



The Advantages for Managed Service Providers of Offering Email Archiving as a Hosted Service

February 2018 | Authors: James Clayton, Robin Bingeman

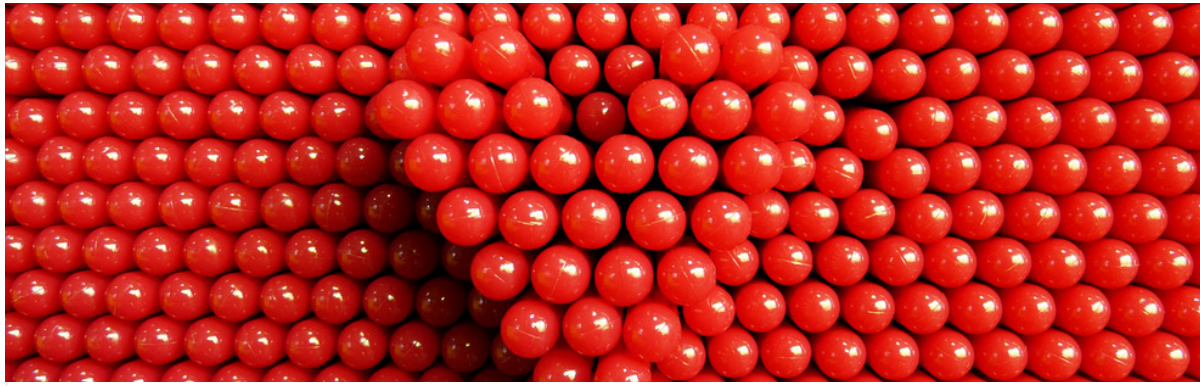
Solar Archive is a dedicated email archiving solution for the Service Provider marketplace. The solution enables providers to offer their own, branded solution to their customers quickly, easily and cost-effectively.

In this whitepaper we will explore how the role of the service provider is changing, and how expectations of the customer have expanded, meaning new technologies, services and revenue earning opportunities have to be invested in. Increasing competition and tighter budgets force service providers to put greater onus on customer retention to ensure consistent revenue at high margin to produce sustainable businesses.

Solar Archive encourages service providers to be agile in coming to the market with a technology which customers are already buying. Being quick to the market with a specialist cloud email archiving technology which can be fully branded to take advantage of customer loyalty means there is a quick, easy to reach revenue stream there for the taking.

Being able to secure this revenue at high margin will enable service providers to grow their business by winning new customers and up-selling to existing accounts.

Read on to see how Solar Archive can help service providers meet their short, medium and long-term goals.



Contents

Introduction	3
Market Sizing	
State of the Cloud	
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Why Add Email Archiving?	5
Compliance	
Productivity	
Disaster Recovery	
<hr/>	
Why Add Solar Archive?	8
Meet Your Customers' Needs	
Cost Effectiveness	
Technical Specialists	
<hr/>	
Conclusion	11
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“The market has come full circle. With the introduction of GDPR, our customers are demanding more from their cloud services in terms of security and compliance; Solar Archive has answered all their questions”

CTO,
Cloud Hosting Provider



Introduction

For service providers, competition has never been greater. From IT vendors, to specialist service providers and traditional resellers, everyone is looking to tap into the rich vein of managed service recurring revenue.

This makes it critically important to offer the best technology available, in the most secure way and at the best price point. If any one of those points drop even a little there is no shortage in other providers who will want to come and take the business away.

As pressure increases to improve annual recurring revenue and to continue raising retained margin in an ever-growing customer base it is becoming harder for service providers to stand out from the pack.

Solar Archive offers a unique path to improve revenue,

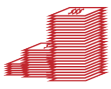
increase margin and to both enhance customers' satisfaction and retention. The underlying technology has existed in the traditional channel sales environment for more than 17 years as a best in class enterprise email archiving solution. Now the product has been enhanced and tailored specifically for all kinds of managed service provider.



In 2015, 205 billion emails were sent per day, rising to 246 billion in 2019¹.



There are already over 1 billion business cloud email accounts, and this is on the rise.



Email archiving revenues were \$4.9 billion in 2016

Market Sizing

With messaging alternatives such as chat, social inboxes and instant messaging solutions fragmenting how businesses communicate, email has remained as the primary medium for storing most important messages.

