IMAP, RPC over HTTPs and MAPI via two tiers of Microsoft Hosted Exchange; Platinum and Silver package. Individuals can access their email accounts from the desktop using Microsoft Outlook, Microsoft Entourage for Mac, and through a web browser leveraging Outlook Web Access (OWA). USA.NET/PERIMETER also provides mobile device synchronization via BlackBerry Enterprise Server (BES), Exchange ActiveSync and Good Mobile Messaging.

USA.NET/PERIMETER offers the following services to complement Hosted Exchange:

- **Hosted Microsoft SharePoint** – Based on Windows SharePoint Services (WSS) 3.0 and MOSS Hosted Microsoft SharePoint is a team collaboration solution that allows users to create team workspaces, coordinate calendars, share documents, and other collaborative tools.
- **Hosted Microsoft Office Communications Server (OCS)** – Based on Microsoft Office Communications Server (OCS) 2007, this service provides secure Instant Messaging, and allows users to communicate through text and audio chat. Hosted OCS also offers basic tools such as desktop sharing and file transfers.
- **Message Archive** – An email archiving solution that securely stores messages while providing enhanced search capabilities and end user access to archived messages through a web-based portal. Message Archive also provides a complete business continuity solution accessible to all users anytime via a web-based interface. The solution also provides the tools and capabilities for compliance with many regulations such as SEC, FINRA, HIPAA, SOX, FERPA and the Federal Rules for Civil Procedures (FRCP).
- **Message Defender** – A message hygiene gateway service, which provides multiple layers of messaging protection and geographic redundancy. Message Defender offers spam blocking, virus protection, content filtering, MailSafe encrypted email and TLS security. The solution also leverages technologies from Cloudmark, Trend Micro, and Symantec, as well as USA.NET/PERIMETER's proprietary BruteShield solution.

USA.NET/PERIMETER also provides dedicated environments for organizations with highly regulated or complex requirements such as financial institutions, multi-national enterprises and government agencies.

FUNCTIONALITY: 8

MARKET SHARE: 2

KEY STRENGTHS:

- USA.NET/PERIMETER is SAS 70 Type II certified, and is also a Microsoft Gold Certified Partner. The company also offers a 99.9% SLA for their Microsoft Hosted Exchange solution.
- USA.NET/PERIMETER primarily focuses on offering a highly scalable and customizable Microsoft Hosted Exchange solution, designed to fit a company's current infrastructure.
- USA.NET/PERIMETER offers a number of proprietary email related services included in its hosted email offerings, which provides better price value to their customers.
- Each Microsoft Hosted Exchange customer receives a free dedicated technical account manager (TAM), who serves as a private IT consultant.
- USA.NET's parent company Perimeter E-Security helps provide the company with credibility with organizations that require secure hosted services.

KEY WEAKNESSES:

- USA.NET/PERIMETER does not include a free Windows SharePoint Services (WSS) site with each Microsoft Hosted Exchange account. Many of the company's closest competitors, such as Aptix and Rackspace offer a free WSS site with each of their Microsoft Hosted Exchange account.
- USA.NET/PERIMETER's Microsoft Office Communications Server (OCS) voice capabilities are limited to what OCS provides natively.

APPTIX

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www.apptix.com

Apptix's services are delivered across a new, highly available delivery network built on best-in-class hardware and software housed in Tier IV, SAS 70 Type II compliant, geographically dispersed datacenters. The company provides 24/7 fully US-based customer support, as well as a dedicated account representative to manage the customer on-boarding process. A standardized Control Panel coupled with a powerful Active Directory Sync tool provides administrators with a single location to easily and efficiently provision and manage all Apptix services and end-users. Apptix offers the following hosted services to customers:

- **Hosted Exchange** – A comprehensive email and collaboration solution, which can support POP, IMAP, and MAPI protocols. Hosted Exchange supports contact management, as well as shared calendaring and scheduling. Premium email security and anti-virus/spam filtering protection is included with all Hosted Exchange mailboxes. Each Apptix Hosted Exchange mailbox also comes with a free download copy of either Microsoft Outlook 2007 or Microsoft Outlook 2010 for Microsoft Windows users or Microsoft Entourage for Mac OS users. Mac OS X 10.6 users can also integrate their Exchange account natively with Apple Mail, iCal, and Address Book. Individuals can access their inbox from any web browser, using the webmail client Outlook Web Access (OWA). Customers can mix-and-match mailboxes of varying packages, from OWA-only accounts to full Exchange accounts – depending on employees' individual needs. Email storage can also be aggregated across users. Administrators can manage and maintain their organizations' mailboxes via Apptix's web-based Control Panel. Each Hosted Exchange account also comes with a free 250 MB Hosted Windows SharePoint Services (WSS) site, as well as 1 GB of storage for online backup through a partnership with Mozy.

Additional services offered by Apptix include:

- **Apptix Secure Mail** for comprehensive, end-to-end email encryption.

- **Apptix Advance Exchange Compliance & Archiving Services** for the retention of emails, eDiscovery, monitoring, and enforcement of company policies and procedures - oftentimes necessary for government rules and regulations.
- **Wireless Support** for push email and over-the-air synchronization of calendars and contacts with popular mobile devices. Apptix supports Research In Motion (RIM) **BlackBerry Enterprise Server (BES)** for BlackBerry devices, as well as **Microsoft ActiveSync** for Apple iPhone, Palm Pre, Android, and Windows Mobile-based devices. The company also supports **Good Mobile** for Treo and Pocket PC devices.
- **Outlook Voice Access (OVA)**, which allows individuals to access their inbox from an analog, digital or cellular phone.

- **Hosted Windows SharePoint Services (WSS)** – A team collaboration platform with numerous tools for document libraries, workspaces, discussion boards, as well as support for shared calendars and contacts. With the service, Apptix includes 40 industry specific templates, numerous Web Parts for adding additional feature functionality to WSS sites, and a huge collection of online tutorials to help organizations get started with WSS. Apptix also offers Bamboo Web Parts to accelerate the development of sites, and enhance group and project management.

