Decision Framework, DF-12-8493
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Question the E-Mail ASP Before Signing Away Your E-Mail

Enterprises are faced with a dilemma. The ASP wants the enterprise to believe that it can "take away the pain." However, most enterprises don't know what questions to ask to avoid new pain.

Core Topic
Electronic Workplace: E-Mail and Messaging

Key Issues
How can enterprises realize stability, security and efficiency in an enterprise messaging service in times of accelerating change and exponential growth?

How will messaging vendors differentiate themselves and survive in the face of market and industry turbulence?

Strategic Planning Assumptions
By 2H02, more than 100 ASPs will offer e-mail outsourcing services. By the end of 2003, 60 percent will have terminated the e-mail service offering or closed shop (0.8 probability).

By 2002, 50 percent of enterprises will spend 25 percent of their messaging budget on outsourcing (0.8 probability).

Outsourcing e-mail is not a new idea. More than 15 years ago, providers like CompuServe, Infonet, AT&T and MCI offered proprietary mailboxes that could serve traveling enterprise or consumer users through a dial-up session. About eight to 10 years ago, SMTP e-mail was offered mainly by carrier-class providers; mailbox provisioning was merely a function of the network. Only within the last three to four years have ASPs built their e-mail service offerings around enterprise needs.

During the same period, the demands on enterprise messaging exploded. Support for pure person-to-person e-mail evolved to include collaborative applications (e.g., chat, instant messaging, conferencing and calendaring) as well as B2B and B2C messaging delivered across a variety of handheld devices in addition to the traditional desktop client. Enterprises also found themselves delivering messaging services across organizations challenged by rapid growth, a highly mobile workforce, distributed branch locations, fluctuating head counts (e.g., as a result of mergers, acquisitions or reorganizations), IT skill shortages and cash constraints.

Enterprises that are considering outsourcing their e-mail must carefully evaluate the ability of the prospective application service provider (ASP) to manage this complex environment, not as well as the enterprise, but better. Setting of expectations by both the ASP and enterprise before the contract is finalized lays a foundation for successful outsourcing. However, the onus is on the enterprise to ask the right questions.

The following questions can serve as a framework for interviewing potential service providers or developing a request for proposal (RFP). The enterprise should consider that many ASPs and vendors will treat RFPs as "check mark" and money-wasting exercises. Interviewing ASP staff (account management,

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technical support and sales), conducting reference checks of current and former customers and making on-site visits to the ASP's support and data centers will yield the greatest insights into the ASP's technical and business capabilities and financial viability. This list of questions should be tailored to reflect the enterprise's culture and business environment. It should serve as a starting point for assessing the ASP.

Business Model and Costs

What market space do you target? Some ASPs focus on a specific market, e.g., small to midsize businesses (SMBs) or other ASPs, Internet service providers, Web portals and carrier-class providers. ASPs increasingly will focus on vertical industries. The enterprise should determine whether the ASP can meet its unique market sector needs.

What type of e-mail services do you provide? The real question concerns breadth of services. ASPs with roots in e-mail (e.g., Commtouch, Critical Path, Electric Mail, Mail.com, United Messaging and USA.net) will offer commodity, standards-based mailboxes (Web, POP3 or IMAP4) and one or more traditional product service offerings (e.g., Domino or Exchange). Pure-play ASPs (e.g., Corio and USInternetworking) with an e-mail service offering will usually only offer Exchange or Domino. For many enterprises, the e-mail environment includes such collaborative technologies as instant messaging, chat, fax, group workspaces and e-meetings, as integrated or point solutions. As the workplace becomes more "virtualized," successful ASPs will feature a spectrum of collaborative services, either directly or through partners, as an integrated offering.

What do you charge? List prices for standards-based mailboxes can start at less than 50 cents per mailbox per month. The addition of adequate storage and basic services, such as virus protection and calendaring, will bring the price range to $1 to $7 per month, per standards-based mailbox. Per month, per mailbox costs for traditional products range between $15 to $25. ASPs will offer volume discounts and deals for service bundling. Enterprises can realize a lower overall price point by mixing and matching ASP mailbox services. For example, 70 percent of workers' needs may be met by a Web-based mailbox at $1; 20 percent may require offline storage met by an IMAP4 mailbox at $5; and only 10 percent may need a full Exchange or Domino mailbox at $20. The enterprise may realize a significant cost savings with a "mix and match" cost model instead of providing all users with the same services, needed or not.

