



MIMOSA[™]
SYSTEMS

INFORMATION IMMEDIACY, DISCOVERY, & CONTINUITY

A Cost-Benefit Analysis for Managing a 1,500 Person Exchange Environment

By Bob Spurzem

Sep 2005

Introduction

This cost-benefit analysis discusses an advanced data management application provided by Mimosa Systems. This type of application can help an organization control the cost of email management; provide benefits through the application of a unified data management approach to email; and leverage low-cost, archive-grade storage systems for long-term archival of messaging data.

This will describe and discuss the acquisition costs to deploy Mimosa NearPoint and discuss the potential costs savings of deploying NearPoint in terms of Administrative cost savings, end user productivity improvement and reduction of corporate risk.

Acquisition Costs

The acquisition costs for Mimosa NearPoint includes a NearPoint software license for 1,500 mailboxes, support fees and a dedicated server. Mimosa NearPoint is licensed per mailbox in the same way that Microsoft Exchange is licensed, as a Client Access License (CAL). There is no additional server license fee. Additional mailbox licenses can be added when the organization grows. NearPoint standard service fees are 18% annually and this covers support costs as well as software updates.

Mimosa NearPoint runs on a dedicated Intel-based server running Microsoft Windows 2003 Server. A typical server model is the dual processor Dell PowerEdge Model 2800 with 4GB of memory. NearPoint storage requirements are very flexible and support any storage that Windows supports. Archive grade storage (specifically SATA disk technology) is recommended for its capacity and cost-performance. In this example, a 3TB EMC AX100i dual processor storage array is quoted, but NearPoint supports all Window storage products including DAS, NAS, FC and iSCSI.

Email Recovery Savings

Exchange Administrator time is required to search and recover Exchange data for a variety of reasons, including when users need lost email, for mailbox recovery or for Exchange crash recovery. When users cannot find old or deleted messages, a full mailbox recovery from backup tapes is necessary. Hours are required to locate tapes and manage complex restore processes before the messages can be located and restored. Based on empirical evidence from actual customers, it costs on average \$10,000 of Administrative time for each message or mailbox restored. This costly service is typically reserved only for executives or when the data is absolutely needed.

Crash recovery costs for Exchange are minimized by their frequency. Again, based on information provided by customers, major database failures occur in Exchange 2003 about once a year. The average Administrator cost to perform an Exchange crash recovery is \$25,000. It is worth noting that Exchange recovery is far less costly as compared to legal discovery (see next section). This points out the interesting fact that while Microsoft has improved Exchange reliability; legal discovery remains a far greater challenge – and cost – to Exchange management.

Legal Discovery Savings

Legal discovery requires Exchange Administrator time to locate backup tapes, then mount and restore the data from multiple tapes to a recovery server where they can be searched by legal staff. Each case is very unique and varies by breadth and time. Depending on the number of tapes needed to restore, days or weeks of manpower is required and the resulting costs can be staggering.¹ Per evidence from actual customers, a conservative estimate of average cost of legal discovery is \$25,000 for each instance. This cost covers Administrator time and does not include legal costs for reviewing email.

User Productivity Savings

Mailbox quotas limits are a major hindrance to end user productivity. When limits are exceeded, message traffic is halted. Unless the quota is increased, the user is forced to either delete email or store email in a local .PST file. This activity is time consuming and expensive in terms of users productivity. Osterman Research found that the typical user spends 60 minutes per week managing his or her mailbox.² Assuming 50 weeks per year and an average salary of \$30 per hour; this could result in an annual loss of \$2,250,000 for a 1,500 person organization. If this time could be reduced by just 25% by using NearPoint to reduce Exchange storage, a savings of \$562,500 would result.

Application Downtime Savings

Downtime can cause enormous disruption to an organization that relies on email. Because so much of the typical user's information is linked to email and because a large percentage of users rely on email as their primary communication tool, downtime can be extremely expensive. Osterman Research found that email services are interrupted an average of 45 minutes per month.³ Assuming an salary of \$30 per hour; this could result in a loss of \$405,000 per year for a 1,500 person organization. If this time can be reduced by 25% by using NearPoint to manage Exchange storage, a savings of \$101,250 would result.

Loss of Data Savings

Several sources in the computer literature suggest that the value of 100 megabytes of data is valued at approximately \$1 million, translating to \$10,000 for each MB of lost data.⁴ Assuming the average data loss incident results in 2 megabytes of lost data, one can calculate that such a loss would cost \$20,000 per user. The probability of losing the entire Message Store is slight, but the potential total costs of losing email data are in the millions of dollars even using the most conservative estimates. A typical 1,500 person organization is risking \$30 million of lost data if only 2MB per user is lost. When typical backup procedures protect Exchange data with once-a-day protection, up to 24 hours of valuable email data is exposed and left vulnerable to data loss. In this scenario, every day is a gamble where millions of dollars worth of data are at stake.

