For: Infrastructure & Operations Professionals

The Forrester Wave™: Traditional Disaster Recovery Service Providers, Q1 2014

by Rachel A. Dines, January 17, 2014

KEY TAKEAWAYS

Firms Look To Outsourced Disaster Recovery Services To Improve Resiliency

Today's world of 24x7 operations is forcing I&O professionals to reconsider how they run their resiliency programs. More and more, they use a mix of in-house and outsourced resiliency. Almost one in four enterprises say that improving BC/DR is a critical priority for the next year, and this group is also more likely to use outsourced DR services.

Breadth Of Services And Customer Support Are Key Differentiators In The DR Service Providers Market

As I&O pros start to modernize their resiliency programs, they will look for vendors that can provide a range of services, from traditional IT recovery to DRaaS to consulting, quick-ship recovery, and workforce continuity. They will also partner with vendors that can offer best-in-class customer service, testing support, and flexible contracts.

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The Six Providers That Matter Most And How They Stack Up

by Rachel A. Dines
with Stephanie Balaouras and Heather Belanger

WHY READ THIS REPORT

In Forrester's 45-criteria evaluation of traditional disaster recovery service providers, we identified the six most significant service providers — CSC, HP, IBM, Phoenix, Recovery Point Systems, and SunGard — in the category and researched, analyzed, and scored them. This report details our findings about how well each vendor fulfills our criteria and where they stand in relation to each other to help infrastructure and operations (I&O) professionals select the right partner for their resiliency and recovery needs.

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Forrester conducted service evaluations in October 2013 and interviewed five vendor companies and multiple user companies, including CSC, HP, IBM, Recovery Point Systems, and SunGard.

Related Research Documents

The Forrester Wave™: Disaster Recovery-As-A-Service Providers, Q1 2014
January 17, 2014

The Forrester Wave™: Disaster Recovery Services Providers, Q2 2010
June 9, 2010

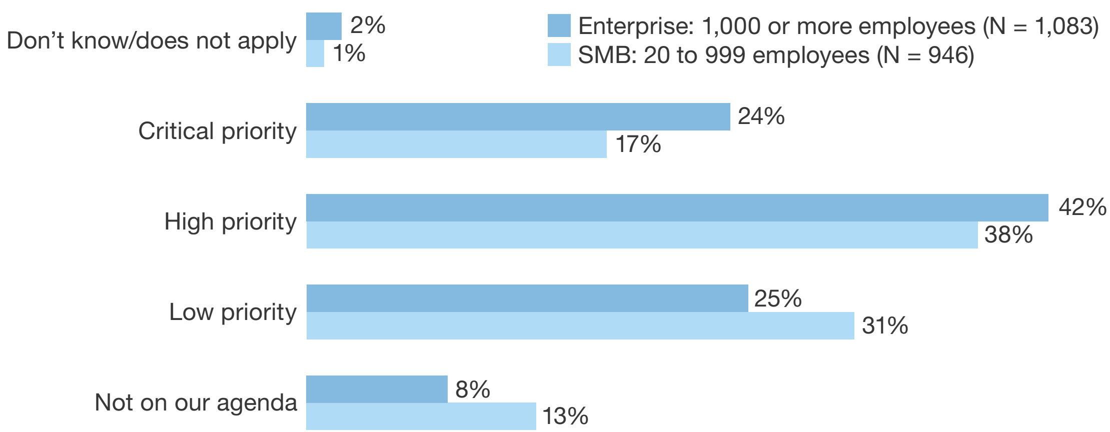
FIRMS LOOK TO OUTSOURCED DR SERVICES TO IMPROVE RESILIENCY

How important is it for you to improve your disaster recovery capabilities? For a large portion of enterprise hardware decision-makers, it's a high or critical priority moving into 2014 (see Figure 1). However, not all firms have the budget, expertise, or time to improve their organization's resiliency. For companies that realize they don't have the in-house capabilities, this is one of the drivers of purchasing outsourced disaster recovery services — something that almost half of companies do today (see Figure 2). In fact, those who say improving business continuity/disaster recovery (BC/DR) is a critical priority are more likely to be using outsourced DR services than their peers who say improving BC/DR is not on their agenda.[1]

