June 9, 2010

The Forrester Wave™: Disaster Recovery Services Providers, Q2 2010

by Stephanie Balaouras and Rachel A. Dines
for Infrastructure & Operations Professionals

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IBM, HP, SunGard, And ICM Lead, Verizon Close Behind

by Stephanie Balaouras and Rachel A. Dines
with Robert Whiteley and Lauren E. Nelson

EXECUTIVE SUMMARY

In Forrester's 64-criteria evaluation of disaster recovery services providers, we found that IBM, HP, SunGard, and ICM led the pack due to their best-in-class core disaster recovery services and vision. Verizon trailed closely behind, with the largest market share and a strong consulting arm. CAPS Business Recovery Services, a regional player offering work-area recovery and colocation services for IT recovery, greatly improved its strategy and current offering scores since the last update of this Forrester Wave.

TABLE OF CONTENTS

2 **Resiliency Is A High Priority As Tolerance For Downtime And Data Loss Lowers**

Virtual And Cloud Offerings Change The DR Game In 2010 And Beyond

3 **Disaster Recovery Services Providers Evaluation Overview**

Evaluation Criteria Target Breadth Of Services, Platform Support, And Flexibility

Evaluated Vendors Offer Their Own Services, Complemented By Partner Services

5 **Vendors Improved Platform Support And Advanced Recovery Capabilities**

8 **Vendor Profiles**

Leaders: IBM, HP, SunGard, And ICM Excel At Platform Support And Core DR Services

Strong Performer: Verizon Business Has Market Presence But Lacks Traditional Services

Contender: CAPS Is A Small, Regional Player With Few Managed Services

9 **Supplemental Material**

NOTES & RESOURCES

Forrester conducted services evaluations in Q1 2010 and assessed six services providers: CAPS Business Recovery Services, Hewlett-Packard (HP), IBM, ICM, SunGard, and Verizon Business.

Related Research Documents

"State Of Enterprise Disaster Recovery Preparedness: Q3 2009"
November 4, 2009

"How The Cloud Will Transform Disaster Recovery Services"
July 24, 2009

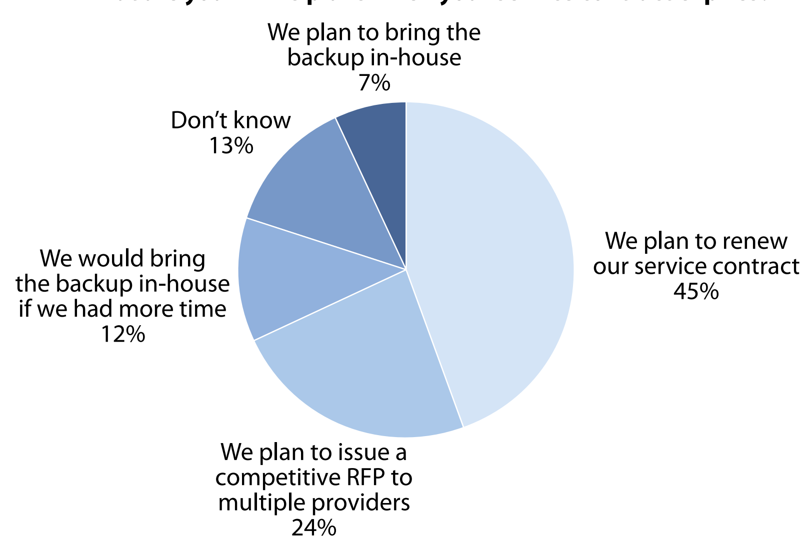
"The Forrester Wave™: Disaster Recovery Services Providers, Q2 2008"
June 5, 2008

RESILIENCY IS A HIGH PRIORITY AS TOLERANCE FOR DOWNTIME AND DATA LOSS LOWERS

The NASDAQ may rise and fall, but one thing remains constant: the need to recover after an incident. Even during the darkest months of the 2009 economic downturn, more than two-thirds of enterprises cited improving disaster recovery (DR) and business continuity as a critical or high priority.[1] As a result, the increasing costs of downtime drive recovery time objectives to hours instead of days and recovery point objectives to minutes instead of hours.[2] The provisioning of recovery sites is evolving as well; more and more companies are turning to a third party for their disaster recovery needs — whether it's with a colocation provider, DR services provider, or a cloud-based DR provider. We have traditionally criticized the model of fixed-site recovery solutions from DR services providers for being too expensive, having inflexible contract terms, and lacking competition. However, despite these challenges, more than a quarter of enterprises provision their backup data centers at a shared or dedicated IT infrastructure at a services provider, and very few have plans to change this (see Figure 1).[3]

Figure 1 Of The 27% Of Enterprises That Use DR Services Providers, How Many Will Renew?