What's covered in the price? What's not? Base-price, standard-based mailboxes will include 10MB to 30MB storage,

calendaring, antivirus filtering, data center operations and second- to third-tier support. Traditional product mailboxes include these features with 50MB of storage, plus all the usual features of the product (e.g., calendaring, tasks/to dos, contacts and shared databases/public folders). Most ASPs will also bundle-in the cost of the client access license (CAL). Base price usually will not include such items as desktop client deployment and support, first-tier support, data migration, system integration with legacy systems and networking, although some ASPs will offer these services for an additional fee. Additionally, the enterprise should factor-in the cost of the internal staff required to manage the vendor relationship.

Describe your model for account management. The enterprise should assign a person responsibility for vendor management. This person and the ASP manager assigned to the account should regularly meet to review such items as trouble ticket handling. During implementation, issues such as data migration and user adoption will be discussed. The enterprise needs to advise the ASP of anticipated changes in the business that can affect messaging volume or patterns. A good ASP account manager will advise the enterprise how the ASP can meet those needs. A great ASP account manager will review the enterprise's messaging activity and alert the enterprise to trends or anomalies.

What problems have you found when working with other customers in similar environments? Evaluate the ASP's degree of openness.

Data Security

What measures are taken to ensure that my data is safe? Security takes several forms:

1. Most ASPs will scan inbound and outbound messages for viruses at the Internet boundary. Some may also filter for enterprise-defined inappropriate content and spam.

2. Data communications between the enterprise and ASP generally will be carried across a dedicated line or virtual private network secured by a Secure Sockets Layer.

3. In the ASP's data center, system access will be restricted, as it would be within the enterprise's operations. The enterprise should review the ASP's security policies on its associates and new hires. Ideally, such policies should be audited periodically by an independent auditor.

4. The enterprise should ensure that backup media is catalogued (properly labeled and indexed) and maintained

securely (X generations of backups maintained, some on-site, some off-site).

In the event that the ASP relationship is terminated, by what process is data returned? The data should be returned using a utility and tape format that allows the enterprise or other ASP to import it into a new instance of the e-mail system (e.g., Domino, Exchange or iPlanet). Similarly, backup data should be returned in a format that can be used for recovery. The contract should specify that the use of the enterprise's e-mail system data by the ASP is restricted and backup copies of data must be destroyed after a successful redeployment (but not before).

Infrastructure and Support

Where are your data centers located? If the enterprise is global, ASPs with regional data centers will be able to host servers closer to, and provide better performance for, the enterprise's branch offices. Ask the ASP whether it hosts services on its data center or partners with another provider for data center facilities. Before the enterprise makes such tactical decisions, however, it should seek advice from legal counsel on the impact of country-specific data privacy laws that place conditions on the transport of data across country borders.

How is your technical support structured? ASPs will provide second- to third-tier (system engineer level) technical support that will work with one or more of the enterprise's technical support staff. Particularly if the enterprise is global, the ASP should provide 24x7 support. Determine how off-business-hour support is handled. If the ASP is also providing first-tier (end-user) support, ask what local language support is available.

How is business continuity (disaster recovery) handled? Ask the ASP for its definition of what constitutes a disaster. The ASP's business continuity script will define what data is restored, within what time period and for what level of disaster, as well as how and when the enterprise will be contacted in the event of a disaster. Ask with what frequency the ASP tests its business continuity script. (See also KA-03-3652, "Does Your ISP Have a Business Continuity Plan?")

How is user account management handled? The ASP should provide a Web interface for user account additions, deletions and changes, as well as such administrative items as changing mailbox size limits and modifying distribution lists. Some ASPs will also provide reporting capabilities on items like number of messages sent and received that are categorized into user groups and time periods. Determine whether reports can be generated online and in exportable formats.

Can we make a site visit to your data center? Evaluate the structure and organization. Floors should be raised in the data center and air should circulate freely. The air conditioning will be turned up: chilly for humans, perfect for servers. Monitoring and management (for local and remote data centers) should be centrally controlled.

Service-Level Agreements

What is covered under your service-level agreement? The service-level agreement (SLA) process must go beyond mere measurement to include a methodology for the ongoing management of service levels and for the continuous improvement of service activities, functions and processes. The e-mail outsourcing SLA should cover availability, performance and support.

