

## FAST GROWTH

# DS3 DataVaulting

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Executives at DS3 DataVaulting insist that tape is dead, and they have a compelling story to back up their contention.

The MSP is targeting enterprise customers with its remote backup and restore services that favor disk-to-disk backup over a tape solution. The system allows customers to send encrypted backups and perform restores over the Web. All data is housed on DS3's servers, collocated at an AT&T hosting center.

"One of our strategies from a marketing point of view is to convince the market that tape-based systems are a thing of the past," said DS3 DataVaulting CEO William McCormick. "We liken it to the typewriter and what happened when the PC came into the marketplace. We've seen a dramatic shift of CEOs and IT managers toward our type of solution. It is so much easier to manage files and restores, and it is getting better and better all the time."

After three years in business, DS3 has about 45 customers and just signed its first government account, said McCormick. The MSP increased its first-half 2005 revenue 119 percent over the same period in 2004.

One of the biggest hurdles when recruiting new customers is convincing them it's safe to trust their data backups to a third-party company, said Stacy Hayes, vice president of operations and

business development.

“The way we have overcome that objection is to install a test solution,” Hayes said. Because DS3’s solution requires no formal integration with the customer’s system, evaluation setup is quick and painless, he said.

Reggie Henry, CTO for the American Society of Association Executives and The Center For Association Leadership, said DS3’s solution saves time and administrative costs associated with backups. But it’s not just about the cost savings.

“The big deal for me wasn’t so much cost,” Henry said. “I think we are paying about \$1,000 per month. When I look at the cost of what would happen if someone forgot to take the backups home—it’s easy insurance for me.”

Pricing for the backups is \$6 to \$11 per gigabyte per month, depending on volume. Next, Fairfax, Va.-based DS3 plans to add tools that identify and eliminate duplicate files, a cost saver for companies that must archive large amounts of data.