"Thinking about your backup data center(s) at service provider site(s), what are your firm's plans when your service contract expires?"



Base: 92 North American and European enterprise decision-makers
(percentages do not total 100 due to rounding)

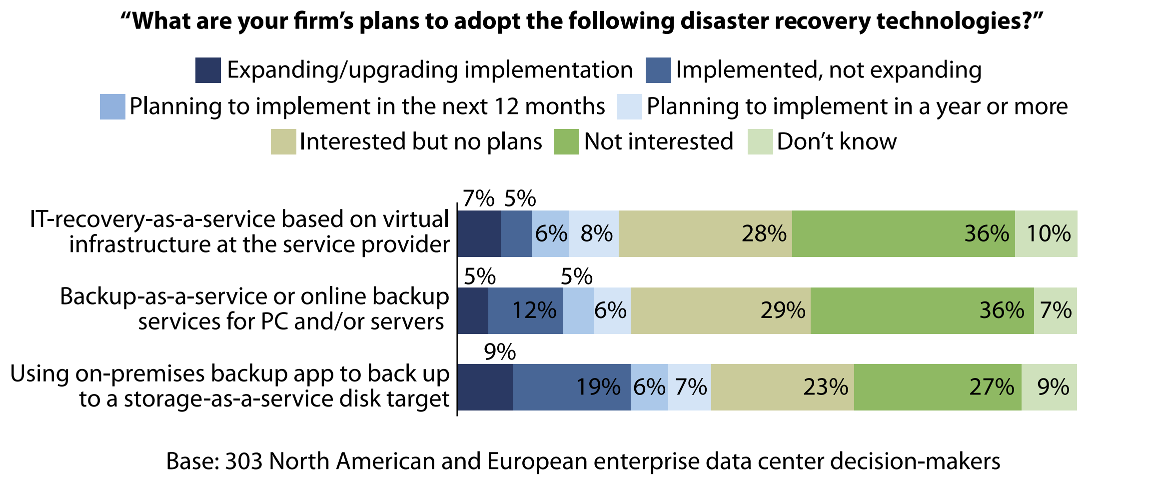
Source: Enterprise And SMB Hardware Survey, North America And Europe, Q3 2009

55811 Source: Forrester Research, Inc.

Virtual And Cloud Offerings Change The DR Game In 2010 And Beyond

Moving forward, infrastructure and operations (I&O) executives should expect virtual and cloud-based offerings to play an increasingly important role in DR, as part of the portfolio of traditional DR services providers and as standalone offerings from other providers.[4] Currently, there is significant interest but low adoption of these technologies, which include IT-recovery-as-a-service, backup-as-a-service, and on-premises backup to a storage-as-a-service disk target, also known as disk-to-disk-to-cloud (see Figure 2). Cloud-based and virtual offerings are maturing, and traditional fixed-site DR services providers will need to evolve. To remain competitive, DR services providers are beginning to increase flexibility, improve support for virtualized environments, and offer their own cloud-based services.

Figure 2 Firms Express Interest In Virtualized Services Provider Offerings And DR In The Cloud



Source: Enterprise And SMB Hardware Survey, North America And Europe, Q3 2009

55811 Source: Forrester Research, Inc.

DISASTER RECOVERY SERVICES PROVIDERS EVALUATION OVERVIEW

To assess the state of the DR services market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of top DR services providers.

Evaluation Criteria Target Breadth Of Services, Platform Support, And Flexibility

After examining past research, user need assessments, and services provider and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated services providers against 64 criteria, which we grouped into three high-level categories:

- **Current offering.** To assess product strength, we evaluated each offering against six groups of criteria: core DR services offerings, platform support, network ring/backbone, advanced recovery services, additional services, and geographic scope.

- **Strategy.** To assess strategy, we considered how well the services provider could articulate and differentiate its value proposition and how well it positions planned enhancements to offer better recovery objectives at a lower cost. We also took into consideration the provider's plans for expansion in the current geographic regions it serves and into new regions. Finally, we took into consideration the services provider's approach to flexibility: How does the provider approach pricing, standard contract terms, changes, service levels, and testing?

- **Market presence.** To establish a services provider's market presence, we combined information about installed base, new customers, retention rate, revenues, revenue growth, dedicated employees, and partnerships.

