

MAX INSIGHT

MAXfocus Whitepaper

Off-site data backup for MSPs: A guide for SMB IT managed service providers

Richard Tubb

We are Max

MAXfocus™

Table of Contents

	1
About the author	3
Executive summary	4
Introduction	5
The benefits of off-site backup	6
Automated backups	6
Verifying backup data	7
Centralized management	7
Increased security	7
Local backups	8
Low bandwidth	8
Recurring revenue	8
Technical Support	9
Why not tape backup?	10
Choosing an off-site backup vendor	11
Conclusion	12
Further reading	12
Legal Notice	12



About the author

Richard Tubb has worked in the IT industry for more than 15 years, working at large corporations such as Ernst & Young and the NHS, as well as being the owner of an award winning IT Managed Service provider (MSP) providing outsourced IT solutions to small and medium sized businesses within the UK.

Richard now works providing expert advice and guidance to IT companies who want to grow their business in a scalable and sustainable way.

A popular speaker at events within the global IT community, Richard's blog www.tubblog.co.uk has been nominated for the Computer Weekly Blog of the Year Award in the "IT Consultant" category for the past three years.

Richard currently serves as the elected Chairman of the [CompTIA UK Channel Community](#).

You can find Richard on Twitter at www.twitter.com/tubblog or email him at richard@tubblog.co.uk.



Executive summary

This Whitepaper begins by outlining the value of client data – stating research that shows that the average cost of a single incident of data loss is \$10,000 (*1 Gartner). The author ascertains that despite this, many Small and Medium Sized Business (SMB) either do not have a data backup strategy in place, or have a strategy that is un-tested and un-reliable.

The author then explores potential issues leading to the loss of data that can include:

- Hardware failure
- Human Error
- Viruses
- Security breaches
- Malicious activities

The author therefore states that backup is essential to all businesses – especially SMBs, but that because the role of data backup isn't afforded the importance it deserves, it can be hard for IT Managed Service Providers (MSPs) to sell a cost-effective solution to managing traditional backups.

The author goes on to explore the benefits of Off-Site Backup, both as a solution to client's backup challenges, and as a lucrative new source of recurring revenue for progressive MSPs.

The clear benefits of Off-Site Backup are:-

- Automation of backup and restore, removing the "human element" from the equation
- Centralized Management of multiple clients bringing efficiencies
- Strong security to alleviate concerns over data leakage, loss and regulatory compliance
- The ability to store data securely not only off-site, but locally too
- Low Bandwidth requirements to transport data off-site
- An increase in recurring revenue for MSPs
- On-going updates, additional features and strong Technical support from off-site backup Vendors

The author then looks at Tape Backup and concludes that it is no longer a viable option for modern business backups, and concludes that Off-Site Backup not only meets clients' needs and reduces costs for MSPs in Service Delivery – but also provides an important source of recurring revenue to help MSP businesses grow.

The Whitepaper concludes with a series of questions that any MSP might think about asking a potential Off-Site Backup Vendor before entering into a partnership with them.

Introduction

As an IT Managed Service Provider (MSP), you will already be aware that the data within your clients business is valuable. But just how valuable is it? Research shows that the average cost of a single incident of data loss is \$10,000 (*1 Gartner) yet despite this, many Small and Medium Sized Business (SMB) either do not have a data backup strategy in place, or have a strategy that is un-tested and un-reliable.

Potential issues leading to the loss of data can include

- Hardware failure
- Human Error
- Viruses
- Security breaches
- Malicious activities

In short, backup is essential to all businesses – especially SMBs.

But Data Backup is not a glamorous task, nor is it often seen as high-profile. Many clients are not aware of the value of the data within their business and therefore do not give due consideration to their data backup strategy – relying on outdated backup process which lack automation and involve human interaction – often resulting in sporadic or unreliable backups.

Other disturbing trends in SMB data backup are evident – backups that are rarely (if ever) verified or tested, data backups that are stored near to their source or are not secured – putting the data at high risk from local disaster or theft, and commonly, data that is simply not backed up at all.

For IT Managed Service Providers, for who the responsibility - either explicitly, through contract or agreement – or implicitly, through assumption on the clients side - for backups will fall, this can create a headache situation in which the client does not value data backup highly enough to justify paying for the time and effort it takes an MSP to properly look after their data through traditional backup techniques.

