

Mitigating Risk and Finding Opportunity in Software as a Service (SaaS) E-mail for Small and Medium Businesses

Abstract

Software as a Service (SaaS) e-mail offerings provide some operational productivity benefits at lower prices, although it is not a silver bullet, and should not be considered a compromise to existing solutions. SaaS e-mail service bundles can provide capabilities not previously available with existing e-mail solutions especially with operational aspects of managing an e-mail infrastructure. Although total cost of ownership (TCO) is a leading driver for choosing SaaS e-mail, customers should approach SaaS e-mail options based on how the solution will improve the e-mail experience and increase user and operational productivity as well as mitigate risks.

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Audience

This white paper is intended for Information Technology decision makers, with a special emphasis on small- to medium-sized businesses (50-500 people).

Executive Overview

Software as a Service (SaaS) e-mail offerings provide some operational productivity benefits at lower prices, although it is not a silver bullet, and should not be considered a compromise to existing solutions. The benefits of SaaS e-mail are compelling, and can provide significant cost and operational benefits to small and mid-sized business (SMBs) struggling to keep messaging services running and affordable. In addition to operational and cost advantages, SaaS e-mail service bundles can provide capabilities not previously available with existing e-mail solutions.

Today, the email market is marked by an abundance of service choices. Customers can choose to deploy e-mail services in one of three ways:

- [On-premises](#)
- [Hosted](#)
- [Hybrid](#)

E-mail plays a leading role in the productivity of information workers. Much of the operational productivity and risk management functions of e-mail are supported by a series of back-end services that makeup a business messaging framework. A business messaging strategy includes all service components that support business operational policies and mitigate risks.

The SaaS e-mail market is not limited to e-mail and personal information management tools (e.g., contacts and tasks), however. Many providers offer bundled services that include e-mail, calendars, and contacts along with communication, collabora-

Customers should approach SaaS e-mail options based on how the solution will improve the e-mail experience and increase productivity

tion and social software tools. This trend is beneficial to customers and vendors alike. Communication, collaboration, content management, and social software services are deeply intertwined with e-mail and share many of the same back-end services that are needed to support e-mail making it easier for providers to offer more solutions to customers. Customers win because they can now get capabilities that e-mail supports (e.g., collaboration and social media) that they may not have had previously.

Careful consideration of the risks and how SaaS e-mail providers address them is paramount to successful customer/vendor partnership and business messaging strategy. Collaborative Strategy Guild (CSG) recommends that customers do the following to decide on a business messaging strategy that fits their needs:

- [Look for the Opportunities](#)
- [Don't Compromise on Functionality](#)
- [Know What Kind of E-Mail Customer You Are](#)
- [Compare Offerings](#)

Although total cost of ownership (TCO) is a leading driver for choosing SaaS e-mail, customers should approach SaaS e-mail options based on how the solution will improve the e-mail experience and increase user and operational productivity as well as mitigate risks.

The Situation

Information Technology (IT) professionals are increasingly aware of SaaS e-mail offerings and are likely examining if SaaS e-mail models and providers will work for them. The SaaS e-mail market is marked by offerings from traditional on-premises e-mail providers, such as IBM and Microsoft, and web-based information providers such as Google and Yahoo. Competition for market-share is being played out through aggressive pricing with increasing standardization of e-mail services and bundles. These dynamics are having an increasingly commoditizing effect on e-mail services that can be both a benefit and risk to customers.

Benefits of SaaS E-mail

The SaaS e-mail market is gaining in popularity offering customers opportunities to take advantage of the increasing commoditization of e-mail and collaborative services via Internet-based providers. Decisions to deploy hosted e-mail are playing out in executive suites with top down pressure to bring down e-mail costs while providing more predictability and manageability. The benefits are compelling, and can provide significant cost and operational benefits to small and mid-sized business (SMBs) that are struggling to keep messaging services running and affordable.