Evaluated Vendors Offer Their Own Services, Complemented By Partner Services

Forrester included six services providers in the assessment: CAPS Business Recovery Services, HP, IBM, ICM, SunGard, and Verizon. Each of these services providers (see Figure 3):

- **Offers core DR services.** Each services provider has support for at least three of the five following services: IT recovery, work-area recovery, mobile recovery, quick-ship IT recovery and disaster recovery planning, and preparedness consultative services.

- **Does more than just resell third-party solutions.** Many services providers in the market don't have a primary focus on DR but resell DR services to their customers. They usually do this through partnerships with other services providers that deliver most, if not all, of their DR services. Forrester required each provider in this evaluation to have at least one core DR service (IT recovery, work-area recovery, mobile recovery, or quick-ship recovery) that it delivers itself.

Figure 3 Evaluated Providers: Vendor Information And Selection Criteria

Vendor	Date evaluated	Number of customers
CAPS Business Recovery Services	April 2010	More than 80 customers
IBM	April 2010	More than 12,000 customers
ICM	April 2010	More than 2,100 customers
Hewlett-Packard	April 2010	More than 5,000 customers
SunGard	April 2010	More than 10,000 customers
Verizon Business	April 2010	Forrester estimate of at least 2,000 customers

Vendor selection criteria

Offers core DR recovery services. Each services provider has support for at least three of the five following services: IT recovery (traditional fixed site or virtual recovery services), work area recovery (fixed or virtual), mobile recovery, quick-ship recovery services, and consultative services.

Do more than just resell third-party services. Many services providers in the market don't have a primary focus on DR but resell DR services to their customers. They usually do this through partnerships with other services providers that deliver most, if not all, of their DR services. Forrester required each provider in this evaluation to have at least one core DR recovery service (IT recovery, work-area recovery, mobile recovery, or quick-ship recovery) that it delivers itself.

55811 Source: Forrester Research, Inc.

VENDORS IMPROVED PLATFORM SUPPORT AND ADVANCED RECOVERY CAPABILITIES

The evaluation uncovered a market in which (see Figure 4):

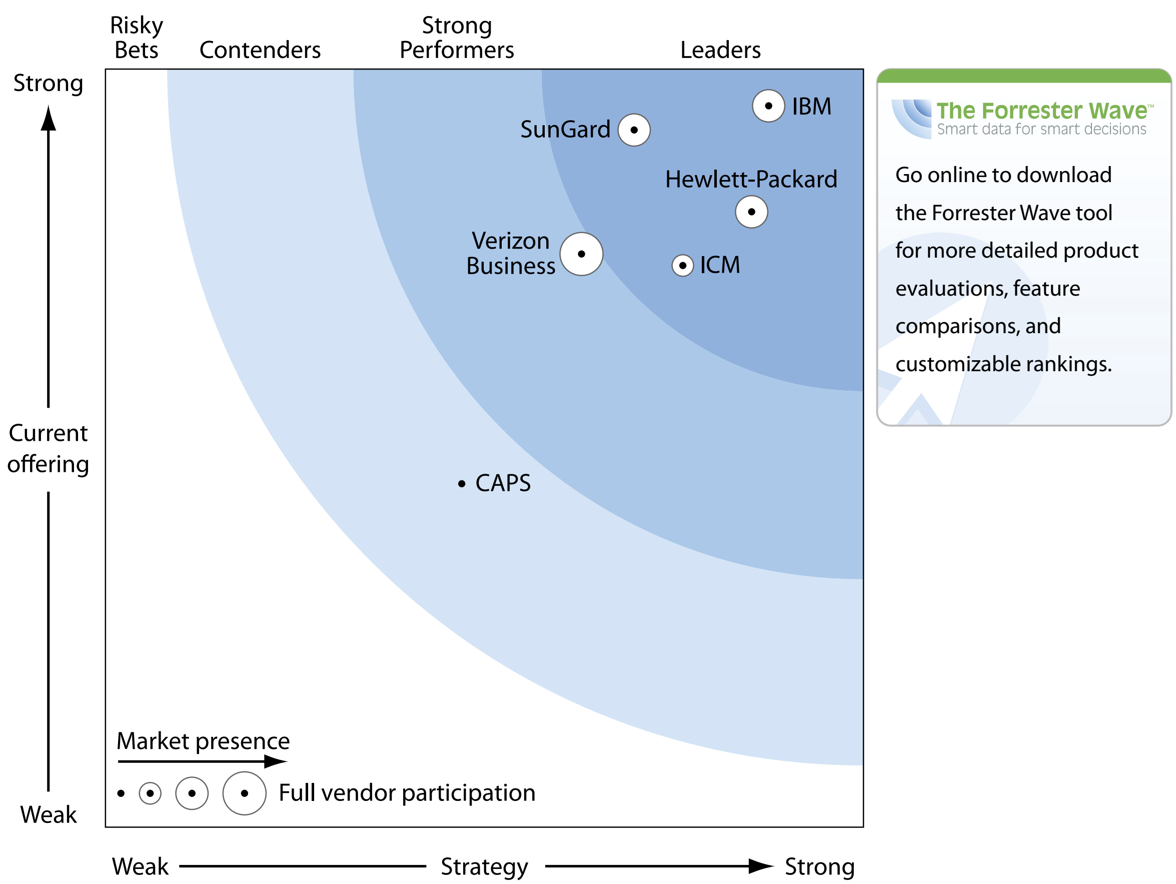
- **IBM, HP, and SunGard are the top dogs . . .** These three vendors are in a close race, each with strong product offerings and global presence. All three particularly excelled in their virtual recovery services offerings and planned service enhancements.