- **Apptix Web Conferencing** – Apptix delivers Microsoft Live Meeting for web/audio/video conferencing, desktop sharing, and PC-to-PC voice. Running across Microsoft Office Communications Server (OCS) R2, the service can be integrated with Microsoft Outlook or adopted as stand-alone. This service also includes secure Instant Messaging (IM) and presence awareness for real-time communications.

- **Apptix VoIP** – An alternative solution to an on-premises PBX system, Apptix VoIP provides standard telephony features, such as voicemail, caller ID, extension dialing, find me/follow me, call forwarding, and music on hold. The solution also offers advanced features such as auto attendant, multi-office support, and voicemail-to-email. Voicemail can be integrated with Outlook to enable users to access their messages through their inbox as a .wav file.

- Apptix also offers Website hosting, domain registration, desktop fax, Virtual Private Servers (VPS), and online backup through a partnership with EMC.

In addition, Apptix also offers simple, bundled solutions targeted at individual users and SOHOs through MailStreet.

FUNCTIONALITY: 8

MARKET SHARE: 3

KEY STRENGTHS:

- Apptix operates SAS 70 Type II certified datacenters.
- Instead of relying heavily on Microsoft's Solution for Hosted Messaging and Collaboration (HMC), Apptix deploys its own platform for provisioning and managing Microsoft Hosted Exchange. This frees the company from excessive dependence on Microsoft.
- Apptix offers a powerful Active Directory Sync tool that helps simplify the management of all Apptix services and end-users.
- Apptix is one of the few providers that offer Outlook Voice Access (OVA) for their Microsoft Hosted Exchange solutions. The feature allows individuals to access their inbox from an analog, digital or cellular phone.
- A free 250 MB Hosted Windows SharePoint Services (WSS) site is included with each Microsoft Hosted Exchange account with Apptix.
- Apptix is currently one of the leading Hosted Windows SharePoint Services (WSS) providers. In comparison to other Hosted WSS providers, Apptix offers a huge online library that includes over 30 tutorials and over 40 templates to help organizations get started with WSS.
- In addition to Microsoft Hosted Exchange and Hosted Windows SharePoint Services (WSS), Apptix rounds out its portfolio with Hosted Voice over IP

(VoIP). This service has allowed Apptix to build a Hosted Unified Communications (UC) solution, which it plans on releasing later this year.

KEY WEAKNESSES:

- Apptix sells Microsoft Hosted Exchange services through two web brands; MailStreet and Apptix. This may create some brand conflict in the future, since there is some overlap in their target markets.
- Microsoft ActiveSync is not included for free with any of Apptix's Hosted Exchange plans. Many service providers offer Microsoft ActiveSync for free as part of their standard messaging plans.

INTERMEDIA

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www.intermedia.net

Intermedia's core offering is **Microsoft Hosted Exchange 2010**. Each mailbox comes with at least 5 GB of email storage, and access to shared calendars and contacts. Individuals can access their email data from the desktop using Microsoft Outlook, or via any compatible web browser using Microsoft's new webmail client for Microsoft Exchange Server 2010 called **Outlook Web App (OWA)**. All of Intermedia's mailboxes are protected with premium anti-virus and anti-spam protection. Intermedia also allows administrators to manage and provision mailboxes, mobile devices, and other add-on services via the company's proprietary integrated management platform: HostPilot Control Panel. HostPilot simplifies management and is the reason why Intermedia was able to launch Microsoft Exchange Server 2010 and SharePoint Foundation 2010 ahead of its competition. The company also offers the following services:

- Hosted Email Archiving – For the retention of emails through a partnership with LiveOffice.
- Secure Mail – For securely sending confidential and sensitive information through encrypted emails.
- Fax Via Email – For sending and receiving faxes directly through the inbox.
- MessageMirror – For creating a copy of all incoming and outgoing messages for email retention.
- UserPilot – For synchronizing Active Directory with Hosted Exchange for a single sign-on experience.
- Wireless Email - Intermedia offers push email and PIM synchronization support via Microsoft ActiveSync for Apple iPhone, as well as Android and Windows Mobile-based devices, or BlackBerry Enterprise Server (BES) for BlackBerry devices.
- Hosted PBX: This solution integrates with Hosted Exchange and supports the Microsoft roadmap for unified communications. Voicemail-to-email, click-to-call with presence via OCS integration, and other key UC as a Service features are included. The service will be managed from Intermedia's proprietary HostPilot Control Panel, alongside Intermedia's other offerings.

- Support with an average hold time of less than one minute: Support is available by phone and email by certified staff, 24 hours a day.
- Free full-service migration: Using proprietary migration tools, Intermedia migrates new customers for free. Customers' Active Directories – including distribution lists – are imported typically in less than 60 minutes, enabling them to rapidly begin using the service.

For a lower Total Cost of Ownership (TCO), Intermedia offers Microsoft Hosted Exchange 2010 with hosted versions of Microsoft SharePoint Foundation 2010, Microsoft Office Communications Server 2007, and Microsoft Outlook 2010 for a complete messaging and collaboration suite called **Business Productivity Suite (BPS)**.

FUNCTIONALITY: 8

MARKET SHARE: 4

KEY STRENGTHS:

- Intermedia was one of the first providers of Microsoft Hosted Exchange, and has built a high level of expertise working with Microsoft Hosted Exchange in the SMB market.
- Intermedia is SAS 70 Type II certified. The company is also a Microsoft Gold Partner and a gold member of Research in Motion's (RIM) BlackBerry Alliance Program.
- For Intermedia's Microsoft Hosted Exchange services, Intermedia offers 99.999% SLA.
- Instead of relying on Microsoft's Solution for Hosted Messaging and Collaboration (HMC), Intermedia has built its own proprietary platform, called HostPilot, for managing and provisioning Microsoft Hosted Exchange. This frees Intermedia from excessive dependence on Microsoft.