Increasingly, cloud-based resiliency is making its way into the discussion, and while DR-as-a-service (DRaaS) holds great promise, realistically it won't be a fit for every company and every workload, especially at large organizations. The common model that is emerging for the large enterprise is a hybrid sourcing model. This may include a combination of traditional recovery services (for systems that can't be virtualized or are highly sensitive), cloud-based recovery (often for mid-tier and virtualized systems), and in-house recovery. This model is greatly simplified by using a single DR service provider that offers both cloud-based and traditional recovery services, something that the majority of providers — and all providers in this evaluation — now offer.[2]

Figure 1 Enterprises Are More Serious Than SMBs About Improving BC/DR

"Which of the following initiatives are likely to be your firm's/organization's top hardware/IT infrastructure priorities over the next 12 months?"
(Purchase or upgrade disaster recovery and business continuity capabilities)



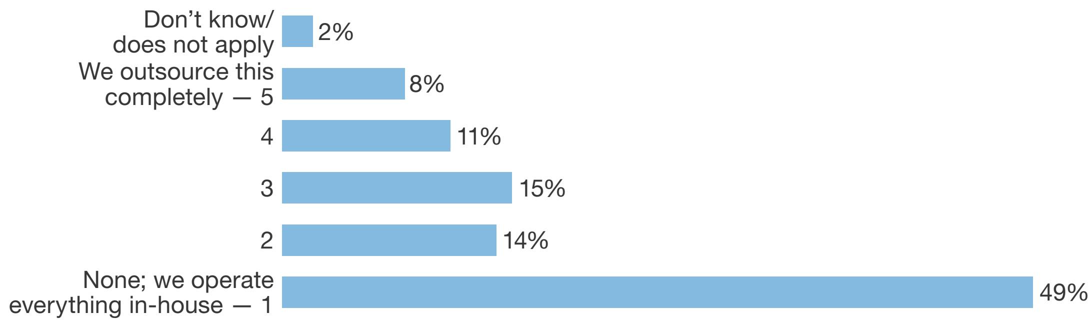
Base: IT hardware decision-makers

Source: Forrsights Hardware Survey, Q3 2013

109701 Source: Forrester Research, Inc.

Figure 2 Half Of Surveyed Companies Use Outsourced DR Services

"For each of the following data center and IT infrastructure components, how much outsourcing and managed services does your firm use for IT operations?"
(Disaster recovery)



Base: 438 IT hardware decision-makers who primarily work with servers, storage, or the data center

Source: Forrsights Hardware Survey, Q3 2013

109701 Source: Forrester Research, Inc.

Today's Buyers Demand A More Flexible, Cost-Effective DR Service Provider

For years, buyers have lamented that traditional DR service providers were difficult to work with, namely because of long and inflexible contract terms, ineffective support, and nontransparent pricing. While some of these challenges still linger, the advent of cloud-based recovery is forcing the traditional providers to rethink their approach to customer service. Since the last update of this evaluation, several vendors have updated their approach to pricing and packaging so customers understand exactly what they are purchasing and how the costs break out. Another area of improvement is availability guarantees and penalties — more vendors are agreeing to step up financially if they can't meet service-level agreements (SLAs) and are more transparent about the oversubscription of resources. There are still gaps, namely in the realm of testing, where customers still find the scheduling and support process onerous, but overall, providers are moving in the right direction.

TRADITIONAL DISASTER RECOVERY SERVICE PROVIDERS EVALUATION OVERVIEW

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

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

After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated vendors against 45 criteria, which we grouped into three high-level buckets:

- **Current offering.** To assess product strength, we evaluated each offering against six groups of criteria: core DR service offerings (including IT recovery services, work-area recovery/workforce continuity, quick-ship recovery services, and consultative services), platform support, network ring/backbone, advanced recovery services, additional services, and geographic scope.

- **Strategy.** To assess strategy, we considered how well the service 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 service provider's approach to flexibility: How does the provider approach pricing, standard contract terms, changes, service levels, and testing?

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

Evaluated Providers Offer Enterprise-Class Disaster Recovery Services

Forrester invited six service providers in the assessment: CSC, HP, IBM, Phoenix, Recovery Point, and SunGard. Although Phoenix chose not to participate in this Forrester Wave evaluation, we evaluated Phoenix based on our knowledge from past analysis and publicly available information so as to provide a complete picture of the competitive landscape. Each of these service providers:

- **Offers core DR services.** Each service provider offers traditional IT recovery — managed or unmanaged traditional recovery in a shared or dedicated space at the service provider's location. In addition, service providers must have support for at least one of the following services: work-area recovery, mobile recovery, quick-ship IT recovery, and disaster recovery planning and preparedness consultative services.