Indeed, for nearly all SMBs, the first port of call in the event of a data loss will nearly always be their IT partner. Therefore the onus is on the MSP or IT Solution Provider to start thinking about how to protect their client's data.

This Whitepaper looks at the modern alternative to insecure, un-reliable and aging SMB backup techniques – an alternative that is attractive to both clients and MSPs due to its simple yet powerful nature - Off-Site Backup.

The benefits of off-site backup

Off-Site Backup (also known as Remote Backup, or On-Line Backup) was, until recently, considered an Enterprise level technology out of the reach of most SMBs.

At its simplest level, Off-Site Backup is the technology of backing up client data, transferring it securely across the Internet and storing it on a secure location in “The Cloud”.

Recent advances in both Broadband Internet availability and Off-Site Backup technology have seen a drop in cost and acceleration in adoption of Off-Site Backup at the SMB level that is of clear benefit to both Small Businesses and the MSPs who maintain responsibility for their clients data.

In this chapter, we will explore the advantages of Off-Site Backup to both client and MSP.

Automated backups

It is not uncommon to see that critical data within an SMB organisation is never backed up, or at best, backed up infrequently.

Traditionally, an SMB backup strategy might rely on either Tape backup or Disk-to-Disk based backups which often involved client employees (who typically were not responsible for IT) to change media to enable the next backup to take place. This left a wide space for human error to creep in, meaning if the employee who was responsible for changing the media left the building without doing so, the backup subsequently failed.

Additionally, if a backup failed for any reason then the responsible MSP was left with two options – either despatch an engineer to site to rectify, or rely on the time and inclination of a client employee to assist in re-running a backup on the correct media. Both options are time consuming and potentially expensive tasks.

Off-Site Backup removes the human element from the backup strategy. An MSP will typically deploy Agent Software to a client site, and once a selection is made of the data to be backed up, the system is near to “Set and Forget” in nature.

At a pre-scheduled times (overnight, twice daily, etc.) the Off-Site Backup software will automatically transfer the latest data off-site. It never “forgets” its role, and in the event of a problem will notify the MSP that intervention is required. This results in a much higher number of successful backups and a much lower amount of time spent assuring backup success.

Modern Off-Site Backup software also offers the option of “Always On” protection – automatically transferring any changes off-site on a continuous, rather than scheduled basis. This option can be very attractive to clients of MSPs who have fast moving businesses with many transactions or rapidly changing data.

The automation of client backups alone is often enough to persuade many MSPs to make the move to Off-Site Backups, but there are other advantages besides this.

Verifying backup data

Having already established that an MSP is either explicitly (through agreement) or implicitly (through client assumption) responsible for backing up their clients data, the onus to make sure that the right data is backed up, and backed up successfully, falls on the MSP too.

Traditionally, verifying backed up data could be a time consuming and laborious affair. Finding the correct data in the backup set, restoring it and then testing it takes time.

Off-Site Backup makes that process much easier and much more efficient.

Off-Site Backup allows rapid searches of indexed client data to find the file or files required, and enables these files to be quickly restored for testing. Members of staff are no longer required on-site to change media to find the latest backup or an early iteration, all recent backups and retained backups are available

Reporting on successful backups for MSPs is a much simplified affair with Off-Site Backup, and restoration tests are now quick and easy – staff are no longer required on-site to complete restorations.

Indeed, in many cases with Off-Site Backup it is possible to allow the client end-user to directly access a secure web-site to automatically restore their data themselves. For smaller restores, such as lost documents or spreadsheets, this time saving feature is attractive to both MSP and client.

Centralized management

For the typical MSP, managing dozens if not hundreds of client backups can be a laborious task.

Even using modern Remote Management and Monitoring (RMM) tools which monitor and report back on backup job successes or failures, the time spent remotely logging into multiple client sites and differing backup tools can be a challenge.

Off-Site Backup offers a way for all client backups to report back into a single central console or dashboard, offering an “at a glance” overview of backup success or failures.

Additionally, this centralized console – typically accessed via secure HTTP - allows the MSP to entirely manage a backup process – including changes to files to be backed up, schedules for backups, and restoration of data – to be done from one single location.

Increased security

For many Small Businesses, a typical data backup would be one stored on tape or disk either near the original source of the data – such as in the same room as a server – or more frequently on or in the server itself, as in the case of a Tape backup drive.

This strategy puts the client’s data at huge risk in the event of a local disaster such as a break-in theft, a fire, or flood damage.