- Intermedia is one of the few service providers that currently offer a cloud-based solution based on Microsoft Exchange Server 2010. Even Microsoft's own Business Productivity Online Suite (BPOS) is still based on Microsoft Exchange Server 2007.
- For a cost-effective messaging and collaboration package, Intermedia offers its Business Productivity Suite (BPS), which combines hosted versions of Microsoft Exchange Server 2010, Windows SharePoint Services 3.0, Microsoft Office Communications Server 2007, and Microsoft Outlook.
- A 50 MB Hosted Windows Foundations 2010 site is provided free of charge for organizations that purchase one of the Enterprise plans. Other providers generally charge a fee for Hosted SharePoint services.
- For a new customer's first 60 days, Intermedia assigns a personal Exchange Concierge team, which is available 24x7 and is dedicated to help new customers transition to their new Hosted Exchange services, as well as provide other technical support. Intermedia also has numerous proprietary tools to help ease the migration process for new customers as well.
- Intermedia offers a number of value-added services, such as email encryption, email archiving, and unified communications.

KEY WEAKNESSES:

- Microsoft ActiveSync is not included for free with any of Intermedia's Hosted Exchange plans. Many service providers offer Microsoft ActiveSync for free as part of their standard messaging plans.
- Although Intermedia is one of the first providers of Microsoft Hosted Exchange 2010, the solution may not be as stable as services based on Microsoft Hosted Exchange Server 2007. While this is due to Microsoft's technology rather than Intermedia, bad experiences with 2010 may turn off some customers.
- Compared to other Microsoft Hosted Exchange providers, Intermedia generally charges more per mailbox than its competitors.

- Many of the services, such as email archiving, secure mail, company disclaimer, MessageMirror and UserPilot are only available with Intermedia's more expensive, high-end Enterprise plan.

SHERWEB

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Sherbrooke (Quebec)

Canada, J1H 1Z3

www.sherweb.com

SherWeb offers two comprehensive **Microsoft Hosted Exchange** packages based on Microsoft Exchange Server 2010; Enterprise and Prestige. Both packages come with advanced anti-virus and spam filtering protection powered by a combination of technologies from MailChannels and Cloudmark.

- **Enterprise** – An entry level Hosted Exchange 2010 package. Each mailbox comes with 25 GB of email storage, and Microsoft’s latest webmail service, Microsoft Outlook Web App (OWA) 2010.
- **Prestige** – A premium Hosted Exchange package that requires at least 25 seats. Each Prestige account comes with a dedicated account manager. Also included is Microsoft ActiveSync for wireless synchronization of emails, contacts, and calendars with popular mobile devices such as Apple iPhone, Windows Mobile and Android-based devices. Prestige end-users can also access their emails from any web browser using Microsoft OWA 2010 or via the desktop using either Microsoft Outlook 2010 for Microsoft Windows or Microsoft Entourage for Apple Mac OS X. Other services included in the Prestige package are Active Directory (AD) synchronization, company email disclaimers, customer transport rules, and mail-enabled public folders.

SherWeb also offers a number of optional email related services for both packages:

- **Additional POP3 Email Accounts** which come with 100 MB of storage each.
- **BlackBerry Enterprise Server (BES)** for push email and personal information management (PIM) synchronization with RIM BlackBerry devices.
- **Archiving and Compliance** for the retention and back up of emails. This proprietary solution service integrates with Hosted Exchange, and also includes instant search and restore, full indexing, as well as other advanced search options.

- **Hosted SharePoint** for document management and team collaboration. Standalone Hosted Windows SharePoint Services (WSS) sites start with 200 MB of storage.

- **Hosted OCS** for real-time communications. Hosted OCS is based on Microsoft Office Communications Server 2007 R2, and is available in two packages:
 - **Standard** – An entry level package that offers secure Instant Messaging (IM) and presence awareness. File transfer capabilities and mobile support are also supported in the Standard package.

 - **Enterprise** – A premium service that offers additional services on top of the Standard package. These additional services include web conferencing capabilities, application sharing, desktop sharing, as well as support for an unlimited amount of meetings.

- **Hosted Microsoft CRM** – for customer relationship management. Based on Microsoft Dynamics CRM 4.0, Hosted Microsoft CRM allows users to store information on customer service, leads, marketing, and sales.

FUNCTIONALITY: 6

MARKET SHARE: 5

KEY STRENGTHS:

- SherWeb is a Microsoft Gold partner and a RIM BlackBerry Alliance Partner.

- SherWeb has built its own provisioning platform, which sits on top of Microsoft's Solution for Hosted Messaging and Collaboration (HMC). This provides administrators with additional tools and features not available with HMC.

- SherWeb is currently one of the few Hosted Exchange providers that offer Microsoft Hosted Exchange 2010. Most Hosted Exchange providers are still

following Microsoft's roadmap for Hosted Exchange 2010, and are not expected to release a Hosted Exchange 2010 solution until year-end 2010.

- Each Hosted Exchange 2007 account comes with a free Windows SharePoint Services (WSS) site that includes 100 MB of storage.
- SherWeb offers a variety of complementary Hosted Exchange services, such as Windows SharePoint Services (WSS), Microsoft Office Communications Server (OCS), and Microsoft Dynamics CRM.

KEY WEAKNESSES:

- SherWeb has only completed its SAS 70 Type I audit, whereas most Hosted Exchange providers are already SAS 70 Type II certified.
- Although SherWeb offers a free Windows SharePoint Services (WSS) site with each Hosted Exchange 2007 account, the company does not offer a free WSS site with each Hosted Exchange 2010 account.