- **. . . with Verizon nipping at their heels.** Verizon's DR practice is the largest of those evaluated in this Forrester Wave; however, because the company does not offer traditional fixed-site recovery services, it was unable to compete with the top dogs in several areas, notably platform support, test scheduling and support, and pricing models.

- **ICM and CAPS are strong only in their particular regions.** For companies in the UK, ICM can compete with the top dogs, but elsewhere, its presence is very limited. Similarly, CAPS Business Recovery Services is focused mostly on the regional needs of businesses based on the East Coast of the US.

This evaluation of the DR services provider market is intended to be a starting point only. We encourage readers to view detailed product evaluations and adapt the criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool.

Figure 4 Forrester Wave™: Disaster Recovery Services Providers, Q2 '10



Source: Forrester Research, Inc.

Figure 4 Forrester Wave™: Disaster Recovery Services Providers, Q2 ’10 (Cont.)

	Forrester's Weighting	CAPS	Hewlett-Packard	IBM	ICM	SunGard	Verizon Business
CURRENT OFFERING	50%	2.08	4.28	4.91	3.76	4.74	3.70
Core disaster recovery service offering	25%	3.00	4.25	5.00	4.60	4.90	2.90
Platform support	25%	1.15	4.30	4.80	3.40	4.55	3.30
Network ring/backbone	10%	3.00	4.00	5.00	4.00	5.00	5.00
Advanced recovery services	25%	1.45	4.45	4.90	4.10	4.50	3.70
Additional services	5%	3.60	2.60	4.70	2.70	5.00	4.40
Geographic scope	10%	2.00	5.00	5.00	2.00	5.00	5.00
STRATEGY	50%	2.48	4.47	4.49	3.88	3.59	3.14
Value proposition and vision	20%	2.00	5.00	5.00	4.00	4.00	3.00
Planned service enhancements	20%	2.00	4.00	4.00	4.00	4.00	3.00
Plans for geographic expansion	15%	1.00	4.00	5.00	3.00	2.00	3.00
Investment to support strategy	15%	5.00	5.00	5.00	5.00	5.00	3.00
Pricing	0%	4.00	4.00	4.00	4.00	4.00	1.00
Standard contract terms	15%	2.03	4.34	3.33	3.00	2.36	3.64
Service levels	15%	3.20	4.45	4.60	4.20	3.90	3.30
MARKET PRESENCE	0%	1.80	3.38	3.93	2.13	3.68	4.03
Installed base	25%	2.80	3.70	4.10	2.90	4.10	3.50
Revenue	20%	1.00	3.00	5.00	0.00	5.00	3.00
Revenue growth	20%	2.00	3.00	2.00	2.00	2.00	4.00
Dedicated employees	25%	1.00	3.00	4.00	2.00	3.00	5.00
Partnerships	10%	2.50	5.00	5.00	5.00	5.00	5.00

All scores are based on a scale of 0 (weak) to 5 (strong).

Source: Forrester Research, Inc.

VENDOR PROFILES

Leaders: IBM, HP, SunGard, And ICM Excel At Platform Support And Core DR Services

- **IBM.** IBM is a worldwide global DR services provider with more than 154 facilities globally and extensive IT, work-area, mobile, and quick-ship recovery services. With a sizable number of consultants, it also has very strong consultative services to support the entire business continuity planning/disaster recovery planning (BCP/DRP) life cycle. It has more than 1,600 employees in its business continuity and recovery services business. Since the last update of this Forrester Wave, IBM improved its platform support, its advanced DR support, and additional services such as emergency communications.