The drivers to purchase SaaS e-mail services are highly attractive to any size business, and include:

- **Cost:** SaaS e-mail offerings are typically based on per user, per month pay-as-you-go leasing model that can be more predictable and, in many cases, cost effective. Costs associated with capital assets, some staffing, storage, bandwidth, and software licensing (to name a few) are eliminated by SaaS delivery models.
- **Operational efficiency:** SaaS e-mail shifts the operational burden to the provider and reduces dependence on in-house IT staff, hardware, and software resources allowing companies to focus resources on other business IT.
- **Convenience:** SaaS e-mail is simple to deploy and use with ad-hoc account provisioning, end user support, centralized management, rapid piloting, and problem resolution.

In addition to operational and cost advantages, SaaS e-mail service bundles can provide capabilities not previously available with existing e-mail solutions. For example, browser-based e-mail clients allow users to access

e-mail from remote locations and mobile devices, something that might not have been available when e-mail is managed behind company firewalls and on individually configured desktop clients. Un-tethering information workers from offices can represent savings in facilities costs and encourages productivity through autonomous working models.

The drivers to purchase SaaS e-mail services are highly attractive to any size business

The Opportunity Cost of SaaS E-mail

Overall, the most compelling argument to move to hosted e-mail services is cost savings. SaaS e-mail pricing can represent significant savings over on-premise e-mail operating costs, which typically include capital and resource costs (depending on provider and services). It behooves any business manager to investigate outsourced e-mail services, especially now that more business-grade offerings are available on the market.

Price alone, however, should not be the only reason to choose one provider or delivery option over another. In some cases cheaper means giving up something that may, in turn, negatively impact the business and its productivity. CSG recommends that customers consider functionality and how it affects the business (positively or negatively) alongside pricing when considering any e-mail solution.

The Risk of Doing Without

Customers should look at the economic value of a SaaS e-mail solution and not just the price tag. If a business is trying to save money while simultaneously reducing end user capabilities it may actually spend more in economic costs over the long run. As reflected in customer interviews it's often the little things that actually matter when it comes to end user productivity. If an existing capability is taken away for a cheaper price tag there is a high probability of end user backlash due to lost productivity time. For example, if one e-mail solution provides integrated free/busy time that makes meeting scheduling a matter of sending a single e-mail message compared with fielding several e-mail messages in another service, the time lost scheduling meetings in the latter service could easily become more significant than the savings on price over time.

It's extremely rare for savvy businesses to make a mission critical technology decision – like e-mail - based on price alone. The economic value of a solution over the long term can outweigh immediate price savings. Today's SaaS e-mail market is highly dynamic with aggressive pricing and pressure on customers to move to emerging services. This dynamic makes it even more important for customers to take time to look at the opportunity cost of one solution over another. There can be many benefits gained by outsourcing e-mail and new SaaS offerings can provide more capabilities to customers than they have with their current e-mail solution. Customers now have the opportunity to pick a provider that will grow with them as well as provide capabilities that they currently don't

enjoy. Customers should leverage their buying power to gain more functionality rather than compromise capabilities simply for the least expensive solution. In other words, SaaS e-mail should provide added business value along with cost savings.

SaaS e-mail and lower prices is a double edge sword. On one hand a large savings over current e-mail costs can be a windfall for any customer; on the other hand standardized hosted solutions may hem in an organization and not offer enough protection, support, or capabilities to meet the business needs of the company. A provider/customer mismatch will eventually force the customer to move to another solution provider incurring more migration costs, contract cancellation fees, and disruption than expected.

Is The Provider Enterprise Ready?

In interviews with SMBs moving to SaaS e-mail solutions, CSG often heard the comment that some providers were not “enterprise ready.” Enterprise ready means that the provider can offer services and capabilities that will support customer’s business needs, growth, and changes. Key characteristics of enterprise ready offerings include:

- **Integration:** the ability to tie messaging services (i.e., e-mail, calendar, contacts, and tasks) to line of business (LOB) systems and other platforms.
- **Flexibility:** the ability to increase capacity, create customized messaging interfaces, integrate services from different sources (e.g., on-premise solutions or other hosted services), and provide support for complex operations (e.g., multiple domains).
- **Security:** the ability to secure e-mail information and data, ensure system availability, provide compliance/ediscovery tools and support, and mitigate risks.
- **Productivity:** the ability to provide services and features that make users more efficient and productive.

Despite the size of the company, all businesses need to be able to do things that allow them to grow and extend their capacity to perform their work. Choosing a provider that can not grow with the business will result in buyer’s remorse and might be more costly to get out of than to get into.

