Online Backup Service Providers: Clarifying the Value Proposition

Introduction

Online Backup of computer data is finally gaining mainstream acceptance among business and consumer clients alike. After many years of wait-and-see pessimism, the near-ubiquitous nature of broadband internet connectivity has helped remote data backup finally come into its own.

In an effort to capitalize on the newfound popularity of the service, hordes of wholesale online-only backup companies have sprung up, advertising remote backup services at ultra low prices. Data storage and remote data repository companies are also on every virtual corner, hawking wildly varied products that initially confuse even industry veterans.

The value of computer data is higher today than ever before, yet many online remote backup companies seem convinced that businesses are interested in a 'lowest common denominator' backup solution. Corners are being cut, misinformation rules, and marketing dollars are flying. In a forest-and-trees analogy, price wars are blinding corporate America to the critical data management component they began looking for in the first place – service.

A brief History of the Remote Data Backup Universe

In the olden days - that is the mid 1980's - there simply wasn't any commercially available remote backup software. The microcomputer industry was in a great state of change with modems stalled at 1200 to 2400 baud, making transfers of large amounts of data excruciatingly slow (1 mb = 72 minutes!!).

While faster modems and more secure internet protocols were in development, tape backup systems gained in popularity. During that same period the need for an affordable, reliable online backup system was becoming clear. The first commercial remote backup system was deployed in 1987 for a medical group in Memphis, Tennessee – and the age of online backup had begun.

Today, natural disasters, terrorism, and power-grid failures have helped terms like "disaster recovery" and "business continuity" enter the boardroom. At the same time, many IT firms are looking to offer services which provide a recurring revenue stream while requiring minimal resource dedication. Given these trends, remote backup looks more attractive than ever.

Reseller, Online Service, or Service Provider– Who Has My Data, and Where?

When a business decides to add Remote Backup to their data management or disaster recovery plan, the subsequent decision on which type of support services to choose can be equally as critical.

To cut through some of the confusion and hype, it can safely be said that there are three main types of remote backup companies available:

- **Backup Service Resellers** – These companies act as middlemen, charging their clients for the use of another company's backup software, hardware, and/or support network. While this may be an attractive option, it is important to consider that the ability to return backed-up data to a client is dictated primarily by the hosting entity, not the sales organization.

- **Online Data Storage /Data Repository Vendors** – Like the names imply, data storage and repository companies rent space on their servers permitting clients to park data there – with variations on accessibility and sharing. These offerings run the gamut from consumer photo-sharing applications to those which allow business clients to share and collaborate on projects, documents, and other data.

- **Remote Backup Service Providers** – These firms typically use locally hosted client and server software and managing their own storage servers, and offer a completely automated and secure data backup service

while maintaining an active role in the deployment, configuration, service, and support of the product.

Perhaps the most important difference between the types of companies discussed above is the availability and level of service offered.

Customer Service can be a major cost center for larger-scale operations, especially considering that the company's revenues may not be directly tied to the product they are supporting. Support at larger online-only backup companies may be outsourced, so it pays to get a clear understanding of the costs, processes, and quality of general support and restore activity prior to signing up. For example, one prominent discount online provider charges a whopping 20 times the backup cost for restoring the same amount of data.

Customer service is a basic business element for most remote backup service providers and typically begins during the sales process. Since a provider has the opportunity to become familiar with an organization's business processes and network architecture, it is able to tailor the service to fit the specific needs and budget of clients. For small and medium businesses without a dedicated IT staff, this is an especially critical consideration.

When researching and contacting backup service providers note the people that answer the phone and what they know or are willing to learn about:

- Your business and business processes
- The value and configuration of your data and networks
- Your staff, location, clientele, and customer touch points

Cost/Benefit Analysis of Remote Backup Services – Don't Believe the Hype

As with most cut-rate professional services, budget data service outfits tend to offer a mass appeal marketing approach and a lower level of service. The 'get what you pay for' concept has been proven time and again in many technology sectors. Don't believe the marketing hype. If it sounds too good to be true, it is. Regrettably, it is difficult to uncover critical shortcomings of a bargain-basement backup service until after a data loss.

Many low-cost data service companies actually derive substantial revenue from selling advertising space on their service's website or product user interface, or by making their clients' email addresses and contact information available to advertisers and 'business partners'. Ads + Spam = Revenue!

When evaluating backup companies be sure to ask questions about security, automation, and version control. It pays to spend some time examining the technical competencies of both product and staff to ensure that you are getting the service that your organization needs, not just the flavor-of-the-week at a discounted price.

Media Contact information:

Tommy Gardner, Licensee Support Division

Remote Backup Systems, Inc.

P -800-945-4491   http://remote-backup.com