TRAIL BLAZERS

APPRIVER

1101 Gulf Breeze Parkway
Suite 200
Gulf Breeze, FL 32561
www.appriver.com

AppRiver offers one simple and complete **Hosted Exchange** package with unlimited email storage for secure messaging and collaboration. All mailboxes are protected with AppRiver's proprietary anti-virus and spam filtering solution called **SecureTide**. AppRiver also uses a unique IP acceleration technology from Akamai for an improved network connection and enhanced email performance.

On the client side, end-users can access their email from the desktop using Microsoft Outlook or via the web browser using Microsoft Outlook Web Access (OWA). Microsoft ActiveSync is also included with AppRiver's Hosted Exchange service for push email and wireless synchronization of contacts and calendars. Microsoft ActiveSync supports popular mobile devices, such as Apple iPhone, Windows Mobile and Android handsets. In addition to Microsoft ActiveSync, AppRiver offers optional services for wireless email synchronization support via BlackBerry Enterprise Server (BES) and Good Mobile Messaging. The company also partners with Global Relay for hosted email archiving and compliance services.

AppRiver's Hosted Exchange solution can be integrated with the following proprietary email-related services:

- **CipherPost** – an email encryption service for securely sending confidential and sensitive information.
- **Message Sniffer** – an email scanning engine to detect email spam, viruses, and other email malware.
- **Digital Disaster Recovery Program** – a plan to ensure business continuity in the case of unplanned downtime.

All AppRiver services can be managed under AppRiver's web-based **Customer Portal**.

FUNCTIONALITY: 7

MARKET SHARE: 7

KEY STRENGTHS:

- AppRiver has done a great job of targeting its core market of SMBs with less than 100 users. The company offers one Hosted Exchange package with all the necessary services to prevent overloading customers with too many choices.
- AppRiver is SAS 70 Type II certified.
- Microsoft ActiveSync is included for free with each Hosted Exchange mailbox.
- AppRiver offers unlimited mailbox storage.
- AppRiver implements technologies from Akamai to help speed up network connections. This makes AppRiver's Hosted Exchange services run comparable to an on-premises solution.
- AppRiver offers a number of hosted email security services built-in. This helps to reduce the overall price to customers.
- AppRiver offers a number of proprietary email-related services, such as email encryption and web protection, to upsell to organizations. All services can be managed from a single control panel for ease of use.
- AppRiver has built a proprietary provisioning platform, which reduces the company's dependence on Microsoft's Solution for Hosted Messaging and Collaboration (HMC).

KEY WEAKNESSES:

- AppRiver's core business is hosted email security, not Hosted Exchange.

- AppRiver's email related services are currently not fully automated in the Customer Portal. Organizations have to call the sales team to deploy the services.
- AppRiver does not currently offer Hosted Exchange related services, such as Microsoft SharePoint or Microsoft Office Communications Server (OCS).

CERYX

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Canada M4T 2Y3
www.ceryx.com

Ceryx's messaging and collaboration portfolio centers on **Microsoft Hosted Exchange**, and supports Hosted Exchange using POP, IMAP, and/or MAPI protocols. Rather than offering a set mailbox storage size, Ceryx offers a pooled storage, which can be divided based on an organization's needs. Individuals can either access their emails, calendars and contacts from their desktop via Microsoft Outlook or via a web browser using the webmail client Microsoft Outlook Web Access (OWA). All mailboxes are protected by a multi-factor, proprietary anti-virus and spam filtering solution. Ceryx's mailboxes offer the following value-added services:

- For Email Encryption, Ceryx partners with Echoworx.
- For Email Archiving, Ceryx partners with Global Relay. Ceryx's Hosted Exchange solution can also integrate with other popular archiving solutions, such as EMC SourceOne and Symantec Enterprise Vault.
- For push email, over-the-air synchronization of calendars and contacts, as well as provisioning of mobile devices, Ceryx offers **Microsoft ActiveSync** for Apple iPhones, Android-based and Windows Mobile-based devices, as well as **BlackBerry Enterprise Server (BES)** for BlackBerry devices.
- Advanced security tools are provided to limit mailbox access to only 'trusted' administrators.

Ceryx also offers additional hosting options for organizations. Ceryx can offer a replicated Hosted Exchange service that replicates data across two geographically separate datacenters; with options to use a datacenter in Toronto, New York, Montreal or the client's own datacenter. In addition, the company can also offer a dedicated version of Microsoft Hosted Exchange for organizations that require a more secure service.

Ceryx offers a variety of hosted services that complement and tightly integrate with Hosted Exchange. Currently, Ceryx offers Windows SharePoint Services (WSS) 3.0 and Office Communications Server (OCS) 2007 on a multi-tenant platform. The company

also offers Microsoft Office SharePoint Server (MOSS) and Microsoft Office Communications Server (OCS) 2007 on a dedicated server.

FUNCTIONALITY: 8

MARKET SHARE: 8

KEY STRENGTHS:

- Ceryx has built their own proprietary provisioning platform instead of relying on Microsoft's Solution for Hosted Messaging and Collaboration (HMC). This allows Ceryx to provide a multi-tenant platform to customers, and unlock native features in Microsoft Exchange Server that are not available through HMC.
- Ceryx has a strong development team that can handle complex requirements from customers. This allows the company to provide greater integration between their Hosted Exchange platform and their customers' business critical applications.
- Ceryx has a team of Technical Account Managers (TAM) that serve as a single point of contact to help customers with any issues with Ceryx's Hosted Exchange services.
- For organizations that require business continuity, Ceryx can offer a replicated Hosted Exchange service that replicates data across two geo-graphically separate datacenters; with options to use a datacenter in Toronto, New York, Montreal or the client's own datacenter.

KEY WEAKNESSES:

- Ceryx primarily targets the midmarket, which may turn off SOHOs and SMBs.
- Ceryx does not offer pricing on their website, which may disappoint potential customers.