Couple this demand for accessibility with increased employee mobility, and the result is a requirement for email to be hosted online – where a decade ago downloading on local machine was the norm.

Email usage is ubiquitous; it is continuing to grow and shows no sign of slowing down.

The need for service providers to offer email services is clear to see. Historically this came in the form of hosted mailboxes and hosted email filtering. With Office

365 changing the way customers consume hosted email, hosting providers need to adapt to the shifting market landscape. With cloud solutions like Solar Archive, MSPs can still offer email services that their customers would traditionally buy elsewhere.

State of the Cloud

- Overall Cloud adoption rate stands at 84%²
- 78% of Cloud users have formally adopted two or more services.
- Half of all respondents expect to move their entire IT estate to the Cloud at some point.
- 16% intend to do move all services as soon as practically possible

Footnotes:

¹ <http://www.radicati.com/wp-content/uploads/2015/02/Email-Statistics-Report-2015-2019-Executive-Summary.pdf>

² Cloud industry forum report - <https://www.cloudindustryforum.org/content/uk-cloud-adoption-rate-climbs-84-finds-new-research-cloud-industry-forum>

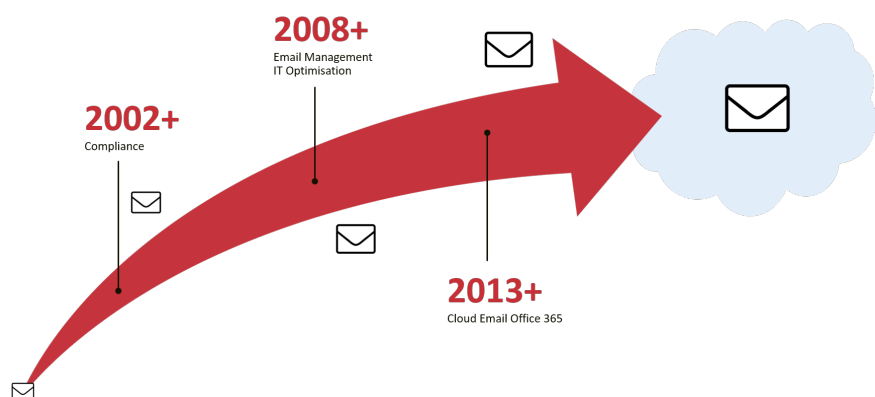
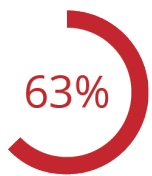


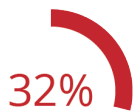
Figure 1: The Email Archiving Journey



74% of companies have been ordered to produce employee email as part of legal action



63% are confident that relevant messages can actually be found



32% have no policies preventing deletion of important messages



Why Add Email Archiving?

Organisations across the world who send and receive emails for work purposes need to keep emails for many years – typically 7+ years for regulatory, good practice and corporate governance needs.

However, in reality we have seen 98% of our customers over the past 15 years are keeping emails in Solar Archive for indefinite periods of time. Your customers are implementing and investing in email archiving solutions - to ensure customer retention you should ensure you can offer the technology your customers want.

