



The Good

The Bad

& The Ugly

The backup space from
a reseller perspective

INTRODUCTION

From time to time we like to ask our customers and partners about industry trends, how we are doing and what should we do next. Recently we decided to ask our Macrium Valued Reseller partners for their views on the backup industry, challenges and changes. We were delighted to have over 120 resellers respond to our survey from 22 different countries around the globe.

Over the last year we've been very busy recruiting more resellers to our global partner programme. We understand that our partners are trusted advisers with plenty of real world experience to draw on, and we wanted to find out a bit more about how our resellers work with their clients and understand the challenges they face. Overall we were delighted to discover that 89% of our resellers stated that Macrium was important or very important to their customers.

In the survey we asked our resellers a variety of questions on the type of offerings they put to customers, data loss stories, how they would like to sell the licenses, what the impacts on their customers have been through data loss, and what did they think we should do next.

BACKUP AS A SERVICE

We found it interesting to note the trend in resellers who are offering Backup as a Service (BaaS) was confirmed by our responses, with almost $\frac{3}{4}$ offering this service. It appears that many of their clients want backup and recovery taken off their hands and handled by the professionals, either on premise or in the cloud, or a hybrid solution.

The challenge for backup solution vendors is to offer appropriate technology and management tools to enable this trend and help partners deliver it to mutual benefit.

We also found that most of the resellers surveyed preferred to buy and sell perpetual type licenses which leads to the conclusion that perhaps Managed Backup is the preferred approach for customers rather than full off premise BaaS? This is an area we intend to research further as we build out our capabilities and sales model.

Do you offer Backup as a Service?

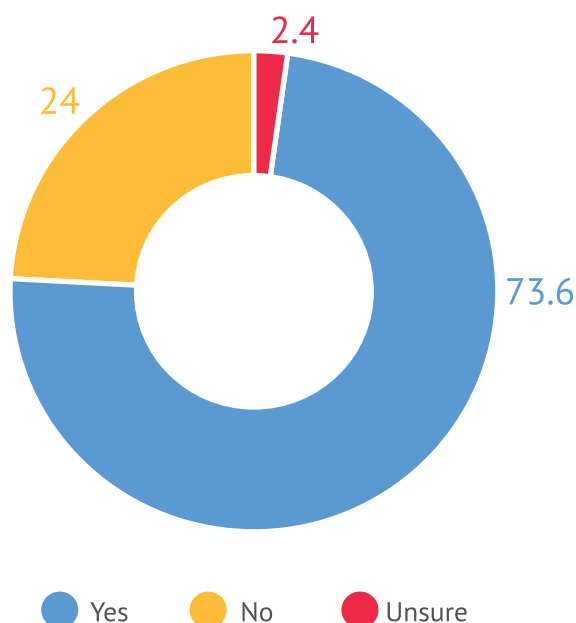


FIGURE 1

Almost three quarters of MVP resellers offer BaaS to their customers

HARDWARE NUMBER ONE REASON FOR DATA LOSS

There is sometimes a difference between perceptions and reality when it comes to the biggest threats to businesses from data loss, and the reasons for data loss. This survey provided a great opportunity to re-validate the biggest causes of data loss for businesses. Not surprisingly hardware features highly. Sadly, some of the backup providers used (incidentally never a failure with Macrium...!) caused a backup failure and human error was also blamed in many cases as well.

We were not surprised to see that so many resellers mentioned that there was no backup in place when they first entered the client premises. This confirms surveys by other backup vendors and industry groups. As usual the challenge is education and prevention because it is too late when data loss occurs!

Also mentioned in the survey were customers who had never tested backups pointing to poor or non-existent procedures and lack of awareness about how to test recoverability.

