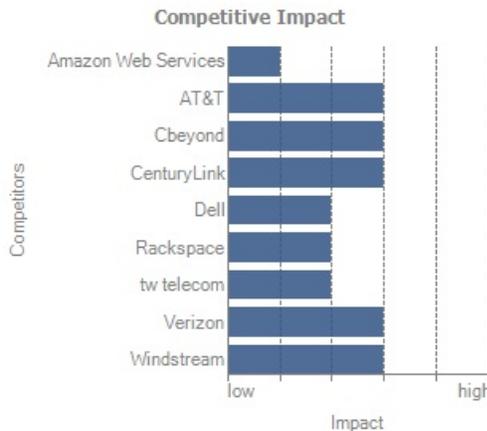# EarthLink Debuts Disaster Recovery, Mixing Off-Site Storage with Full Failover

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May 03, 2013

Intelligence Report

Quick Take

Event Ratings: Perspective, Vendor Importance, Market Impact, Innovation, Response Intensity

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Competitive Impact — Competitors vs. Impact (low to high): Amazon Web Services, AT&T, Cbeyond, CenturyLink, Dell, Rackspace, tw telecom, Verizon, Windstream

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Competitive Positives

- Cloud Disaster Recovery considerably less expensive than hot standby.
- Service built to sell to more sophisticated SMBs, smaller enterprises.
- EarthLink MPLS IP-VPN customers have free, secure ports into company data centers and cloud services.
- EarthLink Business offers a spectrum of backup/failover services.

Competitive Concerns

- EarthLink working to win more customers that would buy Cloud Disaster Recovery.
- The most cost-sensitive businesses may look at Amazon and other public cloud alternatives.
- Software licensing may be a hang up for prospects considering Cloud Disaster Recovery.

Event Summary

April 30, 2013 — EarthLink is launching Cloud Disaster Recovery, a hosted service that stores customers' operating environment, application(s) and data in EarthLink's cloud, for recovery in the event a customer's primary site fails. The managed, automated failover service maintains a replication server that keeps an up-to-date copy of the primary server environment. When the primary site fails, the replication server spins up its EarthLink-hosted, full-scale temporary replacement to keep the business up and running until the primary site is restored. Cloud Disaster Recovery supports common software applications including Microsoft Exchange, SQL Server and SharePoint.

Analytical Summary

Perspective
★★★★☆

• Positive on EarthLink Business' release of Cloud Disaster Recovery, because the service takes direct advantage of EarthLink's position as a network provider to offer a range of trusted backup and failover options. EarthLink can supply Cloud Disaster Recovery over the public Internet on a standalone basis. But the sweet spot should be EarthLink's MPLS IP-VPN clients, which the provider supplies with a port into its data centers for an easy-to-adopt, secure on-ramp to EarthLink's cloud. EarthLink Disaster Recovery is a relatively compact (therefore inexpensive) storage replication service when it is dormant. The service spins up all the resources to host a full failover environment for the customer, invoking higher cloud-hosting costs only when it is needed.

Vendor Importance
★★★☆☆

• Moderate to EarthLink Business, because the provider already offers Cloud Server Backup (for managed storage), full colocation, and several dedicated/multi-tenant cloud-hosted server options that fail over internally in the event of a failure. EarthLink Business Cloud Disaster Recovery addresses an underserved segment of the market: customers that operate their own IT environments, but would like the option to fail over to EarthLink's cloud services, but want to pay storage-like costs instead of higher costs of maintaining an active 24x7 cloud backup.

Market Impact
★★★☆☆

• Moderate on service providers competing in cloud-based services for high-end SMBs and smaller enterprises, because a few companies – among them EarthLink Business – are building up services and expertise to focus on this segment. Windstream, Rackspace, and Cbeyond are also homing in with targeted SMB/smaller enterprise cloud solutions that include storage and failover. EarthLink Business' Cloud Disaster Recovery fills a very specific niche addressing prospects that manage their own hosted environments including storage but want the stored instance to generate a live environment automatically. Many providers might prefer simply to focus on migrating companies completely into the cloud, where they've architected failover policies.

Competitive Strengths

Competitive Positives

• While EarthLink Business doesn't go into specific pricing, its Cloud Disaster Recovery service should be relatively inexpensive for companies to subscribe. That's because the service treats the customer's operating environment, applications and data as a storage service (i.e., EarthLink Cloud Server Backup) when not active. The environment is only spun up (i.e., EarthLink's Cloud Hosting service), and only invokes higher costs, when needed to recover from a disaster.

• EarthLink Business targets more sophisticated SMBs and smaller enterprises. There are many ways to implement cloud-hosted disaster recovery, but the company will focus on packaging and marketing the service specifically to cost-conscious prospects, which have ease of adoption as a major selling point.