- **Demonstrates the ability to support large enterprise environments.** Service providers must have at least 250 customers or at least $20 million in revenue and offer services out of at least two sites.

- **Does more than just resell third-party solutions.** Many service 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 service 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.

EVALUATION ANALYSIS

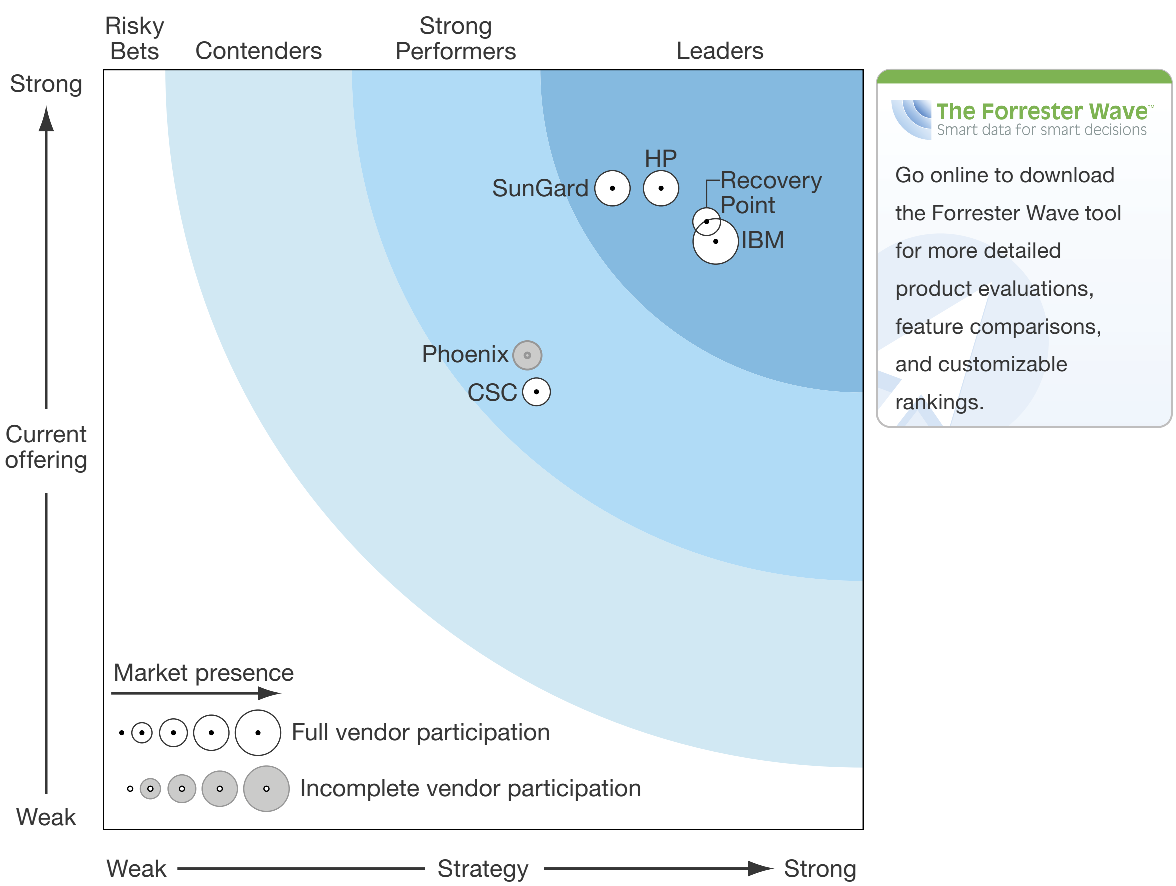
The evaluation uncovered a market in which (see Figure 3):

- **Recovery Point, IBM, HP, and SunGard are the top dogs.** These four vendors are in a close race, each with a broad suite of recovery capabilities and strong platform support. All four particularly excelled in their virtual recovery services offerings.

- **Phoenix and CSC have strengths in their particular areas.** CSC's consulting practice is extremely robust; however, because the company does not offer many add-on services, such as work-area recovery, quick-ship hardware, and business continuity plan (BCP) software, it was unable to compete with the top dogs in several areas. For companies in the UK, Phoenix can compete with the top dogs, but elsewhere, its presence is very limited.