Risks of SaaS E-mail

In addition to cost risks, operational concerns are high on the list of items to consider when going with a SaaS email, such as:

- **Security:** How the hosting provider secures e-mail data is crucial to all businesses. Most providers offer standard anti-spam/virus/malware filtering, along with data center security. Support for message encryption and digital signatures vary depending on the provider. Any beyond-the-basics support in these areas will likely add to the cost of a SaaS e-mail service.
- **Service Level Agreements (SLAs):** SaaS e-mail service levels tend to be limited to standard contracts that are defined by the provider and are usually non-negotiable. The current SaaS e-mail SLA availability trend of 99.99% up time is not on par with the enterprise average of 99.999% up time.
- **Reliability and responsibility:** Although there is no evidence that hosted systems fail more than on-premises systems recourse for outages is limited and determined by the provider. Customers must rely on the provider to restore service and compensation for downtime ranges from service credit or refunds to nothing.
- **Data migration:** Moving data is a two way street that covers both uploading content to the provider’s servers and being able to download data to on-premise devices. Many customers forget to consider the data migration aspects of setting up SaaS e-mail - specifically moving existing mailbox and corporate directory content to hosted data centers. Few customers consider what it will take to get data back should the service be discontinued which can be costly.
- **Buyer’s remorse:** It is a distinct possibility that a SaaS e-mail service may not live up to customer expectations especially if the service isn’t tested for usability, functionality, and manageability. The key to adoption and success is to make sure that user productivity and business needs are met along with the operational and cost benefits.
- **Flexibility and service limitations:** Inability to customize SaaS e-mail features can be “deal breakers” when choosing a SaaS e-mail solution which makes it important for customers to understand how e-mail supports their business. SaaS e-mail providers tend not to provide integration or other support for customized applications, add-on services, or line of business applications (e.g., CRM, enterprise resource planning [ERP], or portals).
- **Maturity of service:** Most business-grade SaaS e-mail offerings are relatively new compared to commercial e-mail offerings and on-premises e-mail solutions. Providers such as Google, IBM, and Microsoft have established their SaaS e-mail offerings only in the last few years. Customers should anticipate the possibility of problems with service delivery, customer support, or contract management and determine if they can tolerate any provider growing pains.
- **Regulatory compliance and legal discovery:** How third parties manage customer information in hosted data centers vary widely. Compliance initiatives may be narrowly focused to allow for broadest application to support the majority of the

customer-base. Hidden gotchas such as extra charges for extracting data for legal discovery are nestled deeply into contracts. Generally archiving services are an additional cost and not bundled with the standard options.

These and other risks abound when entrusting key business applications to third party providers. CSG recommends that customers examine contracts carefully to make sure the SaaS e-mail provider will meet the risk management policies of the business and provide acceptable remediation in case of problems.

The Mechanics

Today, the email market is marked by an abundance of service choices. Each choice represents different delivery and cost models, making the decision on services and providers a complex set of options. Understanding the different options can benefit customers as they look at the mechanics of each delivery and cost model.

E-Mail Delivery Models

Customers can choose to deploy e-mail services in one of three ways:

- [On-premises](#)
- [Hosted](#)
- [Hybrid](#)

On-premises

An on-premises e-mail delivery model maintains all hardware, software, and system management resources in company owned data centers and is supported by full time employees. Customers purchase software licenses, capital assets,

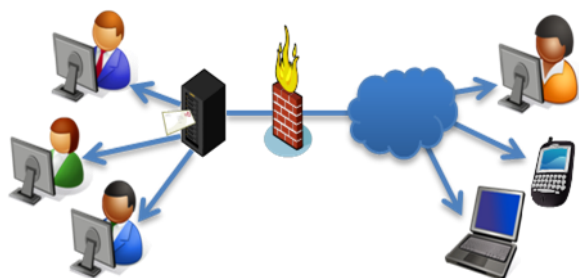


Figure 1: On-premises e-mail services

An on-premises e-mail delivery model generally represents the most costly solution, but economies of scale, risk intolerance, and self-sufficiency may actually make on-premises e-mail delivery the most beneficial option for some organizations.