- *Availability* defines the period of time that the e-mail servers will be available, within the planned "uptime" for the application. Data center operations normally reserve a weekly or monthly time frame, during which systems can be brought down for normal maintenance, which is called "planned downtime." The rest of the time is called "uptime." Availability commitments will cover neither the desktop nor, normally, networking (e.g., remote access, WAN or LAN). If the ASP provides some level of networking services, the SLA must define networking availability separately from messaging server availability. Ask the ASP its downtime schedule to ensure that it does not occur during an enterprise business-critical period. Where the enterprise has global operations, consider time differences. Most ASPs will commit to a 99.5 percent availability.

- *Performance* generally defines the period of time it takes to complete an online e-mail transaction. Such metrics are specific to type of mailbox service. Sample metrics for a Web mail service might include the time to access the login page (five seconds), log into inbox (five seconds) and logout (10 seconds). Example metrics for a POP3 mailbox might include total time for logon, retrieve mail and logoff (five seconds). Where end-to-end delivery times are measured, the ASP will usually only guarantee delivery time from the receipt of the message by the sender's messaging server to the last point that it can be controlled by the ASP (such as the internal recipient's messaging server or the point of delivery to the Internet). Performance commitments will not cover slowdowns or failures originating from the desktop. Similarly, networking will not be covered unless the ASP is providing that service. Given enterprise-specific differences in user distribution and the ASP's server topology, performance metrics may be deployment-specific.

- *Support* defines the degree of responsiveness and completeness the enterprise should expect from the ASP's technical support staff. Evaluate the process by which a trouble ticket is opened and assigned. Mean time to resolution (MTTR) metrics should be specific to the severity level of the support call. Generally, the ASP will support three to four severity levels, where the highest results from an outage (i.e., e-mail cannot be sent or received) and the lowest results from the unavailability or improper functioning of non-mission-critical features. The enterprise should ensure that it is in agreement with the ASP as to what constitutes "non-mission-critical features." An initial estimated time of arrival for resolution (ETA) should be provided within 15 minutes of the reported incident, with hourly status updates for an outage or other high-severity incidents. Separately, some ASPs will offer first-tier (end user) support as an added-fee, professional service. SLA commitments should be specific to the type of support provided. (See also SPA-09-0278, "Incorporating Help Desk Metrics Into SLAs.")

What type of SLA reporting is available to the enterprise? Ask the ASP how it monitors and audits SLA commitments. The granularity of reporting metrics will vary by ASP. Increasingly, ASPs will offer a Web interface for the enterprise to run ad hoc or scheduled reports. Such reporting should be used by the enterprise not only for auditing SLA commitments, but, depending on the degree of granularity, also as a tool to analyze message traffic trends and do forecasting. (See also TG-12-5977, "Stop E-Mail System Firefighting: Monitor and Manage.")

ASP Contract

What comprises the e-mail outsourcing contract? Enterprises must require prospective ASPs to include contract terms and conditions that mitigate user risk, meet their service-level requirements, are priced competitively and ensure delivery of business value for the life of the contract. We recommend contracts of no more than two years in duration. We see great potential for downward price pressure as well as risk from consolidation, acquisition or ASPs that cease to exist. Beyond the mailbox costs, the contract should cover professional services for such initial, one-time costs as mailbox set-up and data migration and such on-going costs as networking and first-tier help desk support. The SLAs are a component of the contract. (See also DF-12-0940, "ASPs: What Does an Effective ASP Contract Include?")

Related Research

- R-12-6618, "How Hard Will ASPs Bite the IT Industry?"

- DF-12-1763, "ASP User Risks: Concerns and Caveats for Brave Pioneers"

- M-12-1321, "ASP Six-Layer Model"

- DF-12-2003, "ASP User Risks: Data-Related Issues"

- SPA-10-4402, "Are SMEs Ready to Adopt ASPs?"

Bottom Line: Successful ASPs will deliver services that are specialized enough to feel unique to their customers, yet "cookie-cutter" enough to bring them economies of scale. Completeness of service delivery hinges on enterprises asking the right questions upfront, and ASPs responding with deals that avert operational risks and that extend the enterprise's agility. Enterprises that do not thoroughly investigate the ASP's capabilities will face unfulfilled expectations and may face failed service delivery.