- Although Ceryx targets the mid-market, the company has a limited portfolio of hosted services. Compared to other companies targeting the mid-market, Ceryx is lacking a broader range of supported services, such as desktop security, network management, server management, as well as CRM packages, and web conferencing capabilities that integrate with their Hosted Exchange services.

NAVISITE

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Andover, MA 01810
www.navisite.com

NaviSite offers the following Hosted Exchange services as part of its Messaging Application services portfolio:

- **Hosted Exchange** – Hosted Exchange provides individuals with access to email, shared calendars and shared address books. Individuals can also access their emails from any web browser using Outlook Web Access (OWA), an advanced webmail client. All mailboxes come with a free copy of either Microsoft Outlook 2007 for Microsoft Windows operating systems or Microsoft Entourage 2008 for Apple Mac OS. NaviSite leverages Postini for anti-virus and spam filtering protection, as well as Trend Micro technology for gateway and server-side anti-virus protection. Each Hosted Exchange mailbox comes with a **Hosted Windows SharePoint Services (WSS)** site with 1 GB of storage.

NaviSite also offers the following Hosted Exchange add-ons:

- Email Encryption via a partnership with Zix for securely sending and receiving sensitive information.
 - Email Archiving via partnerships with Global Relay and Mimecast for the retention of emails.
 - Wireless email via Microsoft ActiveSync for Apple iPhone and Windows Mobile-based devices. NaviSite also supports BlackBerry Enterprise Server (BES) and Good Mobile Messaging.
 - Microsoft Office Communications Server for instant messaging and presence awareness.
- NaviSite also offers **Dedicated Exchange**, a dedicated Microsoft Exchange Server solution targeted at Medium-sized organizations with more than 500 users.

FUNCTIONALITY: 8

MARKET SHARE: 10

KEY STRENGTHS:

- NaviSite is SAS 70 Type II Compliant and is also a Microsoft Gold Certified Partner.
- NaviSite offers a comprehensive portfolio of IT and managed hosting services, which includes business applications for Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) from Oracle, Kronos, Lawson, Microsoft, and IBM.
- For Microsoft Hosted Exchange, NaviSite offers 100% SLAs. The company also offers 99.5% SLAs for unclustered solutions, and 99.9% SLAs for clustered hosted messaging solutions.
- Each Microsoft Hosted Exchange account comes with a free Hosted Windows SharePoint Services (WSS) 3.0 site with 1 GB of storage.
- NaviSite's NaviCloud MCS platform allows the company to deploy virtualized dedicated Hosted Exchange solutions at a price that is competitive with a multi-tenant Hosted Exchange solution.
- NaviSite has a strong development team that has the ability to build and support complex environments for organizations that require highly customized solutions.

KEY WEAKNESSES:

- NaviSite's solutions are primarily geared at Medium-sized organizations. This may turn off smaller organizations looking for just a hosted email solution.
- Although NaviSite has put a lot of effort into developing its Hosted Exchange solution, Hosted Exchange is only a part of its service offerings. In fact, its

Hosted IBM service still remains its flagship hosted messaging and collaboration offering. This may turn off many organizations that are looking for a pure Hosted Exchange provider.

SPECIALISTS

RACKSPACE

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www.rackspace.com

Rackspace Email & Apps (formerly known as Mailtrust) is a portfolio of cloud-based email and collaboration applications for email hosting, file sharing, and online backup services. Rackspace currently offers the following Hosted Exchange services:

- **Hosted Exchange** – Rackspace’s Hosted Exchange solution unlocks the full power of Microsoft Outlook, and each mailbox comes with 2 GB of email storage. All Hosted Exchange mailboxes are protected using spam-filtering and anti-virus technology powered by Cloudmark, as well as additional anti-virus technology powered by ClamAV. Using **Rackspace Unified Control Panel** administrators can manage both email services in a single administrative interface. The Unified Control Panel also allows administrators to manage spam filtering, archiving, domain management, and other administrative functions. Individuals can also check their email data from any compatible web browser from Microsoft Outlook Web Access (OWA). This past year, Rackspace complemented its email offerings with **Email Archiving** for the retention of emails. The email archiving solution offers unlimited storage, and includes search tools for locating archived emails. Rackspace also partners with third party vendors, Sonian and Global Relay, for archiving services. For mobile support, Microsoft Hosted Exchange customers have the option to deploy BlackBerry Enterprise Server (BES) for BlackBerry devices, as well as Microsoft ActiveSync support for Apple iPhone and Windows Mobile devices.
- **File Sharing** – Rackspace offers two choices for file sharing; **Rackspace Cloud Drive** and **Microsoft Windows SharePoint Services (WSS)**.
 - Rackspace Cloud Drive is an online file storage service that offers auto-backup, file restore, file synchronization and file sharing. Anywhere access is also available via a web-based interface or mobile device.

- Each customer account comes with a 250 MB Hosted Windows SharePoint Services (WSS) site, for document management, team organization, and workflows. Hosted SharePoint also integrates with Microsoft Office for increased functionality.
- **Online Backup** – Rackspace offers **Rackspace Server Backup** for automatic online backup services.
 - Rackspace Server Backup – a secure online file storage service that backs up Windows-based and Linux-based file servers. Data restore and remote management is also included as part of this backup service.

FUNCTIONALITY: 5

MARKET SHARE: 6

KEY STRENGTHS:

- Rackspace is SAS 70 Type II certified and the company is a Microsoft Gold Certified Partner.
- Rackspace has a 100% Uptime Guarantee for their managed and hosted solutions.
- New customers are assigned to a dedicated team to help them migrate and transition to their new email service offerings. In addition, each customer account is assigned a dedicated IT support team of experts called the Fanatical Support Team, which is always available 24x7x365.
- Rackspace Unified Control Panel allows administrators to manage Microsoft Hosted Exchange, spam filtering, archiving, domain management, and other administrative functions – all in one location.
- Rackspace offers multiple hosted deployment options; Software as a Service (SaaS), Dedicated, Managed, and Co-location. This allows customers to choose from a variety of options to best suit their needs.