This evaluation of the traditional disaster recovery service providers market is intended to be a starting point only. We encourage clients to view detailed product evaluations and adapt criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool.

Figure 3 Forrester Wave™: Traditional Disaster Recovery Service Providers, Q1 '14



Source: Forrester Research, Inc.

Figure 3 Forrester Wave™: Traditional Disaster Recovery Service Providers, Q1 '14 (Cont.)

	Forrester's Weighting	CSC	HP	IBM	Recovery Point	SunGard
CURRENT OFFERING	50%	2.88	4.22	3.87	4.00	4.22
Core disaster recovery service offerings	25%	2.55	4.75	4.75	3.83	4.30
Platform support	15%	4.30	3.60	3.90	3.70	3.90
Network ring/backbone	20%	3.00	5.00	3.00	5.00	5.00
Advanced recovery services	25%	2.40	3.75	4.20	4.35	3.65
Additional services	10%	1.50	3.00	2.00	3.00	4.00
Geographic scope	5%	5.00	5.00	5.00	2.00	5.00
STRATEGY	50%	2.85	3.67	4.03	3.97	3.35
Value proposition and vision	20%	3.00	3.00	5.00	3.00	3.00
Planned service enhancements	15%	3.00	3.00	3.00	5.00	5.00
Plans for geographic expansion	10%	3.00	3.00	5.00	3.00	3.00
Investment to support strategy	5%	1.00	5.00	5.00	5.00	5.00
Pricing policies	15%	2.13	3.84	3.63	5.00	2.90
Standard contract terms	10%	3.68	4.34	3.68	3.68	0.67
Service levels	15%	4.40	4.40	2.80	5.00	3.00
Proven success	10%	1.00	4.00	5.00	2.00	5.00
MARKET PRESENCE	0%	2.11	3.45	4.24	2.46	3.85
Installed base	35%	2.30	3.00	4.40	2.75	3.70
Revenue	30%	1.00	4.00	5.00	2.00	5.00
Revenue growth	10%	4.00	4.00	2.00	5.00	2.00
Dedicated employees	20%	2.00	3.00	4.00	1.00	3.00
Partnerships	5%	4.00	4.00	4.00	4.00	5.00

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

Source: Forrester Research, Inc.

VENDOR PROFILES

Leaders

- **Recovery Point Systems**. The small but mighty DR service specialist performed extremely well in this evaluation, buoyed by its strong advanced recovery capabilities, transparent pricing policies, and best-in-class service levels. Recovery Point offers a full range of recovery services internally and with tight partnerships with Agility and Avalution Consulting. One of Recovery Point's main differentiators is that it guarantees access to the recovery site where the customer has contracted. It is able to do this by never oversubscribing network, power, and physical capacity — the only component that Recovery Point oversubscribes is the hardware, although it can ship in additional equipment as needed. Customer service is critical to Recovery Point, and it shows: The company had the highest level of overall customer satisfaction of participating vendors. Recovery Point offers services out of six locations throughout the US.

- **IBM.** A historical leader in the traditional DR services market, IBM continues to lead in the traditional DR service provider space.[3] IBM's strengths in this evaluation were in core DR services, where it has one of the most complete portfolios. In addition, with more than 12,000 contracts and 1,800 employees, IBM Business Continuity and Resiliency Services (BCRS) is the largest player in this evaluation. One of the most interesting areas for IBM, however, is its future strategy. The company is developing software to help organizations aggregate internal and external information to predict failures and outages before they occur. This could allow companies to be more proactive, executing recovery plans before they fail. IBM's traditional DR services are available in 150 resiliency centers across 50 countries.

- **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. HP's consultative services, buoyed by its acquisition of EDS in 2008, are also extremely strong. During the past few years, HP has worked hard to successfully improve its service levels and standard contract terms. It is one of the few providers in this space to offer unlimited cancellation after the first 12 months at no penalty and high levels of transparency regarding its oversubscription of assets (its standard is no more than 15 customers per piece of equipment worldwide, 25 in North America). Other strengths for HP include its virtualized server footprint and backup services. HP offers its continuity services out of 45 recovery facilities in 26 countries.

