

## Should You Outsource Your Email?

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According to a study by Symantec and Gartner, most companies consider email to be a mission critical application. The study also stated, up to 75% of a company's intellectual property resides in email and other messaging applications. Likewise, 75% of fortune 500 litigation involves email-related discovery. At the time of the study, 79% of companies accepted email messages as confirmation of transactions.

As critical as email is to most companies, it is important to remember that a company's email servers are a part of the company's infrastructure and are not usually related to the products or services that the company offers to its customers.

To be successful, it is important for a company to focus as many resources as possible on the business and its core competencies. In any business, a portion of the company's financial and human resources are invested in establishing and maintaining the company's underlying infrastructure (such as email, telephone, electricity, etc.). In most cases, this infrastructure is necessary for doing business but does not directly produce revenue. In essence, the infrastructure is a necessary expense.

The bottom line is that if a company can minimize the cost of doing business and maximize the focus of its resources on its core competencies, the company will be more profitable and successful. As such, it makes sense to examine infrastructure-related expenses and see if they can be reduced through outsourcing. Typically, an outsourcing company can provide a better service than what can be provided in-house at a lower cost with less complexity. This not only reduces costs but it also frees staff to focus on the company's business objectives.

### **Outsourcing Exchange Server**

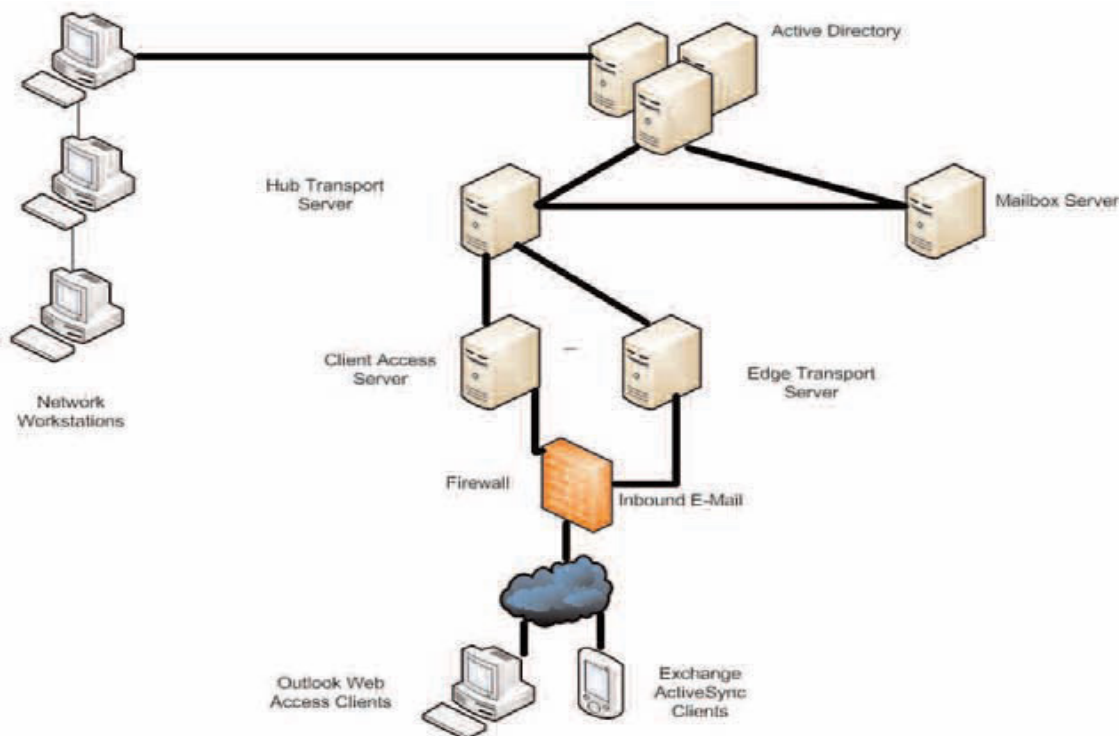
Of all of the components that make up a company's infrastructure, perhaps none makes more sense to outsource than the company's email solution. Although the reasons behind this choice are mostly financial, businesses find the ability to shift the responsibility of operations, as well as, the responsibility of complying with various federal regulations more to their benefit.

