



 VITAL INFORMATION FOR VARs AND TECHNOLOGY INTEGRATORS

## Three-Tiered Service

Vendors, MSPs, distributors maximize offerings

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The online data [backup](#) and storage business is booming as established [storage](#) vendors like EMC, Seagate, Symantec and others buy providers of the service, putting them in direct competition with a growing host of small businesses.

In a new twist to this constantly evolving model, a developer of [software](#) for online backup services has teamed with an enterprise managed service provider, who has teamed with a distributor, who, in turn, is teaming with small solution providers in a three-tiered distribution arrangement to target as wide a customer base as possible.

The typical small business may have only 10 Gbytes or 15 Gbytes of local data, or maybe up to a Tbyte or more, said John Mahoney, manager of system services at Watkins IT, a Bethesda, Md.-based small business network and managed services provider. Such customers typically don't have an experienced IT person to handle backups, Mahoney said.

### The Project:

- Companies such as Watkins IT, Asigra, DS3 Data Vaulting, XiloCore, Jamcracker and Synnex are among a growing number of businesses reaping the benefits of new, three-way partnership. This multitiered approach to backup allows vendors to target the widest customer base possible.

Several vendors provide the software and/or [infrastructure](#) to let solution providers offer backup as a service. While some of those offerings are geared to small business customers, others are aimed at enterprises and telecom carriers.

One of the latter vendors is Asigra, a Toronto-based developer of software. Asigra's customers are large managed services providers who use its software to provide online backup, said Eran Farajun, executive vice president.

MSP customers include such companies as DS3 DataVaulting, Chantilly, Va., and XiloCore in Las Vegas, both of whom have the infrastructure to host the backups using the Asigra software, Farajun said. Those MSPs, in turn, sell to other solution providers. Jamcracker, a Santa Clara, Calif.-based provider of on-demand services, offers XiloCore's services to its customers, he said.

Those MSPs also want to work with smaller solution providers, but find it difficult to deal with such companies, Farajun said. "VARs want to deal with trusted partners," he said. "But companies like DS3 and XiloCore are not distributors. These companies think, why sell a handful of services to VARs when they can sell a boatload to distributors?"

Stacy Hayes, vice president and COO of DS3, agrees. DS3 has been working with Asigra since 2002 to provide on-line backups to enterprise customers. DS3 has about 1 petabyte of data under management, a figure that has been doubling in size every year until this year, Hayes said. The average customer stores 800 Gbytes of data with DS3 after [compression](#) and de-duplication. The largest customer stores 30 Tbytes with DS3, he said.

DS3 charges customers about \$9 per Gbyte per month for the amount of compressed, de-duped data protected online, with the unit price falling to about \$6 as volume goes up. "We charge based on stored data because we want customers to take advantage of Asigra's data reduction technology," he said.

DS3 saw the potential for working with solution providers, but didn't want to deal with smaller VARs. So it signed Synnex as a distributor. "This exposes the VAR to sell data vaulting. They can keep it transparent, and sell it with their name," Hayes said.

Synnex's value-add is in its ability to identify and manage relationships with solution providers, including Watkins, which works with Synnex, said Kirk Nesbit, vice president of design and support services at Synnex. "It's much easier than trying to get the reseller to manage multiple direct relations."