Hosted

Hosted e-mail services, also known as SaaS e-mail or outsourced e-mail, are delivered by service providers who manage all hardware, software, and system management in provider-owned data centers. Users access services, clients, and information via the Internet. Costs are represented by a leasing model based on usage (number of users, volume of e-mail, size of message store, etc.) and can come in one of two formats:

- **Dedicated** (Figure 2): where the provider sets up dedicated e-mail servers for the customer company. This model is more flexible and helps meet company requirements (e.g., regulatory, security, system customization).

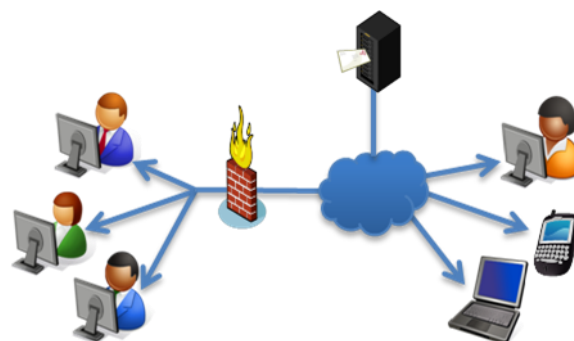


Figure 2: Dedicated hosted e-mail

Understanding the different options can benefit customers as they look at the mechanics of each delivery and cost model

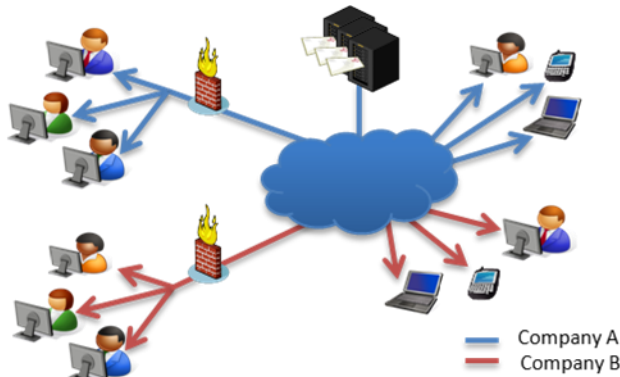


Figure 3: Multi-tenant hosted e-mail

- **Multi-tenant** (Figure 3): where hosting providers set up e-mail accounts on systems that support multiple customers on the same messaging server(s). This option is less flexible than other options and includes more standardized capabilities.

Typically SaaS e-mail services are based on a per-service, per-user usage leasing model which means that the more services, support, and computing power the customer needs the more the customer will spend. Generally the SaaS e-mail includes messaging, mailbox, and web-based e-mail client capabilities along with basic security and e-mail

server management. Supporting services such as mobile support, archiving, perimeter security, web application services including integrated line of business tools or customized applications, and data center services all come at an extra cost.

SaaS e-mail is an on-line experience, thus all providers offer browser-based e-mail clients (sometimes known as webmail). Recently SaaS e-mail providers have began offering support for popular desktop e-mail clients - and hence familiar user and off-line experiences - such as Eudora, Outlook, and Thunderbird. Since SaaS e-mail is delivered via browsers, mobile devices with browsers can access SaaS e-mail although the experience is best when the provider offers a mobile device optimized web client. Many vendors also offer (usually for an extra fee) push type e-mail (e.g., BlackBerry, Microsoft Exchange ActiveSync) to smartphones.

Hybrid

Hybrid e-mail delivery uses a combination of on-premises and hosted e-mail services based on any of the following (Figure 4):

- **Service segmentation:** mailbox or supporting services (e.g., archiving, perimeter security).
- **User segmentation:** defined by user workload where some user accounts are hosted and some are managed on-premise.
- **Data-center and server management:** remote management and support of on-premise messaging services

Hybrid deployment combines capital purchase and leasing models allowing customers to segment costs based on usage and/or service. This allows organizations to balance resources as needed and control spending even if service management is more complex.