### **Reducing Complexity**

There is a certain amount of technical complexity associated with any email server. Let's examine Microsoft Exchange Server, since it is the most widely deployed email server platform.

Microsoft Exchange Server has a reputation for being one of the most complex products that Microsoft has ever created. In smaller organizations, it is possible to reduce some of this complexity by consolidating the entire Exchange Server organization deployment into a single server. Even so, having a single server deployment is extremely risky from a security and reliability standpoint. Single server deployments are also prone to performance problems, lack of redundancy in case of failure, and scalability issues.

In order to be secure, an Exchange Server 2007 deployment typically requires several different servers that must all work together, as shown in Figure 1.



**Figure 1: A typical Exchange Server deployment requires several servers**

As complicated as this diagram appears, it actually represents a fairly simple Exchange Server 2007 deployment. In fact, the diagram does not provide for clustering or any other redundancy that would keep the Exchange organization functioning should a server failure occur. The diagram also assumes that the organization has few enough end users that all of the user's mailboxes fit on a single mail server. Likewise, the unified messaging components have also been omitted for simplicity's sake.

The point is, even a "simple" Exchange Server deployment is complicated and with that complexity is added cost. The first cost you are likely to encounter is training your administrative staff to design, deploy, and maintain an effective Exchange Server environment. As expensive and time consuming as the training is, it quickly becomes obsolete. Microsoft released Exchange Server 2007 before the product was actually complete. As such, the first service pack includes many features that do not currently exist. The service pack also includes a GUI interface to many features that are currently only configurable via the command line. When this service pack is released, administrators will need updated training so that they know how to deal with the new features and management utilities.

Another reason why increased complexity leads to increased costs is because of the number of servers required to host Exchange Server 2007 in a secure and reliable manner. The diagram shown in Figure 1 represents an Exchange deployment that is secure but not reliable. More servers are needed to make this deployment more reliable, yet several Exchange Servers are already being used.

## Outsourcing as a Way to Reduce Costs

Each server comes with an initial hardware acquisition cost and the cost of the Windows and Exchange Server licenses paid to Microsoft. There may also be costs related to anti-virus software, anti-spam software, and client access licenses. Additional costs come in the form of spare parts, overtime for administrative staff to ensure 24x7 reliability, and other maintenance-related expenses. In fact, the long term costs associated with server maintenance usually far outweigh the initial acquisition costs over the life of the server.

Outsourcing your mailboxes to an email hosting company allows you to avoid the initial startup costs of deploying an Exchange Server environment and reduces the ongoing costs. The reason is because email hosting providers typically divide server resources among multiple clients. This means that several companies share the expense of the hardware and software, as well as, monitoring and maintenance costs, rather than your company having to cover the entire cost.

Although the primary benefit to outsourcing an Exchange Server is often cost, there are other benefits. One benefit is reliability. Hosting companies typically use server clusters and other forms of redundant hardware to ensure that the hosted Exchange deployment is nearly always available. This availability is typically guaranteed in writing in the form of a service level agreement.

Another way email hosting companies are more reliable than in-house Exchange Server deployments is that email hosting companies are usually better equipped to recover from a disaster. Most companies back up their Exchange Servers but few companies have the human and hardware resources to thoroughly test their backups on a regular basis. Most email hosting companies not only test their backups, they guarantee how quickly data can be restored should one of your users accidentally delete something.

Even if you meticulously backup your servers and test the backups on a regular basis, it may be worth switching to a hosted Exchange environment to shift responsibilities. What would happen if your company's Exchange Server failed and you were unable to restore a backup because of some unforeseen problem? You might lose your job if you lost the entire company's email. If your email solution was maintained by a email hosting company, they are responsible for ensuring data is backed up correctly, not you.