Some clients try to compensate for this issue by asking members of staff to take backup data off-site – taking a backup tape or a Disk backup home with them on an evening or weekend. But in many cases this backup is not encrypted, and is insecure. The loss of the data backup by an employee taking it off-site could be disastrous to a company, especially if the data backed up was of a sensitive nature – perhaps including client details.

By its very nature, such backups typically do not meet regulatory requirements such as the Data Protection Act (*2) in the UK, and Sarbanes-Oxley (*3) in the USA and put the business at risk of sanctions or financial penalties, not to mention the negative publicity attached to lost data.

Off-Site Backup overcomes this challenge by making sure that all data is encrypted as it is backed up, is transmitted securely over the Internet and is securely stored in its final destination in a highly secure, regulation compliant data centre.

Additionally, all access to Off-Site Backup data is made possible only via secure username and password. Such access to data and any changes to setting are logged – creating an easily accessible audit trail for security purposes.

Local backups

It is often overlooked that in addition to storing data off-site, modern Off-Site Backup applications give the option to duplicate backups locally – perhaps to a Disk or Network Attached Storage (NAS).

The benefits from the MSP perspective is that they are demonstrating a “belt and braces” approach to their clients, storing two backups, one locally and one Off-Site.

Both the local and off-site backup are subject to the same security for storage and transport, and for clients who deal with especially large volumes of data, a local backup of this nature can reduce the time required to restore data locally too.

Low bandwidth

Many MSPs have traditionally been reluctant to engage Off-Site Backup for concerns of lack of available bandwidth at client sites. While Broadband Internet is now prevalent across much of the world, it is still unavailable or only available at lower speeds in some areas such as rural locations.

Modern Off-Site Backup software dramatically reduces the amount of bandwidth required to transfer data off-site by employing three powerful techniques:-

- only transferring the bits, or sections, of a file that has changed rather than transfer the whole file
- local de-duplication of data prior to backup to ensure only necessary data is transferred off-site
- dramatically effective compression of data prior to transfer of data off-site

These combinations of techniques not only serve to reduce the amount of data that is transferred off-site, but also reduce the amount of data that the MSP has to pay to store off-site.

Recurring revenue

The majority of progressive MSPs and IT Solution Providers have moved away from the “Break/Fix” model of selling their time for money, and are now actively seeking out opportunities to generate profitable recurring revenue when working with clients.

Off-Site Backup offers an excellent opportunity for MSPs to increase their recurring revenue. A good Off-Site Backup Vendor will offer MSP-friendly terms for payment and a great degree of flexibility over usage, which in turn the MSP can then offer to their client.

MSPs can fix limits for clients so that they never exceed storage capacities, instead agreeing to extend storage capacities only after agreed with a client. For SMB clients, this predictable nature of costs is a welcome change from the worry over unexpected over-spending.

If the amount of data a client needs to store off-site increases, then the Vendor will only charge the MSP for that increase – and the MSP in turn can charge their client. If the amount of data a client needs (or can afford) to store off-site decreases, then neither the MSP nor the client are “locked in” to any set amount of storage, and the amount of data storage the Vendor charges the MSP and the MSP charges the client decreases accordingly.

This flexibility makes off-site backup a very attractive proposition to both MSP and client alike. Calculate the efficiency gains an MSP selling Off-Site Backup makes over managing a traditional client backup, and Off-Site Backup can be a very attractive proposition.

Technical Support

Traditional backup vendors often sold their products at a low cost price, with very basic support bundled into the offering – often for a limited period of time, for instance a year’s support post-purchase. From the MSPs perspective, then persuading a client to pay for a maintenance and support contract on the backup product could be a difficult proposition. The client believes the MSP is an expert in all areas and doesn’t need support, nor do they see the need to upgrade their backup product in the future.

Off-Site Backup offers a new paradigm where, often, there is no cost associated with installing a backup application on a client site – a client is only charged for the data that is backed up, and then at a low monthly cost with no annual costs.

Additionally, the version of the software installed at a client site can automatically and freely be upgraded to the latest version at no charge. As an MSP this means all of your clients can benefit from the latest features, and you don’t have to up-sell the client on a new version when it is released.

Importantly, most Off-Site Backup Vendors consider their relationship with MSPs as a true partnership. They provide 24x7 Technical Support, and help their MSP clients to understand how to help their clients and grow their business. This, in turn, gives the MSP the confidence they need to provide the Off-Site Backup solution to their clients.