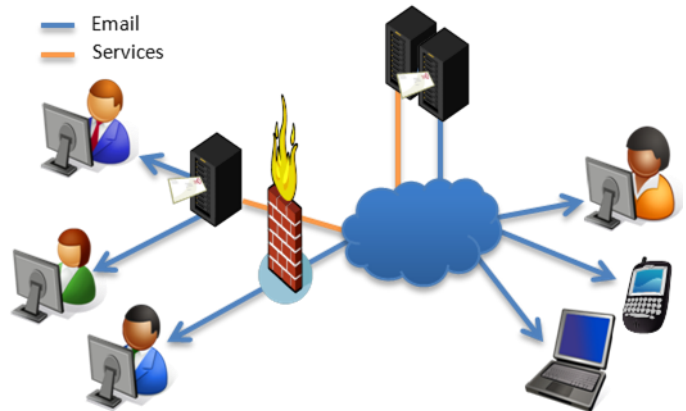


Figure 4: Hybrid on-premises e-mail with dedicated hosted e-mail and services

Business Messaging Framework

E-mail is part of a broad framework of services used by businesses to provide communications among associates, customers, suppliers, and partners. Information workers use e-mail to send messages, manage personal information, and coordinate business activities. E-mail plays a leading role in the productivity of information workers. Much of the operational productivity and risk management functions of e-mail are supported by a series of back-end services that makeup a business messaging framework.

The framework includes:

- **Mailbox services:** e-mail messaging and management, contact management, calendar and scheduling. Additional

services (depending on client interface) include task management, notes/journaling, and unified messaging such as chat transcripts, integrated voicemail, fax, and feed readers.

- **Mobile services:** support the ability to access e-mail on mobile devices, including push services (e.g., BlackBerry), syncing content between devices (e.g., server, desktop, mobile devices), or interfaces optimized for mobile browsers.
- **Add-ons:** integrated mail client functionality for other messaging services via plug-ins, customized interfaces (e.g., fax or unified messaging), specialized gateways, or message forwarding services.
- **Security:** messaging security can be broken into three types:
 - **Mailbox:** preventing unauthorized access to mailboxes or their content.
 - **Message:** message filtering and encryption, digital signatures, and other ways of preventing data leakage and protecting information privacy.
 - **Perimeter (or gateway) security:** security services on the server and network layers that filter out spam/virus/malware as well as message content (usually based on policies) to prevent data leakage and ensure information privacy.
- **Archiving:** services that move historical mailbox content into dedicated file systems that support data recovery, optimize storage, perform records management, facilitate legal discovery, and maintain regulatory compliance of e-mail correspondence.
- **Unified Communications (UC):** communications services and clients (e.g., Microsoft Office Communicator or IBM Lotus Sametime) that support real-time communications methods such as instant messaging (IM), conferencing (i.e., web, audio, video), voice over Internet protocol (VoIP) telephony, and application sharing. UC services also include integration of communication capabilities in common productivity tools through presence and location awareness.
- **Collaboration:** asynchronous sharing of information and content for team-based or group collaboration.
- **Business Process Support:** integration of messaging capabilities in external business processes, such

Bundles Include More Than Mailbox Services

The SaaS e-mail market is not limited to e-mail and personal information management tools (e.g., contacts and tasks), however. Many providers offer bundled services that include e-mail, calendars, and contacts. The convergence of communication, collaboration, and content management services is marked by specialized platforms that share common back-end technologies such as directory services, search, middleware, network, storage, web application servers, and databases. Front-end application interfaces via desktop clients, browser-based clients, and customized networked applications provide more choices for infor-

mation workers to perform different types of business activities. Communication, collaboration, content management, and social software services are deeply

Messaging Plus a Whole Lot More

E-mail often serves as a launching point for other communication or collaborative working models, even if it is not optimized for the activity. Most e-mail users are familiar with having a near real-time, or at least synchronized, e-mail conversation with someone who is reading their e-mail at the same time. Collaborative tasks, such as document review, are often accomplished by sending file attachments between interested parties. Although these activities are possible using e-mail, e-mail client interfaces are not optimized for supporting those activities and can ultimately burden productivity.

The consideration to deploy SaaS e-mail may come along with other IT needs. For example a company may need on-line meetings or collaborative workspaces in addition to messaging services. SaaS e-mail providers tend to offer bundles that include e-mail along with integrated collaboration and communications tools. These providers take advantage of the common platform services to offer customers capabilities beyond e-mail for an incremental cost.

