

## TECHNOLOGY ASSESSMENT

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### Geminare Incorporated: Delivering Cloud-Based Disaster Recovery and Server Replication for SMEs

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#### IDC OPINION

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Traditional on-premise infrastructure solutions for disaster recovery and server replication can represent large capital, software, and operational costs for organizations. These costs can price smaller and medium size businesses out of enterprise class solutions, and represent large expenditures particularly in vertical markets where regulation is rigorous and costs can be high, such as financial services, legal, and healthcare. Geminare is addressing the need in the market for affordable robust solutions by offering cloud-based disaster recovery and server replication capabilities for SMEs.

IDC believes Geminare's solution can deliver the following:

- ☒ **Monetization Opportunities for Public Cloud & Service Providers.** The Geminare solution is a white-labeled multi-tenant cloud service platform that provides partners a way to monetize their cloud infrastructure investments beyond the existing cloud compute and cloud storage product offerings which have already become commoditized.
  
  - ☒ **Customer Upgrade Paths.** The Geminare solution allows cloud providers to target SMEs with a low-cost and low-risk way to leverage cloud services without giving up complete control of on-premise critical applications and databases to the cloud. Once customers are comfortable with the service levels from cloud computing, they can then be targeted for add-on services or moved to a co-location service.
  
  - ☒ **Reduced Costs for Real-time Disaster Recovery.** Geminare's solution is designed to allow the small and medium sized market to move to a managed service model for replication and archiving of critical applications and databases without additional capital or software expenditure, reducing the need and operational costs for on-premise disaster recovery infrastructure.
  
  - ☒ **Scalability – Without Added Investment.** The solution is designed to scale over time without increasing the cost of overhead on a physical building. As well, the Geminare Recovery as a Service (RaaS) offering can, according to the company, pay for itself within a year in many cases when one takes into account software licensing, hardware purchases, extra bandwidth and power requirements associated with alternatives such as collocation.
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## IN THIS STUDY

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### Methodology

In this study, sponsored by Geminare Incorporated, IDC provides insight into Geminare's disaster recovery and server replication solution. IDC studies the capabilities and applications of Geminare's solution, the size and trends of the market it is addressing, and the company's challenges and opportunities for growth. All currency figures appearing in this document are in Canadian dollars unless otherwise stated.

## SITUATION OVERVIEW

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### Company Overview

Geminare Incorporated, based in Toronto, Ontario, plays in the backup and recovery software market. With the Geminare offering, e-mail and BlackBerry outages that might take four or five days to recover from are now available again in minutes, with replication happening on an ongoing basis so that data is always current. Once the infrastructure is repaired, it can take just minutes for Geminare to failback to the production server. Meanwhile, users are not aware an outage has occurred. Geminare's solution is positioned to deliver the following value:

**Reduced Monitoring, Maintenance and Support Costs.** Geminare's solution is designed to offer greater operational efficiency and cost savings by allowing organizations to move to a managed service model. Costs associated with monitoring, maintenance and support of an internal solution are removed.

**Improved Customer Service.** Outsourcing can free teams to focus on strategic projects in line with an organization's wider business objectives.

**Scalability – Without Added Investment.** The solution is designed to be scaled over time without increasing the cost of overhead on a physical building. The Geminare RaaS service can, according to the company, pay for itself in many cases within a year when one takes into account software licensing, hardware purchases, extra bandwidth and power requirements associated with alternatives such as collocation.

**Seamless Failback.** The current process of recovery from a backup environment can take days, and is typically only available to the Enterprise. Geminare's failback capabilities set them apart from traditional imaging offerings.

**Vendor-neutral Cloud-based Archiving.** Geminare's backup and archiving solution, Cloud Storage Assurance 2.0, runs on virtually all of today's major cloud storage infrastructures. Customers can control where their data resides, whether on public or private clouds, and they have the ability to move their archived data to another platform seamlessly, thus avoiding vendor lock-in – one of the biggest concerns today around cloud storage.

## **Technology Description**

### ***Business Continuity Solution***

Geminare's Cloud-based Server Replication solution, Cloud Recovery, enables an organization to continue running during a critical server failure without impact to ongoing business operations (see Figure 1). Once deployed, Geminare automatically and continually replicates servers to cloud-based servers so all data is current in case of a required failover. In the event of a planned or unplanned outage, the business continues to run without issue.