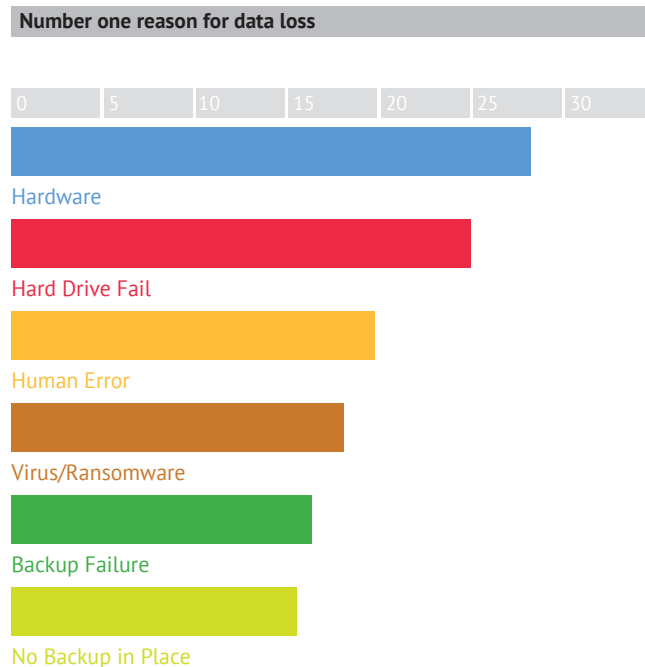


FIGURE 2
Number of people who mentioned each answer as an issue for data loss

DATA LOSS = LOSS MONEY, PRODUCTIVITY, TIME AND POTENTIALLY LOSS OF BUSINESS

Most customers do not realise how important backup is until they need it and find out they didn't do it daily or monitor to make sure it is getting done.

Obviously any downtime in a business will be impactful but we wanted to find out the main effects for downtime through data loss. The financial impact of lost data is the biggest, whether this is to cover the cost of expensive data recovery services, or lost sales through customer service impacts. In a high proportion of cases the financial and reputational impacts are sufficient that the business will cease trading even if they manage to make a full data recovery. Lost time and the impact on productivity and the resulting chaos also came out as significant.

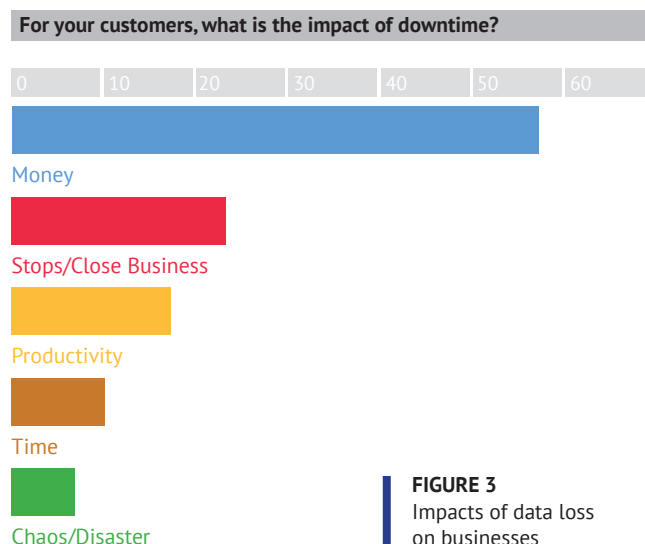


FIGURE 3
Impacts of data loss on businesses

Loss of business or profit and ultimately closing of business if unable to recover.

Always amounts to lost income, either due to lost sales or the cost of getting data back.

Hours of re-entry or loss of data that is impossible to replace.

IS CLOUD REALLY THE HOLY GRAIL?

A survey is a great opportunity to get a sample of what partners are talking to their customers about with regard to current and future trends. It wasn't surprising that cloud was mentioned by most respondents in one way or another. It had its positives:

- **As cloud usage goes up, the costs per GB are going down**
- **It can be used alongside a local copy for increased protection**

However, many resellers expressed concern with the limitations and risk of cloud backups:

- **Customers don't understand the limitations of cloud or trust it**
- **There are concerns about privacy in the cloud**
- **There is a misconception that the cloud is infallible**
- **The cloud is not a solution for disaster recovery as it takes too long to download a backup**

Cloud backup solutions which don't work well with image backup/restoration (too time consuming due to internet bandwidth limitations).