Bundled offerings vary from vendor to vendor but tend to cover business productivity services such as:

- **Messaging:** e-mail, contacts, calendar and scheduling, personal contacts and task management

Messaging security can be broken into three types:

- **Mailbox**
- **Message**
- **Perimeter or gateway**

- **Collaboration:** workspaces, group calendars and tasks, file sharing, wikis, lightweight content management and search
- **Conferencing:** Instant Messaging, on-line meetings, audio and video conferencing, application sharing
- **Social tools:** social networking, blogs, tagging

Packages such as Google Apps Premier Edition (GAPE)², IBM Lotus' LotusLive Engage plus LotusLive iNotes³, Microsoft's Business Productivity Online Suite (BPOS)⁴ can provide a lot of functionality at a lower price than deploying each service on-premise.

The Approach

Deciding whether to deploy SaaS e-mail and which options to purchase can be a daunting task for IT decision makers who have to balance cost with operational and functional requirements. Differing service options and cost models make it hard to perform side-by-side comparisons of the different offerings. For example, on-premise e-mail costs tend to be calculated as annual expenditures for all the licensing, hardware, support, services, and operational overhead. With SaaS e-mail hardware and operational costs are embedded in the leasing prices that are segmented by services. Comparing the cost of these two options requires some extra work on the customer's part to find common values such as finding per user, per month costs for mailbox services.

Evaluating SaaS E-mail Offerings

Evaluating SaaS e-mail solutions and mitigating risk involves looking at each option carefully and determining which option meets the business requirements of the customer. To evaluate operational productivity and risk management of SaaS e-mail

offerings, CSG recommends that customers do the following:

Consolidation, optimization, or upgrading an existing solution may be more cost effective than switching to a new e-mail platform

- [Look for the Opportunities](#)
- [Don't Compromise on Functionality](#)
- [Know What Kind of E-Mail Customer You Are](#)
- [Compare Offerings](#)

When examining their options, customers need to look at both new options as well as their existing e-mail solution. Consolidation, optimization, or upgrading an existing solution may actually be more cost effective and efficient than switching to a new e-mail platform and should be considered along with any new options.

Look for the Opportunities

Price alone should not be the only determining factor when deciding which e-mail option to choose. When price is a mitigating factor in choosing a solution, the general reaction is "what will I need to give up?" However, given today's market and the available solutions "doing without" and compromising productivity for price isn't a foregone conclusion. Recent e-mail offerings, including SaaS e-mail, offer modern user experiences that can include integrated collaboration, unified communications, and improved mobility options. It is possible to get more functionality for less money. The caveat is to choose a solution and a provider that will support the needs of the business, improve operational management, and safely manage information at a reasonable price.

CSG recommends that companies approach any e-mail decision considering what can be gained, choosing one option over another based on what the solution will do to improve the e-mail experience rather than what will be compromised. For example, most SaaS e-mail providers offer large mailboxes with their standard bundles; BPOS includes 5GB (configurable to 25GB), GAPE mailboxes are 25 GB, LotusLive iNotes provides 1GB mailboxes (with option to lease more space as needed). On-premise e-mail deployments tend to place stringent quotas on mailbox sizes to manage storage and server capacity. One benefit of moving to SaaS e-mail could be to alleviate user frustration with mailbox quotas. Another fallout of mailbox quotas is limited attachment sizes causing employees to do more risky things with files such as forwarding files to personal web-mail accounts or putting them on thumb drives. Collaboration and communications bundles (see the [Bundles Include More Than](#)

Mailbox Services section) are another opportunity for customers who don't have these types of services. For an incremental cost, customers can gain much more functionality that will improve user productivity but also provide more secure options for users to share information and work with each other.

Don't Compromise on Functionality

As pointed out earlier, it's actually the little things that count. A decision to forego a feature to get a lower price without considering the opportunity cost of lost productivity can lead to buyer's remorse. The potential for huge migration costs to move another system are high when the service isn't up to the job. Make sure users will still feel they are getting the level of service (or better) that they currently enjoy. Identify important productivity issues, such as unified free/busy time so users can schedule meetings more easily, and make sure that users will not be hindered by any new solution. When choosing a solution consider where the business plans to be in the next three, five, and ten years. Choose a vendor that demonstrates the ability to support the business for the long term. As with many service commodities, expect to keep the service for a long time. A trusted and innovative provider will make it easier to stay and grow with over time.