- Each customer account comes with a 250 MB Hosted Windows SharePoint Services (WSS) site.
- This past year, Rackspace complemented its email offerings with an email archiving solution with unlimited storage and retention. The company also partners with third party vendors, such as Sonian and Global Relay, for archiving services.

KEY WEAKNESSES:

- Compared to other Hosted Exchange providers, Rackspace has been slow to add new services. For instance, Rackspace does not currently offer a hosted version of Microsoft Office Communications Server (OCS), and the company only introduced Hosted Windows SharePoint Services (WSS) this past year.
- Rackspace does not currently offer any Instant Messaging (IM) solution for organizations looking to deploy a company-wide secure, enterprise-grade IM platform.
- Compared to other Hosted Exchange providers, Rackspace does not offer the most cost-effective Hosted Exchange solution.
- Microsoft ActiveSync is not included for free with any of Rackspace's Hosted Exchange plans. Many service providers offer Microsoft ActiveSync for free as part of their standard messaging plans.

MINDSHIFT

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www.mindshift.com

mindSHIFT offers a wide breadth of IT services, which include services for Virtualization, Security, Storage, Legal Applications, VoIP, Hosting, CRM, as well as Messaging and Collaboration. For Messaging and Collaboration, mindSHIFT offers Hosted Exchange and other services through the following:

- **123Together.com** and **groupSPARK** both offer Hosted messaging and collaboration solutions using the Software as a Service (SaaS) model.
 - **123Together.com** is mindSHIFT's direct offering for Hosted Exchange. Up to 25GB Hosted Exchange mailboxes are available. To complement 123Together.com's Hosted Exchange solutions, mindSHIFT offers the following services:
 - Email Archiving via GuardDoc Basic Hosted Archiving, GuardDoc Hosted Archiving for Compliance, and MyArchive Personal Archiving.
 - Premium Spam Filtering and Business Continuity Services via McAfee.
 - Push email and over-the-air (OTA) synchronization of contacts and calendars with popular mobile phones via Microsoft ActiveSync, BlackBerry Enterprise Server (BES), or Good Messaging Server.
 - Microsoft SharePoint 2010 for document management and team collaboration.
 - Microsoft Dynamics CRM 4.0 for customer relationship management.

- Email Encryption to eliminate the possibility of theft of personal information and ensure compliance with government regulations regarding electronic data. Offered through Proofpoint.
- Online Desktop Backup to safeguard business documents from accidental loss, corruption or theft.
- **groupSPARK** is a private-label offering of Hosted Exchange. groupSPARK uses a unique Private Label Application Delivery (PLAD) platform designed for resellers, who can brand the service as their own with their logo, URL and look-and-feel. This provides for a complete private label experience and enables resellers to maintain their relationship with their customers and increase their average revenue per user.
- **Complete and Connection** provides a comprehensive IT service that includes the management of servers, network, security, desktop, as well as messaging and collaboration via Microsoft Hosted Exchange.
- **OASIS** is a complete hosted Software as a Service (SaaS) desktop solution designed specifically for the legal sector. The service includes Hosted Exchange for messaging and collaboration, document management, and more than 50 legal-specific applications.
- **Next Desktop** is a hosted desktop service that includes Hosted Exchange for messaging and collaboration, as well as OpenOffice.org, Microsoft Office or QuickBooks for productivity.

FUNCTIONALITY: 5

MARKET SHARE: 9

KEY STRENGTHS:

- mindSHIFT offers a broad breath of IT services, which includes services for Virtualization, Security, Storage, Legal Applications, VoIP, Hosting, CRM, as well as Messaging and Collaboration.
- mindSHIFT offers multiple hosting options for Hosted Exchange, which includes multi-tenant, dedicated and managed.
- groupSPARK uses a unique Private Label Application Delivery (PLAD) platform designed for resellers, who can brand the service with their logo as well as look-and-feel.

KEY WEAKNESSES:

- mindSHIFT has not undergone any dramatic changes in the past 3 years.
- 123Together and groupSPARK are not currently SAS 70 Type II certified.
- 123Together and groupSPARK do not currently offer Microsoft Office Communications Server (OCS), although mindSHIFT is currently testing the service. Most Hosted Exchange providers have already been offering OCS for over a year.
- Premium email security protection through 123Together is not included for free for each Hosted Exchange provider. Most service providers now include premium email security services as part of all their email offerings.
- Microsoft ActiveSync is an additional cost with 123Together. Many service providers include Microsoft ActiveSync for free as part of their basic Hosted Exchange offering.
- 123Together does not offer a free Windows SharePoint Services (WSS) site with each Microsoft Hosted Exchange account. Many leading service providers offer this as part of their Hosted Exchange package.

GO DADDY

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Scottsdale, AZ 85260
www.godaddy.com

Go Daddy's **Hosted Exchange** is an enterprise-grade email solution based on Microsoft Exchange Server. Go Daddy's Hosted Exchange solution is available in two packages:

- Individual Plan – is for one user and comes with 2 GB of email storage. Each Individual Plan mailbox comes with either Microsoft Outlook for Microsoft Windows or Microsoft Entourage for Apple Mac OS X. Microsoft ActiveSync is also included for wireless synchronization with Apple iPhone, Windows Mobile, and Android mobile devices. Go Daddy also offers optional services for BlackBerry Enterprise Server (BES).
- Group Plan – starts with 3 mailboxes with 2 GB of email storage for each mailbox, although additional mailboxes and storage can also be purchased. Each Group Plan mailbox also comes with either Microsoft Outlook for Microsoft Windows or Microsoft Entourage for Apple Mac OS X. A Hosted Windows SharePoint Services (WSS) 3.0 site is also included for each Group Plan account. Microsoft ActiveSync is included for wireless synchronization with Apple iPhone, Windows Mobile, and Android mobile devices. Go Daddy also offers optional services for BlackBerry Enterprise Server (BES).