One final reason why it may be prudent to outsource your email solution is that many companies are subject to various federal regulations regarding the security, management, and retention of email. Complying with these regulations is as tedious as it is expensive. Furthermore, company executives and IT professionals may be subject to criminal penalties, including prison time, for non-compliance. Depending on the specific regulations that apply to your company, you may be able to shift some of the compliance burden and reduce cost by outsourcing your Exchange Server.

## Choosing a Hosting Company

If you are considering outsourcing your email solution to an email hosting company, then it is extremely important that you to ask certain questions before signing the contract. Some hosting companies may initially appear to be a bargain (price isn't everything) but lack reliability and support. Some email hosting companies have been known to lack a redundant infrastructure, not have robust backups, tack on various extra fees for service, or use unscrupulous tactics to prevent customers from canceling their contracts. As a result, it is important to know the right questions to ask.

One of the most important questions to ask is whether or not the hosting company provides a managed hosting solution. In a managed hosting environment, the hosting company takes care of all of the server maintenance. They back up the data, apply security patches, handle any other maintenance or support issues that may arise. Many non-managed hosts simply allow you to rent a server in their datacenter with the management and maintenance of that server still left up to you. And if you wind up getting stuck doing your own maintenance and support, you've defeated the purpose of outsourcing your Exchange Server in the first place.

Of course this is only one of several important issues to consider when choosing a hosting company. The sections below explain what other questions you should ask when shopping for an email server hosting company and why the answers are important.

### How is My Data Being Protected?

Any reputable email hosting company should take the appropriate measures to make sure that their servers are secure. Even so, it's worth asking the hosting company you are considering what steps they take to secure their servers. Don't be surprised if the hosting company refuses to answer this question. Many hosting companies are reluctant to provide specific information about their security measures.

Even if you can't get information about the company's security standards, it is important to ask the company about their spam and virus protection policy. Most, but not all, hosting companies provide a spam filtering and virus protection solution. In this subject, there are usually two options: standard solution (offers basic performance) or premium solution (guarantees the service and the filtering).

Email hosting companies' spam filtering policies vary. Some companies attempt to filter the most obvious spam, while others leave spam control to the end users out of fear of accidentally filtering legitimate messages. If the email hosting company filters spam, then it is important that they provide a method for you to retrieve messages that were accidentally filtered out or to allow you to adjust the filtering settings.

### Data Recovery Policy

From time to time, a user is probably going to accidentally delete a message that they really need. If you are hosting your own Exchange Server, you can recover messages according to your own data retention policies. When your mailboxes are being outsourced, you can look to the hosting company for data recovery. It is very important that you find out the hosting company's recovery policy. Specifically, how quickly data can be recovered and whether or not there is a fee for the recovery. If you have not signed a contract that specifically guarantees long term data archiving, find out how long the backups are retained. This is an important consideration

if you need to restore something that was deleted a month ago but your hosting service only retains backups for two weeks. That data might be lost forever.

### **What are the Costs?**

If your primary motivation behind outsourcing your Exchange Server is to reduce cost, the first question you will likely ask is how much the service costs. Most email hosting companies base the price on the number of "seats" or "mailboxes" being hosted. For example, a hosting company might charge you \$15 per mailbox per month.

Although this pricing structure seems simple, it is important to remember that many email hosting companies use a sliding price scale. For example, when you purchase additional mailboxes you might qualify for a volume discount. At the same time, some companies actually charge more per mailbox as the number of hosted mailboxes increases to cover the additional consumption of their server resources. It is important to find out upfront what happens to the price as the number of hosted mailboxes changes.

### **Space Quotas**

Most email hosting contracts stipulate a maximum size for a user's mailbox. Find out what happens if users end up outgrowing the allotted space. Some hosting companies implement a quota preventing the maximum mailbox size from being exceeded. That means mailbox functionality may be disabled when it hits capacity making it impossible to send and/or receive messages. Other hosting companies may even charge you a fee for exceeding the allotted disk space. In all likelihood, at least a few users will eventually need additional disk space. Ask upfront how this need will be met.

