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SYSTEMS

## White Paper

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

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## 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 analysis will describe and discuss the acquisition costs to deploy the Mimosa NearPoint™ solution, as well as the potential cost savings of deploying NearPoint in terms of administrative costs, end-user productivity improvement, and reduction of corporate risk.

## Acquisition Costs

The acquisition costs for Mimosa NearPoint include 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). No additional server license fee is charged. Additional mailbox licenses can be added when the organization grows. NearPoint standard service fees are 18 percent annually, which covers support costs as well as software updates.

Mimosa NearPoint runs on a dedicated Intel-based server running Microsoft Windows® 2003 Server or Microsoft Windows 2008 Server. A typical server model is the quad processor Dell PowerEdge Model 2950 with 4GB of memory. NearPoint storage requirements are very flexible and support any storage device that Windows supports. Archive grade storage (specifically SATA disk technology) is recommended for its capacity and cost-performance ratio. A 3TB PowerVault MD1000 storage array is quoted in the example that follows in this paper, but NearPoint supports all Window storage products, including DAS, NAS, FC, and iSCSI.

## Administrator Savings for Recovery

Exchange administrator time is required to search and recover Exchange data for a variety of reasons, including recovery of lost email for end users, mailbox recovery, or Exchange crash recovery. In every instance, a complete Exchange database restore is necessary. Restoring an Exchange database is a complex process that takes hours to complete. In addition to the time it takes to locate and mount tapes, the actual recovery steps are challenging even for experienced administrators. Based on empirical evidence from actual customers, the average cost is \$10,000 of administrative time for each Exchange database recovery operation.

## Administrator Savings for Legal Discovery

The Exchange administrator is the only person with access to multiple mailboxes for legal discovery. When a court asks for all email in a certain time period or between certain individuals, the administrator's time is required. It can take hours to restore the data from tape, mount the Exchange database, collect the necessary data with native search tools, and package the data for export. Depending on the exact breadth of the search, days or weeks of manpower might be required, and the resulting costs can be staggering.<sup>1</sup> Based on empirical evidence from actual customers, a conservative estimate of legal discovery cost is \$25,000 per instance. This cost covers only administrator time and does not include legal costs for reviewing email.

<sup>1</sup> In one case—*Murphy Oil USA v. Flour Daniel*—it was estimated that the cost to search 93 tapes would be \$6.2 million.

## User Productivity Savings

The cost savings listed in this section are real numbers, but are considered soft dollar savings. Mailbox quota limits are a major hindrance to end-user productivity. When limits are exceeded, message traffic is halted. Unless quotas are 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 user productivity. Osterman Research has found that the typical user spends 60 minutes per week managing his or her mailbox.<sup>2</sup> Assuming that each user works 50 weeks per year at an average hourly rate of \$35, this problem could result in a productivity loss of \$2,625,000 per year for a 1,500-person organization. If this time could be reduced by just 25 percent through the use of NearPoint to reduce mailbox storage to levels below the quota limits, a savings of \$656,250 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.<sup>3</sup> Backup jobs that exceed the backup window are a typical cause of service interruption. Assuming an average rate of \$35 per hour, the impact of this service interruption could result in a productivity loss of \$472,500 per year for a 1,500-person organization. If this time could be reduced by 25 percent through the use of NearPoint to reduce Exchange backup time, a savings of \$118,125 would result.

## Cost of Lost Data

In a typical Microsoft Exchange environment, server data is protected once a day with conventional tape backup. In a worst-case scenario, this schedule leaves important message data unprotected for up to 24 hours every day. Several sources in the computer literature suggest that the value of 1MB of data is approximately \$10,000.<sup>4</sup> In actual terms, the risk of losing message data is reduced through the use of multiple technologies, including redundant hardware and local cache files. Data loss can be reduced by using NearPoint to protect Exchange data with continuous data protection.

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

<sup>3</sup> Ibid.

<sup>4</sup> 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 acquisition costs and potential savings associated with NearPoint for a typical 1,500-person organization.

ACQUISITION COSTS	YEAR 1
NearPoint Service License (1,500 mailboxes)	\$70,500
Annual support costs (18%)	\$12,690
Windows server for NearPoint	\$3,000
3TB of archive-grade storage	\$4,000
<b>TOTAL ACQUISITION COST</b>	<b>\$90,190</b>

ADMINISTRATOR SAVINGS	YEAR 1
Administrator labor to restore one Exchange database per month (\$10,000 cost per retrieval)	\$120,000
Administrator labor to perform one legal discovery per quarter (\$25,000 cost per search/discovery)	\$100,000
<b>TOTAL SAVINGS</b>	<b>\$220,000</b>

USER PRODUCTIVITY SAVINGS	YEAR 1
Mailbox and PST file management—60 minutes per week per user	\$656,250
<b>TOTAL SAVINGS</b>	<b>\$656,250</b>

APPLICATION DOWNTIME SAVINGS	YEAR 1
Email application downtime—45 minutes per month per user	\$118,125
<b>TOTAL SAVINGS</b>	<b>\$118,125</b>

## 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. Some of the outstanding benefits that customers can enjoy when Mimosa NearPoint is deployed to manage Microsoft Exchange include the following.

- Using Mimosa NearPoint, administrators can perform routine message and mailbox restores in seconds. Compared with traditional Exchange recovery, the labor costs of using NearPoint are negligible. Potential annual savings: \$120,000.
- 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 with the traditional methods of restoring Exchange data from backup tapes, the labor costs of using NearPoint are negligible. Potential annual savings: \$100,000.
- Using Mimosa NearPoint, the 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 \$656,250.
- Application downtime is another productivity killer. Mimosa NearPoint is an agentless solution and can reduce Exchange storage to improve backup performance. This improved backup time leads to a smooth-running Exchange Server and can save \$118,125 annually.
- The data contained in email 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.

## About Mimosa Systems

Mimosa Systems, Inc. delivers next-generation content archiving solutions for information immediacy, discovery, and continuity. Mimosa NearPoint is the industry's most comprehensive unstructured information management software solution for email, files, and instant messages, enabling archiving, eDiscovery, storage management, and recovery in a unified solution. Mimosa is a Microsoft Gold Certified Partner, recognized for its competencies in networking infrastructure solutions, ISV/software solutions, and advanced infrastructure solutions. Mimosa was founded in 2003 and is based in Santa Clara, California, with offices in Canada, Germany, the United Kingdom, Japan, China, Australia, and India.



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