Know what Kind of E-mail Customer You Are

Determining which provider and service options offer the best opportunities for the business depends on the requirements and needs of the customer. Before getting started companies need to answer and prioritize the following questions based on the Business Messaging Framework:

- **Mailbox services**

- ◇ Does the company need lots of customization and more flexibility?
 - Does the e-mail interface need to be branded for the company?
 - Are there standard e-mail features that the company does not want users to have access to?
- ◇ What are the technical requirements of the e-mail service?
 - Does the company have multiple Internet domains for e-mail?
 - How many users and groups are in the company Directory?
 - What are the current messaging volumes (i.e., message traffic, message sizes, average mailbox growth)?

- **Mobile services**

- ◇ Do users need mobile access to e-mail?
- ◇ What types of mobile devices (e.g., BlackBerry, smartphones, netbooks) are in use by the company?

- **Add-ons**

- ◇ Does the company use unified messaging services such as integrated faxmail, voicemail, specialized gateways, or message forwarding services?

- **Security**

- ◇ How secure does e-mail data need to be?
 - Are there privacy or customer confidentiality needs?
- ◇ What kind of perimeter security is required?
- ◇ Do users need to apply digital signatures to messages for compliance or records keeping purposes?

- **Archiving**

- ◇ How much regulatory oversight does the company need to comply with?
 - What are the data management and privacy requirements?
- ◇ Does the company require records management, compliance oversight, and ediscovery support?

- **Unified Communications**

- ◇ Do users need conferencing services such as audio, web-meetings, or video conferencing?

Identifying the service levels and capabilities the business requires of e-mail takes some time but the effort pays off in the end

- ◇ Do users need or use IM services?
- ◇ What sort of presence awareness is needed?
- ◇ Does the company need integrated telephony or Voice Over Internet Protocol (VoIP) service?
- **Collaboration**
 - ◇ Do users need a way to share files securely and efficiently?
 - ◇ What types of collaboration tools do users work with today?
 - ◇ Do users work in teams or groups to accomplish work?
 - ◇ Does the company want to use the Internet to interact with external suppliers, partners, or customers?
- **Business process support**
 - ◇ Are there customized applications that depend on e-mail?
 - ◇ Is e-mail integrated with LOB (e.g., ERP, CRM, portals) applications?
 - ◇ Do you have business processes that rely on e-mail to support workflow?

In addition to the [Business Messaging Framework](#), companies should also consider the operational and productivity costs, service levels, support, and delivery requirements of the company:

- **Operational and Productivity Costs**
 - ◇ What are the current e-mail system costs for hardware, software, support, and administration?

What is the company's tolerance level if there are outages?

How long can users go without service?

- ◇ What is the productivity value of e-mail usage at the firm?
 - How much time do users spend using e-mail and what is the cost?
- **Support**
 - ◇ How much support do administrators need to manage the service?
 - Do you have many e-mail administrators in different locations?
 - ◇ Do users need to have a help desk type of services for e-mail?
- **Service Levels**
 - ◇ What is the company's tolerance level when there are outages?
 - How long can users go without service before it significantly impacts the business?
 - ◇ What kind of compensation is tolerable in the event of lost data, service availability, or other legal situation?
- **Delivery**
 - ◇ Can a hybrid of on-premise and hosted services and/or mailboxes support the organization?
 - ◇ What is the segmentation of user types?
 - ◇ What is the segmentation of service types?

Identifying the service levels and capabilities the business requires of e-mail takes some time but the effort pays off in the end. The answers to these questions provide a profile of the messaging service needs of the company as well as its tolerance level to risks. Using the same list of questions when interviewing providers will help customers to identify opportunities to improve the overall e-mail experience, thus improving information worker effectiveness and productivity.