### ***Cloud-Based Storage, Server Availability to the SME Market***

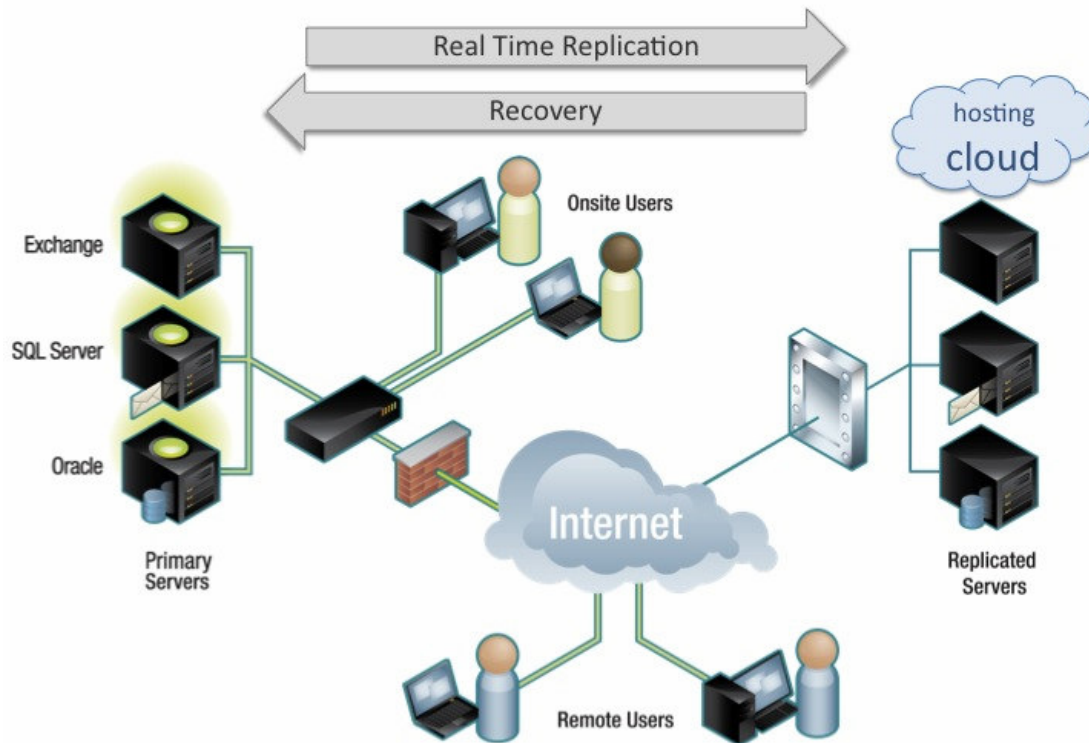
Geminare's cloud-based storage service, Cloud Storage Assurance 2.0, delivers continuous server availability to SMEs. This solution leverages a partner's storage cloud infrastructure such as Amazon's Cloud Storage Service to deliver robust archiving while providing real-time data replication and continuous server availability in one integrated platform.

Geminare's family of services includes:

- SaaS-based, data protection via real-time WAN replication of file servers and databases for Windows Servers, Microsoft Exchange, Microsoft SQL, Microsoft IIS, SharePoint, BlackBerry and Oracle
- Continuous data protection that provides instant data recovery in the event of isolated data corruption episodes
- Application availability via fully automated failover and failback for file servers, Exchange, SQL, IIS, SharePoint, Blackberry Exchange Server, and Oracle
- Disaster recovery site compliance through fully automated, scheduled tests of an organization's disaster recovery system without disrupting the production environment or existing data protection
- Provisioning and deployment in days from start of customer management, replication and reporting
- Cloud vendor-neutral backup and archiving solution with specialized search functions and unique key identifiers providing a secure and reliable audit trail

**FIGURE 1**

Geminare's Cloud Recovery Architecture



Source: Geminare Incorporated, 2010

## Positioning

Geminare offers small- to mid-sized companies the ability to keep businesses running uninterrupted during a system failure without requiring any capital investment (see Figure 2). As a result, enterprise-class continuous availability can be brought to the SME market through Cloud providers and technologies.

The company can deliver real-time data replication with failover and failback in under a minute, as compared with a traditional approach which can include shipping drives to data centres, copying drive data to appliances, and virtualizing a failed server on an appliance. In effect, Geminare disrupts the market represented by companies such as SunGard, IBM, HP, Symantec, Iron Mountain, and Seagate, because, though Geminare does use virtualization on the back end, it does not use imaging technology.

As well, Geminare can extend its reach into other geographies. From Toronto the company's support group can service customers worldwide, facilitating real-time server replication with automatic failover, and immediate remote operational capability on any remote cloud platform from any provider.