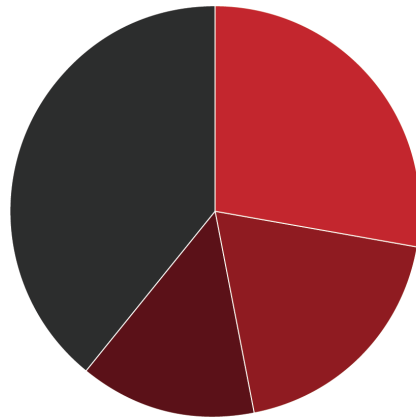
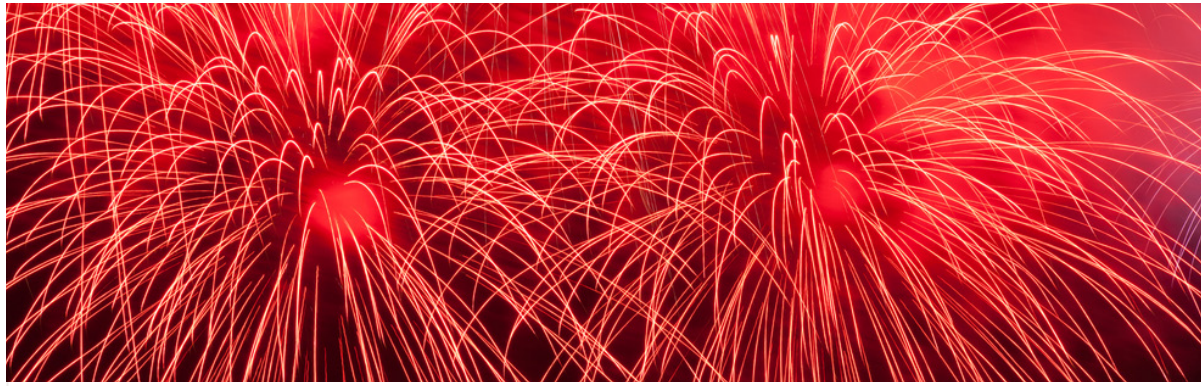
Compliance

The reasons organisations are archiving emails is varied, but typically boils down to the need to recover emails as part of a business's compliance and governance requirements. There is evidence to back this up, 74% of

organisations have been ordered to produce employee email as part of legal action and only 63%³ of organisations are confident that all relevant messages can actually be produced . We know that important information is stored in email and 32% of organisations have no policies in place to prevent employees from deleting important content.

Productivity

Further to the legal requirements and compliance issues which govern the retention and retrieval, there is a huge business productivity argument for implementing an email archiving solution for customers. It is said that 28% of the average work week is spent reading and answering email, 19% of the average work week is spent searching for and gathering information and 14% of the average work week is spent communicating and collaborating



28% Reading and answering email

19% Searching for Information

14% Communicating internally

Figure 2: Communication activities during the average work week

internally⁴. Even small efficiency improvements in these day to day tasks will have huge knock on benefits to a business' bottom line.

Disaster Recovery

There is a growing need for business continuity through email backup. As the workplace relies more than ever before on the information contained within a user's mailbox, the secure protection and retention of those mailboxes becomes even more important.

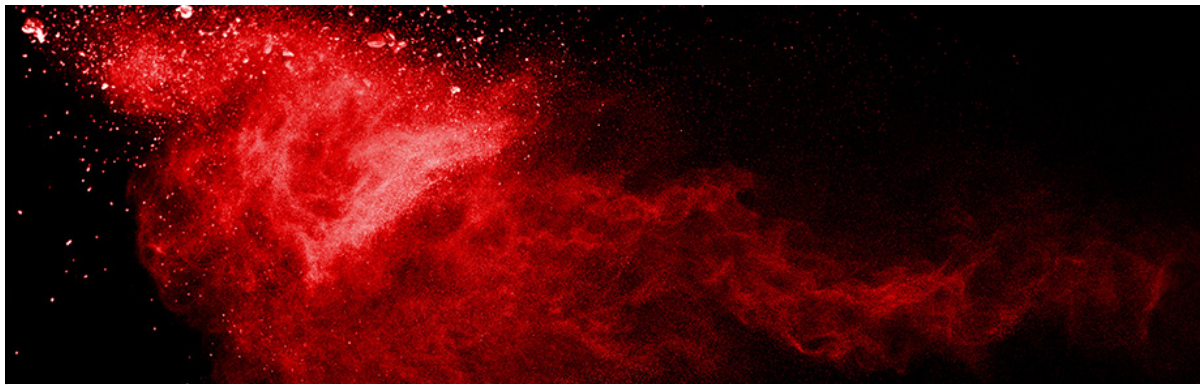
Traditional back up of an email environment is proving inadequate for customers who want and expect their 'back up' to be online at all times and operate in real time with a robust search functionality. If there is an issue with the core mail environment email data should be available in an easy to search email archiving and back up technology.