### **Do I Get My Data Back?**

Aside from pricing, the single most important question to ask an email hosting company is what happens to your data if you cancel the service. Although not a common practice, some hosting contracts stipulate that your data becomes the hosting company's property. That means if you cancel your hosting contract, the hosting company is free to delete your data. They are under no obligation to give you any future access to the data. It is therefore essential to confirm that you retain ownership of your data and that the hosting company will assist you in migrating the data to your servers or to another hosting company's servers should the need ever arise.

### **How Many Times Have You Been Down in the Last Year?**

When considering transition to a hosted Exchange Server environment, it is natural to focus your attention on the cost of the service in comparison with the cost of hosting your own servers. An equally important consideration is downtime.

Although not always a tangible cost, downtime is usually very expensive. Downtime has a direct impact on employee productivity and fixing the problem requires the administrative staff to temporarily neglect other tasks and focus on fixing the problem. Additionally, there may be a direct loss of revenue because users are unable to receive time-sensitive email messages. The repair may also incur more tangible costs, such as server parts or support calls.

The most serious aspect of an email server failure is the potential for data loss. Depending on the type of failure, the chances of recovering email server data are directly related to your IT staff's skills and to their diligence in backing up the email server and routinely testing the backups.

As you can see, downtime can be very expensive for a number of reasons. It is important to remember that outsourcing your mail server does not automatically eliminate the potential for downtime or data loss. Hosting companies can have server failures just like anyone else. It is therefore critical to insist that the hosting company provide you with a service level agreement.

### **What is a Service Level Agreement?**

A Service Level Agreement is a contractual obligation for the hosting company to provide a certain level of reliability. A higher percentage means more reliable service. Generally, you should accept a service level agreement of no less than 99.9% availability; however, some hosting companies are able to provide 99.99% or even 100% availability. In addition to asking about the service level agreement, it is also important to ask about your recourse. What happens if the hosting company's service isn't as reliable as they claim? Most reputable hosting companies will offer you either a full or a partial refund for any time that the hosting service was unavailable. Be sure to read the fine print. In some cases, your service may have to be down for a full day before you are eligible for any type of compensation.

### **The Migration Process**

Making the transition to a hosted mail server isn't a big deal if you are a startup company with no data to migrate. If you currently host your own Exchange Server environment, you will need to know how to migrate your existing data to the hosting company's servers. Most reputable hosting companies will assist you with the migration process. It is also worth asking how long the transition process takes, what items (calendar, tasks, notes, public folders) are migrated, and whether or not email is accessible during the transition.

### **Additional Fees**

Just as you need to be familiar with the hosting company's pricing structure, it is also important to ask about any additional fees that the hosting company may charge. Some hosting companies have been known to charge setup fees or an annual maintenance fee. It is also fairly common for email hosting companies to charge a fee for restoring deleted mailboxes or messages.

### **Conclusion**

Given the ever increasing complexity of an Exchange Server environment and the various email-related federal regulations that have gone into effect, it has become far too expensive and risky for companies to host their own email servers. As such, the outsourcing of the Exchange Server is quickly becoming an absolute necessity for any company that wants to free itself from the costs of deploying and maintaining an Exchange Server environment. Outsourcing is also essential to eliminating costly down time and to shifting the burdens associated with complying with the various regulatory issues.

## About the Author

Brien Posey is an MCSE and won the Microsoft MVP award for the last few years. Brien has written over 3,000 technical articles and written or contributed material to 27 books. Prior to becoming a freelance author, Brien served as CIO for a chain of hospitals. He was also previously in charge of IT security for Fort Knox.

In addition to his technical writing, Brien is the co-founder of Relevant Technologies. He also serves the IT community through his own Web site at [www.brienposey.com](http://www.brienposey.com).

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Our product offerings and global infrastructure complement a dedication to Fanatical Support. We deliver Fanatical Support through 24x7x365, live, US-based support, a constantly evolving product line, and consistent focus on going the extra mile for customers.