- **HP.** HP is a global services provider with extensive services that span IT, work-area, mobile, and quick-ship recovery services to meet a range of recovery objectives. It has a presence in North America, Europe, South Africa, and Asia Pacific. It does have a dedicated consulting organization but will supplement its own consultants with partners when necessary. Compared with other providers, HP ranked well on its strategy, particularly pricing, contract terms, and service-level agreements (SLAs). Since the last update of this Forrester Wave, HP significantly improved its mainframe platform support.

- **SunGard.** Availability is the strategic focus of the company. Consequently, it offers in-depth services for IT, work-area, mobile, and quick-ship recovery — and delivers all of these services itself, not with partners. It also has a sizable consulting organization that supports the full BCP/DRP life cycle. The company also offers its own BCP software, called LDRPS software, and emergency communication and notification services. It has a geographic presence in North America and Europe. Since the last update of this Forrester Wave, SunGard improved flexibility on contract terms and SLAs; however, its employee count and market presence have decreased.

- **ICM.** ICM offers the full breadth of IT, work-area, mobile, quick-ship, and consultative services in the UK. The company is very competitive with global providers in the UK market. Within the UK, ICM has industry-leading capacity for all major server and storage platforms; it has strong intersite connectivity and supports several advanced DR services offerings. Since the last update of this Forrester Wave, ICM improved its value proposition and vision and has enough strong planned service enhancements to qualify as a Leader.

Strong Performer: Verizon Business Has Market Presence But Lacks Traditional Services

- **Verizon Business.** Verizon Business is a globally dominant DR services provider mainly focused on providing managed services, hosting, and colocation. Verizon has the largest market presence of the evaluated vendors, due mainly to its 2,700 employees supporting its disaster recovery engagements and strong revenue growth. Although the company does not offer traditional shared fixed-site recovery services, it does offer many different kinds of DR-related services including work-area recovery and quick-shipment of equipment.

Contender: CAPS Is A Small, Regional Player With Few Managed Services

- **CAPS Business Recovery Services.** CAPS is primarily a regional provider, with several locations on the US East Coast and a new location in Georgia. CAPS focuses mostly on providing and managing facilities for IT recovery and does not offer clients managed services or shared or leased IT infrastructure. It does have strong work-area recovery services, offering both dedicated and shared work-area recovery. It has several partners throughout the US that can provide additional data center colocation space. Since the last update of this Forrester Wave, CAPS added additional services, including online backup and message continuity, and has significantly improved its pricing model and standard contract terms.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 4 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave

Forrester used a combination of two data sources to assess the strengths and weaknesses of each solution:

- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.

- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with two of each vendor's current customers.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and we encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

ENDNOTES

[1] In a recessionary climate, you might expect IT professionals to push upgrading disaster recovery capabilities down the priority list — especially when senior IT management views DR as an expensive insurance policy. But in fact, upgrading DR remains a high priority. According to Forrester's Enterprise And SMB Hardware Survey, North America And Europe, Q3 2009, 61% of North American enterprises and 64% of European enterprises say that upgrading DR capabilities is either a critical or high priority. See the November 4, 2009, "State Of Enterprise Disaster Recovery Preparedness: Q3 2009" report.

[2] Enterprises from all industries and of varying sizes now measure recovery time and recovery point requirements in hours, and in some cases, minutes. Due to increased competition and the cost of downtime, recovering in 48 to 72 hours and losing 8 hours or more of critical corporate information is no longer acceptable. See the November 4, 2009, "State Of Enterprise Disaster Recovery Preparedness: Q3 2009" report.

[3] Twenty-seven percent of enterprises report using either shared or dedicated space at a services provider as the means of provisioning at least one of their backup data centers. Source: Enterprise And SMB Hardware Survey, North America And Europe, Q3 2009.

[4] But new cloud-based recovery services offer a way to achieve the recovery capabilities of advanced DR services at a more affordable, subscription-based price. With storage-as-a-service, backup-as-a-service, and replication-as a-service, IT operations professionals can now incorporate new services into their DR contracts to meet a range of application recovery requirements across the organization. In combination with virtualization technologies, these solutions break the cost/value correlation, ushering in a new era of affordability to DR. See the July 24, 2009, "How The Cloud Will Transform Disaster Recovery Services" report.

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