FUNCTIONALITY: 5

MARKET SHARE: 11

KEY STRENGTHS:

- Go Daddy is one of the largest paid web hosting providers on the market. The company can easily sell its webmail services at the same time individuals sign up for web hosting.

- Go Daddy develops most of their products internally, which helps to reduce the overall costs to its subscribers.
- Go Daddy has built its own proprietary provisioning platform, which makes it easier for the company to manage their services.
- Microsoft ActiveSync is included as part of the basic package. Many service providers offer this as an optional service.
- Each Group Plan account comes with a free Windows SharePoint Services (WSS) site. Many service providers do not offer this option.
- Go Daddy offers one of the most competitive Hosted Exchange pricing schemes on the market.

KEY WEAKNESSES:

- Go Daddy currently works with very small organizations, with most accounts signing up with only a few handfulls of mailboxes. This may limit its growth in the future.
- Go Daddy does not currently offer any Hosted Email Archiving and Email Encryption services for its Hosted Exchange solution.
- Go Daddy does not include Microsoft Office Communications Server (OCS), a service that many leading Hosted Exchange providers are currently offering.

ELECTRIC MAIL

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Santry
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www.electricmail.com

Electric Mail is a subsidiary of j2 Global Communications. Currently, the company offers **Hosted Microsoft Exchange 2007**. Each mailbox comes with 25 GB of email storage aggregated across the domain. Individuals can access their emails from Microsoft Windows-based environments using Microsoft Outlook or Apple Mac OS X environments using Microsoft Entourage. They can also access their emails via any web browser using Microsoft Outlook Web Access (OWA). Electric Mail's Microsoft Hosted Exchange is fully protected using Electric Mail's **Email Security Suite**. Electric Mail's Email Security Suite includes four main services; SpamSMART for spam filtering, VirusSMART for virus protection, PolicySMART for content filtering, and ContinuitySMART for email continuity and disaster recovery. Microsoft ActiveSync is included for wireless email synchronization with popular mobile devices, such as Apple iPhone, Windows Mobile and Android-based handsets. Electric Mail also offers optional services for BlackBerry Enterprise Server (BES).

Electric Mail also offers the following email-related services, which can also be managed from the web based Messaging Central management portal:

- CypherSMART for user-to-user email encryption,
- VaultSMART for business email archiving and compliance.

FUNCTIONALITY: 3

MARKET SHARE: 12

KEY STRENGTHS:

- Electric Mail has SAS 70 Type II certified data centers.

- Solid proprietary hosted email security services are included for Electric Mail's Hosted Exchange solutions.
- Electric Mail is backed by j2 Global Communications. j2 Global Communications helps to bring new business to Electric Mail. The company also provides solid financial resources to Electric Mail.
- Microsoft ActiveSync is included with each Hosted Exchange mailbox.

KEY WEAKNESSES:

- Electric Mail does not offer Hosted Exchange-related services, such as Hosted Windows SharePoint Services (WSS) or Microsoft Office Communications Server (OCS). Most major Hosted Exchange providers offer both of these services.
- Electric Mail does not include pricing on their webpage, which may turn off some customers.

MATURE PLAYERS

MICROSOFT

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www.microsoft.com

Microsoft Online Services (MOS) is Microsoft's brand for its collection of cloud-based business applications. Currently MOS offers hosted versions of Microsoft Exchange Server, Microsoft Office SharePoint Server, Microsoft Office Communications Server, Microsoft Dynamics CRM, and Microsoft Office Live Meetings via a Standard or Dedicated package. Standard offerings are delivered via a multi-tenant architecture and are targeted at organizations of all sizes. Dedicated offerings are delivered via a dedicated architecture and are designed for organizations with more than 5,000 users.

Microsoft also offers two bundled messaging and collaboration suites: **Business Productivity Online Standard Suite (BPOS)** and **Business Productivity Online Deskless Worker Suite**:

- **Business Productivity Online Suite (BPOS)** – This comprehensive messaging and collaboration suite includes Exchange Online, SharePoint Online, Office Communications Online, and Office Live Meetings.
 - **Microsoft Exchange Online** – Each mailbox comes with 25 GB of email storage. Exchange Online leverages Microsoft Forefront Online Security for Exchange to protect against viruses and spam. Individuals can access their email accounts from either Microsoft Outlook Web Access (OWA) or Microsoft Outlook. Support for push email and PIM (personal information management) synchronization is also offered via Microsoft Exchange ActiveSync (EAS).
 - **Microsoft SharePoint Online** – A hosted version of Microsoft Office SharePoint Server (MOSS) 2007. The collaboration and content management solution has the following core capabilities: Collaboration,

Portals, Enterprise Content Management (ECM), Search, Business Processes and Workflow.

- **Microsoft Office Communications Online** – A secure instant messaging and presence awareness solution based on Microsoft Office Communications Server 2007 R2.
- **Microsoft Office Live Meeting** – A web conferencing solution that allows individuals to collaborate with each other over via webcam, microphone, or over the telephone. The solution also offers a variety of interactive tools, including desktop sharing, document editing, and white boarding capabilities.
- **Business Productivity Online Deskless Worker Suite** – This hosted messaging and collaboration suite includes lighter versions of Exchange Online and SharePoint Online, which are aimed at deskless workers that generally do not have regular access to a computer.
 - **Microsoft Exchange Online Deskless Worker** – Each mailbox comes with 500 MB of email storage. Email access is limited to emails, shared calendars and shared contacts via Outlook Web Access (OWA) Light. Virus and spam protection are also included, with an option for archiving and encryption support.
 - **Microsoft SharePoint Online Deskless Worker** – A read-only access solution to SharePoint Portal sites. However, individuals still have the ability for simple data input/editing, such as filling out forms and participating in discussions.