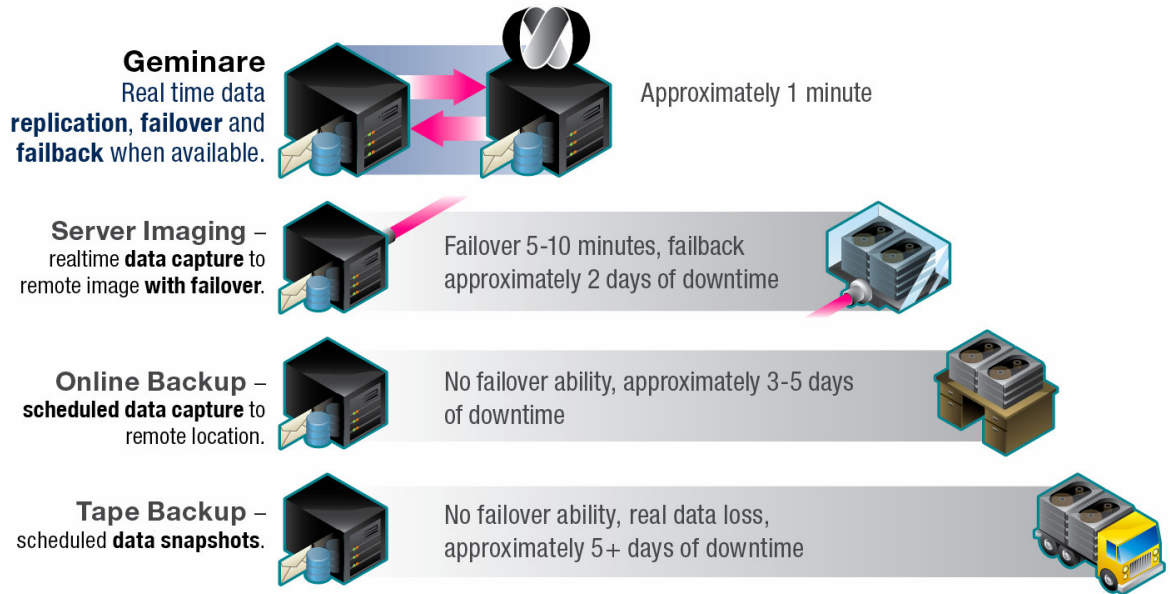
Most competitors represent indirect technology threats. Online backup does exist, and is priced from 50 cents to 2 dollars per gigabyte, but Geminare's real-time RaaS offering is positioned in the market differently. The closest direct competitors are those companies that do imaging technology, such as i365, SunGard, and Iron Mountain.

Canada is seeing a surge of cloud-based (SaaS) offerings from emerging companies. These companies are taking advantage of the limited up-front capital required to build and launch. At the same time, leading Information and Communication Technology (ICT) vendors are also well-established in the market, and often include a more comprehensive set of online services. Front runners to watch are: IBM, Microsoft, VMware and Salesforce.com.

**FIGURE 2**

Industry Failover Options and Recovery Times

**Server Failure: Direct Impact on Company Downtime**



Source: Geminare Incorporated, 2010

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## MARKET OPPORTUNITY

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IDC research shows that worldwide IT spending on cloud services will grow almost threefold, reaching \$44.2 billion by 2013, as the cloud computing model offers a lower cost way for businesses to acquire and use IT.

Cloud services, particularly software as a service (SaaS), will be used with increasing frequency by midsize firms in the short term and increasingly by small businesses within the next five years (IDC # CA2IS10). The greatest SME take-up of the technology is expected to be in Western Europe, North America, and selected parts of Asia/Pacific. The focus on benefits rather than technology will be especially effective in appealing to SME customers with cloud solutions. According to a recent IDC Canada survey, the primary business case for using cloud solutions in Canadian organizations remains efficiency, quick to deploy and easy to manage solutions (IDC # CA2IS10). Midsize firms are already exploring cloud opportunities; smaller firms, because of limited time, money, and comfort levels, have been slower to adopt alternatives to traditional solution access.

Geminare is well positioned to apply the benefits of a cloud-based offering to the disaster recovery and server replication market. Offerings that were previously only available to large enterprises, costing hundreds of thousands of dollars, can now be had for \$399 per month with Geminare. As well, what once took 3 months to set up can now take only 4 hours with Geminare's offering, and 6 hour failovers are brought down to under 60 seconds.

## SUCCESS TO DATE

Geminare has a number of named customers, as well as other customers who white label the Geminare service and brand it as their own (partners). Examples of key channel partners who white label are:

**Bell Canada.** Bell is Canada's largest communications company and resells Geminare's Cloud Recovery offering as Bell's Server Replication Service to the SME market.

**Hosting.com.** Hosting.com white labels the Geminare Server Replication offering and has completely integrated it into their platform offerings as Business Continuity Service (BCS).

**Qwest Communications.** Qwest, the 3<sup>rd</sup> largest Telco in the USA, rebrands the Geminare Server Replication solution and goes to market under Qwest Real-Time Application Recovery.

**Computer Associates (CA).** CA rebrands the Geminare solution under its own banner and markets as CA Instant Recovery On-Demand to its worldwide channel.

Examples of key customers are:

**Lang Michener.** Lang Michener is a Canadian law firm with more than 200 professionals serving Canadian and international clients. To ensure the availability and recoverability of the firm's email and Blackberry communications, Lang Michener adopted Bell's Server Replication Service, a hosted turn-key managed service provided to Bell by Geminare.