- **SunGard.** One of the longtime giants of the DR world, SunGard's brand is almost synonymous with the traditional DR service provider market. During the past few years, SunGard has expanded its recovery services portfolio to also include cloud-based recovery offerings, making its solution suite very comprehensive, from recovery offerings to consulting to BCP software. Additional strengths for SunGard include its managed recovery program, which offers additional services and resources for customers, and its revamped pricing schema, which aims to add more transparency and is based on the total cost of ownership of the solution. SunGard Availability Services has approximately 5 million square feet of data center and operations space at more than 80 facilities worldwide.

Strong Performers

- **Phoenix.** In 2012, Phoenix IT Services merged with ICM and became Phoenix, a hosting, cloud, and business continuity services company based in the UK. Phoenix offers the full breadth of IT, work-area, mobile, quick-ship, cloud-based recovery, BCM software (Office-Shadow), and consultative services. The company is very competitive with global providers in the UK market. Phoenix has more than a dozen recovery centers throughout the UK.

- **CSC.** While the massive systems integrator may not offer every type of recovery service — most notably lacking work-area recovery and quick-ship services — it has impressive resources to support its capabilities in the spaces where it does play. CSC demonstrated the largest capacities of several common infrastructure platforms, and claims that around one in four of its traditional outsourcing clients also use them for recovery services. CSC's strengths reside in its testing support, service-level guarantees, and consultative services for which it leverages resources from the additional 98,000 employees at the company. CSC has over 40 data centers globally in North America, South America, Europe, Asia, and Australia.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 3 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 four 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.
- **Executive strategy briefings.** We asked vendors to provide us with a briefing on their vision for the DRaaS market, strategy, and differentiation.
- **Customer reference survey.** To validate product and vendor qualifications, Forrester also fielded a survey to between two and four 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. For more information on the methodology that every Forrester Wave follows, go to http://www.forrester.com/marketing/policies/forrester-wave-methodology.html.

Forrsights Methodology

Forrester's Forrsights Hardware Survey, Q3 2013, was fielded to 2,306 IT executives and technology decision-makers located in Canada, France, Germany, the UK, and the US from SMB and enterprise companies with two or more employees. This survey is part of Forrester's Forrsights for Business Technology and was fielded from June 2013 to August 2013. ResearchNow fielded this survey online on behalf of Forrester. Survey respondent incentives include points redeemable for gift certificates. We have provided exact sample sizes in this report on a question-by-question basis.

Each calendar year, Forrester's Forrsights for Business Technology fields business-to-business technology studies in more than 17 countries spanning North America, Latin America, Europe, and developed and emerging Asia. For quality control, we carefully screen respondents according to job title and function. Forrester's Forrsights for Business Technology ensures that the final survey population contains only those with significant involvement in the planning, funding, and purchasing of IT products and services. Additionally, we set quotas for company size (number of employees) and industry as a means of controlling the data distribution and establishing alignment with IT spend calculated by Forrester analysts. Forrsights uses only superior data sources and advanced data-cleaning techniques to ensure the highest data quality.

We have illustrated only a portion of survey results in this document. To inquire about receiving full data results for an additional fee, please contact Forrsights@forrester.com or your Forrester account manager.

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All of Forrester's research, including Forrester Wave evaluations, is conducted according to our integrity policy. For more information, go to http://www.forrester.com/marketing/policies/integrity-policy.html.

ENDNOTES

[1] Of those who say improving BC/DR is a critical priority, 57% are using outsourced services. Of firms that say improving BC/DR is not on their agenda, only 48% use outsourced DR services. Source: Forrsights Hardware Survey, Q3 2013.

[2] In Forrester's 17-criteria evaluation of disaster-recovery-as-a-service (DRaaS) vendors, we identified the 12 most significant service providers. See the January 17, 2014, "The Forrester Wave™: Disaster-Recovery-As-A-Service Providers, Q1 2014" report.

[3] In the following report, IBM, HP, and SunGard are the top dogs. These three vendors were 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. See the June 9, 2010, "The Forrester Wave™: Disaster Recovery Services Providers, Q2 2010" report.

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A global research and advisory firm, Forrester inspires leaders, informs better decisions, and helps the world's top companies turn the complexity of change into business advantage. Our research-based insight and objective advice enable IT professionals to lead more successfully within IT and extend their impact beyond the traditional IT organization. Tailored to your individual role, our resources allow you to focus on important business issues — margin, speed, growth — first, technology second.

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