- **Customers worry about the lack of control**

Trend is towards cloud based, but our customers do not want to be part of the trend as cloud = a loss of control.

Also mentioned by several resellers was how backup technologies are getting more sophisticated and reliable and easier to integrate into cloud and systems management frameworks. Finally, it seems, clients are slowly moving away from the older tape based backup to more reliable and flexible disk based systems. This is a slow but steady trend influenced by the rate of systems replacement as much as anything else. Many companies have "backed-in" backup processes that use tape and this is slowing the pace of change.

Due to the huge (and always growing) amounts of data that clients hold and what can go wrong if it's lost, clients are now more aware of the need for a reliable and effective backup solution.

Just like anti-virus, no one takes it seriously until they've been burnt. I try to push but pain is by far the best motivator.

Never enough money for backups, always enough money for recovery.

THE BAD AND THE UGLY...!

As part of the survey we asked partners to provide us with short stories on the worst backup disasters they have seen. Not surprisingly some of the stories are, in retrospect, quite humorous. However, one can be sure that at the time they were very stressful situations. The stories range from lightning strikes to buildings being burnt down, our resellers have seen it all!

Malware

I had a client that has been infected with the CryptoLocker malware and did not let anyone know until four days later. By that time most of our backups had been encrypted as well. Luckily we had one drive left that was untouched. We were able to restore from that and bring the office back online.

Image is Everything

Photographer saving RAW images only to a 3 TB external drive. Drive got knocked off the PC it was sitting on while being accessed and damage to the heads resulted. \$1300 recovery which could have easily been prevented with a larger internal drive and Macrium Reflect.

The Heat was On

The client's building burnt down. He did not have off site backup, instead he relied on a local backup to an external hdd which was kept in a fireproof safe on premise every night. The safe unfortunately was not waterproof. In putting out the fire, the fire department flooded the safe, damaging the external hdd. We had to send the drive out for professional data recovery, costing the client thousands of dollars in expenses, on top of lost productivity for the two weeks it took to recover the data.

The Value of Data

One customer had a \$450m database of investors. The company who setup their backup did not check it and when the hard drive failed, there was no backup on the 3 different systems that were setup. I had to send the drive away to get the database off it.

Acts of God

Lightning strike fired UPS which fired the server, it actually caught on fire! Of course the backup tape was bad because no-one had ever changed it. Hard drive recovery service recovered the data from the raid drives. After the recovery started using Reflect.

Macrium Swoops in to Save the Day!

Recently, both disks of a raid-1 set failed at the same time. Macrium was a lifesaver. We have completely restored the most recent image of the service and we used the more recent backup done the night before to restore all the data. Almost no data loss. Client was very grateful. This was a hardcore test for the Macrium server software and it passed in the best possible way!

A graphic of a wooden signpost with three horizontal arms. The top arm is orange and contains the text "The Good". The middle arm is red and contains the text "The Bad". The bottom arm is green and contains the text "& The Ugly". The signpost has a brown wooden post and a small brown cap on top.

The Good

The Bad

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It is good that resellers are aware of the need for reliable backup solutions and provide BaaS; it is bad that there are still too many businesses that do nothing until the worst happens, and some of the data disaster stories are downright ugly!

This recent research backs up our previous Belts and Braces survey where the primary finding was that clients want security in their backup and will often use dual backup methods to ensure their data is secure.

It was unfortunately not surprising that so many resellers mentioned that there was no backup in place when they went in. We're hoping some of the data disasters that we've highlighted will help resellers educate and convince their new clients of the importance of a secure and reliable backup! As well as the impact of downtime, which in some cases has led to businesses being shut down.

It appears the cloud has a way to go before it is fully trusted by resellers and their clients as a standalone solution for backup, although it does appear effective when used in conjunction with other methods.

If you're interested in finding out more about our reseller programme please email partners@macrium.com or visit www.macrium.com/partners

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