The growing importance of email retention and access is underlined by the increase in regulation around email and data

Footnotes:

³ Osterman Research - <https://www.ostermanresearch.com/home/infographics/>

⁴ McKinsey - <https://www.mckinsey.com/industries/high-tech/our-insights/the-social-economy>



“Being able to leverage our brand in a market where we are already known has made the introduction of Solar Archive to our customers an overnight success”

*Business Development
Manager
EU Managed Service Provider*

protection. These regulations range from geographically-specific legislation to sector-specific rules and even rules which govern large regions. Examples include Sarbanes-Oxley, EU GDPR, FCA,

PCI and SEC regulation; whatever territory, sector or size your customers operate in, there will be some requirement for them to retain email securely.

The above combined mean that the E-Mail Archiving market is expected to grow at a compound annual growth rate (CAGR) of 13.68 percent during the period 2015-2019.



Quick-to-Market

Solar Archive can be branded, installed and implemented in the shortest possible time. Combined with a structured training program for sales and support staff, you can be in the market with a highly functional email archive in a matter of weeks

Why Add Solar Archive?

Meet Your Customers' Needs

Customer acquisition is becoming harder, therefore upselling to your existing customers is on par with new business when it comes to business growth.

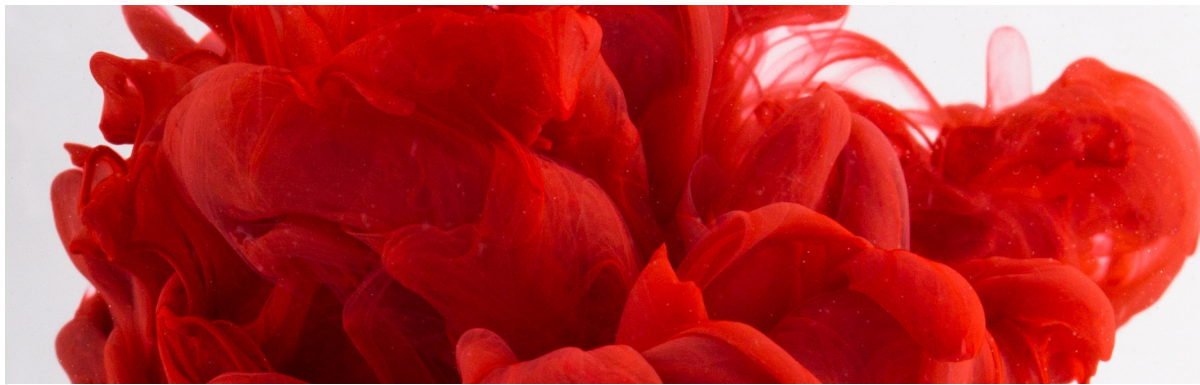
Email archiving has the benefit of being both a great technology to acquire new customers and a great upsell technology into an existing customer base. Solar Archive email archiving requires little overhead, low management and offers significant increases in customer satisfaction.

The Solar Archive solution was originally created in the late 90's to meet regulation put in place for Internet Service Providers, and was developed to run in multi-tenant mode with scale testing. This means that Solar Archive was a cloud technology from day one, and the solution can run in even the largest Managed Service

Provider environment.

Solar Archive is a focused email archiving tool, providing a tailored solution to businesses across all sectors to match every customer's individual requirements. We allow real-time capture and storage of every message received by an organisation on a dedicated, secure, multi-tenant server.

Thanks to Solar Archive's exclusive focus on email archiving, it is possible to meet compliance needs, improve productivity and enable users to find what they need quickly. Solar Archive's design reflects our belief that managed service technologies should have a low cost of delivery and, importantly, be easy for the end customer to use. Moreover, a good technology will ensure all customers regard the service provider as their trusted IT advisor, opening the door to further upsell opportunities.