¹ In one case – Murphy Oil USA vs. Flour Daniel, it was estimated the cost to search 93 tapes to be \$6.2M.

² Osterman, Michael, "A Cost-Benefit Analysis for Managing Exchange Environments", 2005.

³ IBID.

⁴ Cost of Lost Data, <http://gbr.pepperdine.edu/033/dataloss.html>

Cost Benefit Savings Example

To demonstrate the cost savings that NearPoint can provide, consider the following example. It shows the one-year costs and potential savings associated with NearPoint for a typical 1,500 person organization.

ACQUISITION COSTS	YEAR 1
NearPoint Service License (1,500 Mailboxes)	\$69,195
Annual support costs (18%)	\$12,455
Windows server for NearPoint ⁵	\$5,968
3TB of archive-grade storage ⁶	\$13,791
TOTAL ACQUISITION COST	\$101,409

EMAIL RECOVERY SAVINGS	YEAR 1
Administrator labor savings to restore one message or mailbox per month. (\$10,000 cost per retrieval)	\$120,000
Administrator labor savings to restore one database per year. (\$25,000 cost per recovery)	\$25,000
TOTAL SAVINGS	\$145,000

LEGAL DISCOVERY SAVINGS	YEAR 1
Administrator labor savings to perform one email legal discovery per month. (\$25,000 cost per search/discovery)	\$300,000
TOTAL SAVINGS	\$300,000

USER PRODUCTIVITY SAVINGS	YEAR 1
Mailbox and .PST file management – 60 minutes per week per user.	\$562,500
TOTAL SAVINGS	\$562,500

APPLICATION DOWNTIME SAVINGS	YEAR 1
Email Application Downtime - 45 minutes per month per user.	\$101,250
TOTAL SAVINGS	\$101,250

LOSS of DATA SAVINGS	YEAR 1
One major event – loss of 2MB of email data per user. (\$10,000 per MB)	\$Millions
TOTAL SAVINGS	\$Millions

⁵ Dell PowerEdge 2800 Dual Processor 4GB Memory; No OS license. www.dell.com

⁶ Dell | EMC AX100i Dual-Processor 3TB Capacity www.dell.com

Summary

NearPoint offers substantial cost savings for managing Exchange environments for both administrators and users by reducing administration management costs, increasing end user productivity and avoiding the potential huge costs of lost data. Here are some of the outstanding benefits customers can enjoy when Mimosa NearPoint is deployed to manage Microsoft Exchange.

- Using Mimosa NearPoint, Administrators can perform routine message and mailbox restores in seconds. As compared to traditional Exchange recovery, the labor costs of using NearPoint are negligible – potential annual savings: \$145,000.
- Complex searches of the entire NearPoint email archive can be performed in seconds and the results can be downloaded easily into .PST files for off-site legal analysis. Compared to the traditional methods of restoring Exchange data from backup tapes, the labor costs of using NearPoint are negligible – potential annual savings: \$300,000.
- Using Mimosa NearPoint, Exchange Store size can be reduced dramatically to relieve pressure on mailbox quota limits and to reduce the need for .PST files. Improved end user productivity can result in annual savings of \$562,500.
- Application downtime is another productivity killer. Mimosa NearPoint is an agentless solution and does not impact Exchange with messy MAPI and Journaling processes. This leads to a smooth running Exchange Server and saves \$101,250 annually.
- The data that email contains represents a valuable record of business activity. Mimosa NearPoint protects all Exchange data with real-time continuous data protection. NearPoint prevents the loss of millions of dollars worth of email information.

NearPoint can help an organization reduce the cost of managing an Exchange environment, improve user productivity and reduce corporate risk.

For more information about Mimosa NearPoint for Microsoft Exchange Server, contact your Mimosa Sales Representative at 1-(408) 970-9070 or visit our web site at www.mimosasystems.com.

ABOUT MIMOSA SYSTEMS

Mimosa Systems™ provides immediacy, discovery & continuity for enterprise information. We combine fine-grained, immediate recovery with self-service archival access for messaging and similar data, leveraging cost-effective disk technologies. Mimosa NearPoint™ for Microsoft Exchange unifies data protection, mailbox extension and archiving in a single solution, assuring email continuity and regulatory compliance.

Mimosa Systems, Inc. | 3200 Coronado Drive, Santa Clara, CA 95054 | www.mimosasystems.com | 408-970-9070

Copyright © 2005 Mimosa Systems, Inc. All rights reserved. Mimosa, Mimosa Systems, Mimosa NearPoint, NearPoint, One Pass Protection and NearPoint Deployment Advantage are trademarks of Mimosa Systems, Inc., in the U.S. All other company and product names are trademarks or registered trademarks of their respective companies.