FUNCTIONALITY: 4

MARKET SHARE: 1

KEY STRENGTHS:

- Microsoft has a strong reputation in the messaging and collaboration space. This is key for users adopting a hosted messaging and collaboration solution for the first time.
- Microsoft is one of the few service providers that have the financial and IT resources to back large worldwide cloud services deployments.
- Microsoft Online Services (MOS) targets businesses of all sizes.
- Each hosted Microsoft Online Services (MOS) solution is available in two forms; Standard or Dedicated. For Standard offerings, data is hosted on a multi-tenant server. On the other hand, Dedicated offerings are hosted on a dedicated server.
- Even though Microsoft's Business Productivity Online Standard Suite was already available at a low price of \$15/user per month, this past year Microsoft dropped the price of the suite to an even more affordable \$10/user per month. The company also increased its email storage from 5 GB to 25 GB.
- Organizations have the choice of purchasing the whole Business Productivity Online Standard Suite bundle, or each hosted application as a standalone solution.
- Microsoft Online Services can be quickly deployed and migrated to. This reduces costs, since no extra hardware or implementation costs are required.
- The hosted applications offered by Microsoft Online Services share a similar code-base with their on-premises counterpart. For example, Microsoft Exchange Online shares a similar code-base with Microsoft Exchange Server 2007. This reduces the learning curve for new users migrating from an on-premises version of the platform to a hosted version, and vice versa. In addition, customers know they are deploying a proven technology.
- With Exchange Online, organizations can simultaneously run both on-premises and hosted Microsoft Exchange Server. This also allows organizations to adapt their infrastructure as their business grows.

- SharePoint Online is a hosted version of Microsoft Office SharePoint Server (MOSS), a premium paid version of Microsoft SharePoint that includes features such as Portals. Most service providers only offer the free version of Microsoft SharePoint that is widely available with Microsoft Windows Server - Windows SharePoint Services (WSS).
- Microsoft's datacenters are maintained in a way that the company can locate their customer's data and destroy it if necessary. Other service providers, such as Google have built their datacenter architecture in such a way that the company would not be able to locate where their customer data is.

KEY WEAKNESSES:

- Microsoft is still fairly new to the Software as a Service (SaaS) market. The company has not yet built the same level of hosting expertise that many of its hosting partners and competitors have.
- Compared to Microsoft's current ecosystem of hosting providers, Microsoft Online Services only offers a plain vanilla version of their hosted applications, which may not be suitable for organizations with more demanding requirements. Microsoft's hosting providers can offer a higher level of customization and support for Microsoft Hosted Exchange than does Microsoft.
- The product portfolio for Microsoft Online Services (MOS) is only limited to Microsoft products, whereas other service providers can offer a wider range of product offerings, which are not restricted to just Microsoft products.
- Dedicated offerings of Microsoft Online Services (MOS) applications currently require more than 5,000 users and are not available for smaller organizations.
- Smaller businesses may be weary of adopting Microsoft Online Services (MOS), since they worry they may get lost in the crowd, and not receive the same level of attention as larger organizations.

- Microsoft Online Services (MOS) may not be suitable for organizations that do not currently have a Microsoft-based infrastructure. Using MOS will make organizations become more dependent on Microsoft-based products.
- Microsoft Office Communications Online lacks full VoIP PBX capabilities. The solution is restricted to internal peer-to-peer voice calls.

THE RADICATI GROUP, INC.
<http://www.radicati.com>

The Radicati Group, Inc. is a leading Market Research Firm specializing in emerging IT technologies. The company provides detailed market size, installed base and forecast information on a worldwide basis, as well as detailed country breakouts, in all areas of:

- **Email**
- **Security**
- **Instant Messaging**
- **Unified Communications**
- **Identity Management**
- **Web Technologies**

The company assists vendors to define their strategic product and business direction. It also assists corporate organizations in selecting the right products and technologies to support their business needs.

Our market research and industry analysis takes a global perspective, providing clients with valuable information necessary to compete on a global basis. We are an international firm with clients throughout the US, Europe and the Pacific Rim.

The Radicati Group, Inc. was founded in 1993, and is headquartered in Palo Alto, CA, with offices in London, UK.

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The Radicati Group, Inc. provides the following Consulting Services:

- Management Consulting
- Whitepapers
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Title	Released	Price*
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Hosted Email Market, 2010-2014	Aug. 2010	\$3,000.00
Email Archiving Market, 2010-2014	July 2010	\$3,000.00
Hosted Unified Communications Market, 2010-2014	July 2010	\$3,000.00
On-Premises Corporate UC Market, 2010-2014	July 2010	\$3,000.00
APAC Hosted Email Market, 2010-2014	June 2010	\$3,000.00
EMEA Hosted Email Market, 2010-2014	June 2010	\$3,000.00
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Email Security Market, 2010-2014	May 2010	\$3,000.00
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eDiscovery and Data Loss Prevention Market, 2009-2013	Dec. 2009	\$3,000.00
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MANAGEMENT STAFF

Sara Radicati, Ph.D.

President & CEO

Dr. Sara Radicati is a widely recognized industry consultant and analyst expert in Messaging and Collaboration, Directory and Metadirectory Services, PKI/Security, Unified Communications, Wireless and Internet applications. Sara was one of the leading designers of the X.500 standards for directory services, and has played an active role in numerous major international standards organizations. She is a past Director of the European Electronic Messaging Association (EEMA).

Her company, The Radicati Group, Inc., is an international consulting and market research firm with offices in Palo Alto, USA, and London, UK. The company assists corporate clients, vendors and network operators on planning, deployment and business strategies in all areas of messaging, directory services, unified communications, wireless and Internet applications. The company also performs due-diligence and advises investment firms in identifying new opportunities. Dr. Radicati is a widely published author and speaks frequently at industry events worldwide.