Flexibility

Solar Archive was designed to be agnostic with respect to your infrastructure. This ensures that your archiving solution will continue to support your evolving infrastructure choices

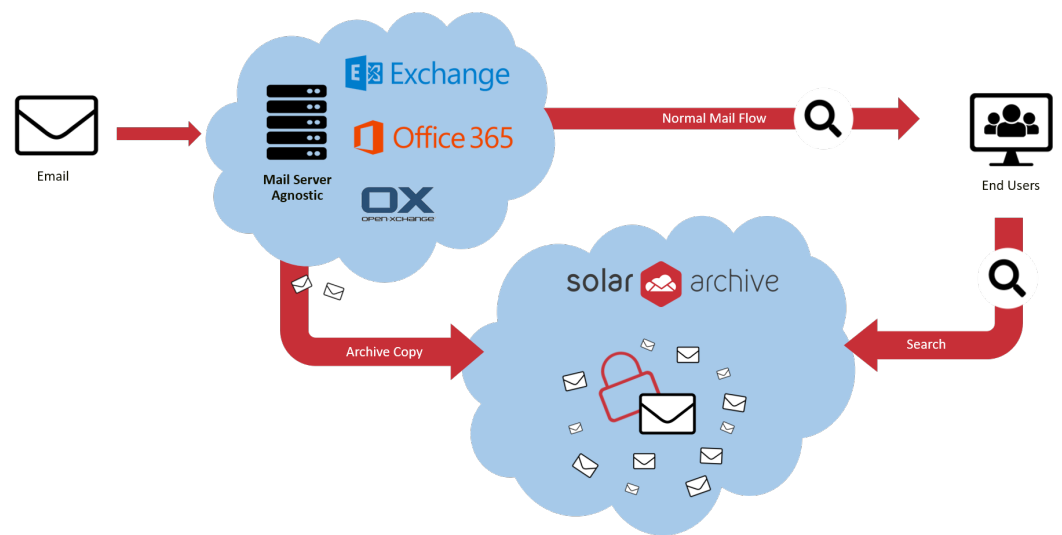


Figure 2: How Solar Archive fits within your infrastructure

Cost Effectiveness

Solar Archive is hosted by the service provider on a low cost per user per month model.

This combination of low licence cost, low hosting cost and low overhead means the service provider can earn full market revenue at high margin. For providers who are currently re-selling cloud email archiving

solutions hosted by other providers, the change to Solar Archive will allow improved customer retention and increased margin on revenue which is already being recognised.

Coupled with efficient technology resource usage, this means Solar Archive is cheap to provision, manage and implement across any customer base.



Looking for more?
For further reading on how the solution looks 'under the hood' and for a deep dive into the more technical elements, please request the Solar Archive Technical White Paper.

Technical Specialists

The development team make up the majority of Solar Archive, with the belief firmly being that a quality product is capable of supporting any business.

The technology behind Solar Archive has been available to MSPs for many years, but due to the demand in enterprise level businesses for a compliant email archive, the product was quickly refocused at large financial and legal businesses. From there, Solar Archive enjoyed great success under its enterprise brand, developing 9 versions in that time, repeatedly refining and enhancing the product.

Now, thanks to that underpinning technology, the original ISP concept is more capable than ever of acquiring customers for long periods of time and enhancing revenue for MSPs. Thanks to more than 10 Billion emails archived to date,

and thousands of enterprise customers using the solution to stay compliant and handle email growth already, Solar Archive is positioned perfectly to support MSPs.

Solar Archive is intended for service providers. It leverages a tried and tested technology at its core, embedded within a modern "big data" architecture. This enables service providers to benefit from:

- High availability
- Real time replication.
- Unlimited scalability.
- Flexibility – configurable to meet varying demand profiles



Retain Customers

Email archiving customers typically sign up for longer contracts, from 3 to more than 10 years, and retention rates are much higher than other hosted technologies

Conclusion

The Managed Service Provider market is becoming increasingly competitive, with demand rising across the board for hosted IT services. Hosted mailboxes and email security have become commoditised, which has left service providers no choice but to race to the bottom on price.

At the same time, increases in usage and regulation of email communications have seen the demand for secure and compliant archiving solutions skyrocket.

Added to an increased desire for data to be hosted in the cloud, this creates an opportunity for fast-moving service providers to enhance their portfolios with a white-label email archive.

Email archiving customers typically sign up for longer contracts, from 3 to more than

10 years, and retention rates are much higher than other hosted technologies - as high as 93%.

Solar Archive is paving the way in hosted email archiving. It not only meets customers' retention and storage needs, but also functions as a productivity tool, allowing users to search their entire repository in seconds.

Added to technical expertise gained from over 15 years' experience in email archiving, this makes Solar Archive the most powerful and flexible white label archive available to Managed Service Providers.