Compare Offerings

After answering and prioritizing the questions in the previous section ([Know What Kind of E-mail Customer You Are](#)), IT decision makers need to focus on the different e-mail options on the market. CSG recommends performing the following steps to identify viable candidates:

- Step 1:** Make a broad sweep of the e-mail, communication, collaboration, and messaging market to identify vendors/providers and solutions that meet the company e-mail needs.
- Step 2:** Create a detailed questionnaire of the company priorities based on the [Business Messaging Framework](#) and send to each vendor/provider identified in Step 1.
- Step 3:** Interview vendors/providers based on the questionnaire eliminating all that do not meet the highest priority needs of the company.
- Step 4:** Choose the top candidates based on the interview results.

Once the interviews are completed, the next step is to investigate how the top options will support the cost and productivity needs of the business. Customers should perform the following analyses:

- **Cost comparison:** Create a breakdown of costs for each option and comparing it to the current costs for e-mail. Since SaaS e-mail is usually priced as per user, per service, per month it is easiest to breakdown costs into the same increment for each option. A cost comparison should also include any migration costs (e.g., data migration, user training, contractors, tools, planning) for changing to a new solution.
- **Functional comparison:** don't just go by the answers provided in the questionnaires but actually test the functionality of each option. Take advantage of the buyer's market and run pilots with different segments of users to see if the new interfaces will be easily adopted and identify training or support needs. Also test out the operational and risk management aspect of the service. Make the pilot environment as close to how the environment would be in production to get a true picture of how the solution will perform and meet the IT needs (e.g., network, security, directory, or personnel) of the business.
- **Contract review:** customers should carefully review all vendor/provider contracts for legal, risk, and compliance measures. Make sure the standard service levels outlined in the contract will meet the needs of the company and that remediation for problems is acceptable to executive management. Always examine the termination clauses of the contract to make sure there are no hidden gotchas such as early termination fees, fees for extracting data from service provider data centers, or what will happen if the service provider discontinues the service.

It's important for customers to examine their business and operational needs along with their tolerance levels for risk

Side-by-side comparison of different offerings can be tough since each vendor/provider focuses on different value propositions. Customers that are successful in choosing a solution that meets their needs spend significant time looking at the different offerings and take a close look at the current their e-mail solution to

understand their messaging requirements. Once examined, successful IT decision makers tend to define a business messaging strategy and a business case to support their choices. Armed with this information IT decision makers can build an e-mail strategy that will align with the business needs of the company, mitigate risks of moving to another delivery model, and discover new opportunities for making e-mail more efficient and cost effective.

Conclusion

Although TCO is a leading driver for choosing SaaS e-mail, customers should approach SaaS e-mail options based on how the solution will improve e-mail experiences, improve user and operational productivity, as well as mitigate risks. Since SaaS e-mail options are based on standardized bundles, it's important for customers to examine their business and operational needs along with their tolerance levels for risk when choosing a SaaS e-mail provider. Leading SaaS e-mail providers are leveraging communication and collaboration platforms to offer more options that provide new capabilities for customers to expand their business messaging frameworks.

Check The Collaborative Strategy Guild web site (<http://collaborativestrategyguild.com/research/>) for additional content on SaaS e-mail productivity, operation and risk management, SMB market impact, and costing tools.



www.collaborativestrategyguild.com

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Notes

1. Intertwining is a term coined by Theodor Holm Nelson (Ted Nelson) to describe the nature of things that are cross-connected and cannot be classified in sequential or hierarchical relationships.
2. Google Apps for the Enterprise (GAPE) includes the following Google tools: Gmail for Business, Gtalk, Google Calendar, Google Docs, Google groups, Google Sites, Google Video. GAPE is offered at \$50 per year per user.
<http://www.google.com/apps/intl/en/business/index.html>
3. LotusLive Engage plus LotusLive iNotes includes E-mail, Calendars, Web Meetings, Files, Activities, Instant Messaging, My Network, and Charts. LotusLive Engage starts at \$12 per user, per month and LotusLive iNotes starts at \$3 per user, per month. <https://www.lotuslive.com/en/>
4. Microsoft Business Productivity Online Suite (BPOS) Standard includes the following Microsoft Online tools: Exchange Online Standard, Outlook Web Access, SharePoint Online Standard, Office Live Meeting Standard, Office Communications Standard, and Online Services Administration Center. The bundle is offered at \$10 per user, per month.
<http://www.microsoft.com/online/default.mspx>

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