• All EarthLink Business MPLS IP-VPN customers get free ports into the company's data centers. EarthLink can supply Cloud Disaster Recovery accessible via the public Internet on a standalone basis. But the company's MPLS IP-VPN customers will find their way is already paved to add EarthLink cloud services easily. The direct IP/MPLS connection into the EarthLink Business data center guarantees security and network performance.

• EarthLink Business' Cloud Disaster Recovery joins the full spectrum of the company's backup/failover services. Clients can consider this service against the company's Cloud Server Backup (hosted storage) or full colocation options; or go fully into the cloud with EarthLink Business' dedicated and multi-tenant hosted server options as a "hot standby". Cloud Disaster Recovery didn't require EarthLink to make new infrastructure investments: the company already had active storage and cloud environment components, it just needed to add service intelligence in the form of a pair of thin clients.

Competitive Weaknesses

Competitive Concerns

• EarthLink Business Cloud Disaster Recovery is a somewhat specialized service, serving customers that need failover, but can tolerate up to four hours of downtime before the application is fully spun up. The service is not intended to offer business continuity in response to brief outages, for example. EarthLink Cloud Disaster Recovery will probably not see the same levels of customer demand as its range of managed storage and hosted server options, which provide other backup options for businesses.

• The most cost-sensitive businesses, even if they are already EarthLink Business customers, may bypass their network provider, and look to similar disaster recovery options from the public cloud, such as "pilot light recovery" options via Amazon Web Services. Other alternatives include cloud services that include third-party hosted software offering similar failover intelligence to what EarthLink Business Cloud Disaster Recovery offers.

• EarthLink Business notes that it supports applications including Microsoft Exchange, SQL Server, SharePoint, and Zimbra. Software licensing may be a hangup for prospects considering Cloud Disaster Recovery: Some vendors offer license policies that give their clients freedom to deploy as needed. Other vendors are extremely restrictive, and may require a complete additional set of licenses, at high additional costs, for the right to spin up an image even if it is just for temporary backup/failover purposes.

Response & Recommendations

• EarthLink Business needs to make sure it can provide comprehensive assistance to customers in onboarding to its array of cloud services. Prospective customers may find configuration for complete backup, and for failover from in-house IT infrastructure to services in the cloud daunting. They could use a helping hand on sorting out not just proper backup configuration, but also for figuring out how they'll need to approach their business software vendors for licensing.

• Besides providing technical support, EarthLink Business may want to consider simple, step-by-step template instructions as a handout for customers, detailing how to on-board server environments that EarthLink explicitly supports. For example, one common Cloud Disaster Recovery combination is likely to be Microsoft Windows Server hosting Microsoft Exchange and/or SQL Server; another common possibility might be a common flavor of Linux server paired with mySQL.

• EarthLink executives believe (and they are probably correct) that some customers failing over to Cloud Disaster Recovery will decide to stay there, migrating to EarthLink's cloud-hosted services permanently. EarthLink engineers and sales need to handhold with the customer and coordinate closely when one of its backup/failover customers experiences a major event. This is going to be a decision point for the client on whether to re-build the internal environment and restore its own service, or to hand the business to EarthLink permanently.

• Competitors that don't already do so, should consider either offering themselves "pilot light" storage that blooms into a full operating and applications environment in case of a failover; or look to team with a third-party software applications partner that can ride on top of their cloud environment and this type of service to customers. Any major cloud services competitor will already have plenty of active storage and dynamic cloud hosting components deployed: An overlay of service intelligence should be all that's needed to build a service similar to Cloud Disaster Recovery.

• Cloud/networking competitors that aren't interested in building such an array of disaster recovery services, can direct prospects to go directly into the cloud. Competitors will have on-boarding assistance that reaches out to assist SMBs, larger businesses and small enterprises that don't have the spare IT staff to figure out cloud migration all by themselves. These competitors can show off how their cloud services are architected to be inherently robust, and how they fail over inside the cloud in case of any service issues.

Buyer Actions

• Prospects interested in disaster recovery and business continuity should go to their existing network and/or IT services providers first to see what sort of options are available to them. Network redundancy and rerouting key applications into the cloud in the event of a disaster are just two components of a complete continuity strategy. Companies need to consider how to deal both with unavailable key

personnel, and what happens if services fail or are compromised.

• Managed security should also be in the discussion together with cloud-based services. The VPN (MPLS or IPsec) and services in the cloud likely have fairly robust security; compromises are likelier to happen in ways for which the company is not prepared. Again, companies need to consider policies and processes for employees, not just focus on what features one firewall offers over another.

• In the end, SMBs can make a risk vs. reward calculation for what level of business continuity/disaster recovery they actually need. Some smaller businesses might determine that their risk of revenue loss to ordinary outages is not high enough to merit subscribing to more sophisticated failover services – though they should still have some sort of basic backup and recovery policies in place.

This report is tagged to the following vendor(s):

EarthLink Business

This report is tagged to the following content areas:

Service: Enterprise IT and Services , Business Network and IT Services
Market: Cloud Technology and Services , Business Network and IT Services - US Region

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