Why not tape backup?

Throughout this Whitepaper we've touched upon the advantages that Off-Site Backup has over Tape Backup.

Off-Site Backup is, in most cases, cheaper, faster and more resilient than tape backup.

In the event of a disaster, the restoration of files from off-site backups can be performed quickly and easily.

But fundamentally, Tape Backup solutions have a significant cost – both in terms of up-front investment, on-going maintenance and staff requirements to operate them.

Off-Site Backup eliminates the cost for tapes, employee training, any secure transportation of tapes off-site, and on-going software upgrades and client support.

Tape may once have been the preferred method for backing up data, but it's now hard to justify its use over Off-Site Backup and the flexible options it offers.

Choosing an off-site backup vendor

For MSPs or IT Solution Providers looking to choose an Off-Site Backup Vendor to work with, it is important to ask the following questions.

- Do you place a lower-limit on the amount of data we can backup for clients? In the SMB space, for budgetary or other concerns, many clients will prefer to only backup critical data (say, 50GB). It's important that your Vendor allows you to cater to these clients.
- How big is your average daily backup? Find out what other MSPs typically back-up each day. If the figure is unexpectedly large, this might indicate the Vendors De-Duplication or Compression technologies are not as progressive as they might be.
- Are you able to backup Microsoft Exchange 2010 or Windows 2008 R2 System State? The answer to this question will give an indication of whether the Off-Site Backup tool is kept up to date, or whether it is lagging with development.
- Where is your Data Centre located? Most Off-Site Backup Vendors have Data Centres located in multiple locations across the world, to satisfy all clients' requirements for regulatory compliance.
- What margin do your other MSPs make with your service? While deploying an Off-Site Backup service will aid your MSP business through efficiency gains, you still want to be increasing the recurring revenue you generate from selling such a service.
- Does your software require temporary space for Microsoft Exchange and Microsoft SQL files? If the answer is "Yes", then factor this into your calculations for local storage required when speaking to clients about their backups.
- What hours does your Technical Support team work? There are Off-Site Backup Vendors that sell their service all over the world. Whether their Technical Support team also work in all time zones is an important consideration.

Conclusion

The backup of a client's data is an important responsibility for any IT Solution Provider or Managed Service Provider – yet many clients don't give this responsibility the time and respect it deserves.

Whether an MSP explicitly agrees to this responsibility or not, at the loss of any amount of data, large or small, the first call any client will make is to their MSP – therefore it is important that the MSP have a clear strategy in place on how they will manage the backup of not just one, but all of their clients data.

Tape Backup and the overheads it incurs in terms of time and money is no longer a viable option, and so Off-Site Backup – with the flexibility, security and scalability it brings – is now an important tool for any progressive MSP to embrace.

Further reading

1. Backup and Recovery -- What Are SMBs Waiting For? -- Redmond Channel Partner <http://tubb.co/HxL55Q>
2. Information Commissioners Office - Guide to Data Protection - Public Data and Information Sharing - <http://tubb.co/HxM9H1>
3. A Guide To The Sarbanes-Oxley Act - <http://www.soxlaw.com/>

Legal Notice

This Whitepaper cannot be reproduced without written consent of the author, Richard Tubb.

USA, Canada, Central and South America

4309 Emperor Blvd, Suite 400, Durham, NC 27703, USA

Europe and United Kingdom

Vision Building, Greenmarket, Dundee, DD1 4QB, UK

Australia and New Zealand

2/148 Greenhill Road, Parkside, SA 5063

www.maxfocus.com/contact

WP0033-v1.0-EN

Disclaimer

© 2014 LogicNow Ltd. All rights reserved. All product and company names herein may be trademarks of their respective owners.

The information and content in this document is provided for informational purposes only and is provided "as is" with no warranty of any kind, either express or implied, including but not limited to the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. LogicNow is not liable for any damages, including any consequential damages, of any kind that may result from the use of this document. The information is obtained from publicly available sources. Though reasonable effort has been made to ensure the accuracy of the data provided, LogicNow makes no claim, promise or guarantee about the completeness, accuracy, recency or adequacy of information and is not responsible for misprints, out-of-date information, or errors. LogicNow makes no warranty, express or implied, and assumes no legal liability or responsibility for the accuracy or completeness of any information contained in this document.

If you believe there are any factual errors in this document, please contact us and we will review your concerns as soon as practical.

We are Max

MAXfocusTM
From LogicNow