**Xenos.** Headquartered in Toronto, Xenos is a provider of data and document management solutions. Xenos needed a vendor that was SAS 70 compliant – a level of security that met with its customers' requirements. Xenos now uses Geminare's monthly managed service offering for real-time server replication with automatic failover, and remote operational capability with complete data protection.

**Sprott Asset Management Inc.** The company offers investment management services to corporations, institutions and high net worth individuals. Sprott evaluated the build versus buy model extensively and concluded that from a cost and feature perspective the Geminare Server Replication solution was by far a leader. This solution has assured that Sprott's critical technology infrastructure – including all Windows based file and application servers – are available without interruption, even in the case of a critical system failure.

## GO-TO-MARKET STRATEGY

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Geminare's go-to-market strategy is to sign large, channel-focused technology vendors such as Cloud Compute Providers, Telco's, and managed hosting partners for its server replication RaaS offering. Through this channel the company appeals to SMEs with 50-1000 employees. Key verticals in this area are financial services, legal, and healthcare.

The company has already had significant success in this area, having signed several channel-focused technology and telco partners, giving the company significant reach into the targeted SME market. Market examples include:

**Enterprise Software Vendors.** Enterprise software vendors looking to move existing software solutions into the SaaS/Cloud Computing space can rebrand the Geminare solution under their own banner.

**Cloud Providers, Telcos and large OEMs.** Geminare also targets Cloud hosting companies, telecommunications companies and OEM providers looking to increase offerings into their existing SME customer base. Large North American telcos private label Geminare's service for customers and prospects.

**Distributors and MSPs.** Distributors and Managed Service Providers (MSPs) can use Geminare to deliver a robust, flexible SaaS delivery platform.

**VARs.** Locally situated resellers and managed service providers can white label and leverage Geminare's suite of services.

At present, 95% of the company's business is in North America (Canada and US), with about 5% in Europe. Given the delivery model, opportunities exist globally, with company noting that there is interest in Australia and Latin America.

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## Partners

On the cloud hosting/telco side, key partners include Bell Canada, Qwest, and Hosting.com. Important distributor partners include CA Inc. with a global reach and Ingram Micro. Amazon is also an important partner: Geminare integrates with Amazon for ongoing cloud based data archiving.

Geminare is focused on building additional partners in three main areas:

**Geminare SaaS enabled middleware.** Hosting.com is an example of a company that is leveraging this on the Geminare platform.

**Channel Enablement.** Opportunities exist for partners looking to build out their own channel capabilities to their products and services. This is of particular appeal to telcos/ISPs and distributors. Ingram Micro is an example of a partner in this area.

**Infrastructure.** Data centre facilities, virtualization layers, and partner cloud infrastructure are also partner options. This offers the opportunity for a turnkey product offering, as is now being done by Computer Associates.

## FUTURE OUTLOOK

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Cloud services are expected to be a driver in the economic recovery, yet larger players like IBM and HP can find it expensive to engage the SME space at the corporate level. Meanwhile, the 69 million SMEs worldwide require affordable business continuity solutions – especially those organizations in heavily regulated areas, such as financial services and healthcare. The need is pressing, with Iron Mountain, a major vendor in the archiving space, estimating that over 50% of all recoveries will fail because of errors in the backup process.

Geminare's revenue is estimated to be under \$10 million, but growing rapidly, with revenue from operations now leading the company onto a sustainable growth path. Given the size and breadth of Geminare's partner and channel base, Geminare expects to be profitable within a five year forecast period, with revenue then in excess of \$10 million.

## CHALLENGES AND OPPORTUNITIES

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Perhaps the biggest challenge is to educate the SME market on the difference between online backup and high availability.

As well, there are more generic barriers to cloud adoption that pose a challenge for emerging firms. While the cloud has generated tremendous attention and excitement,

customers are concerned about data centre facility outages, exporting data from the cloud, security, lack of common application programming interfaces (APIs), and data ownership. These concerns are compounded when working with a relatively small, unknown vendor. To tackle this, emerging companies like Geminare can benefit from partnering with larger incumbents looking to become part of an overall cloud computing strategy, thus extending a start-up's reach and legitimacy.

Opportunities exist in building on the “channel enablement hub” capabilities that Geminare has developed, including some enterprise-caliber products and search technology. A company can leverage off its data centres to bring these services directly to partners. Some of these will be Geminare product offerings, and some will be partner-centric.

There are significant channel opportunities, particularly with Cloud hosting providers and telcos. Traditional distributors and VARs risk losing out to telcos and ISPs, which are better equipped to deliver a RaaS offering. That being said, Geminare can continue to assist the traditional ICT channel in going to market with a service base, hosted offering.

## **ESSENTIAL GUIDANCE**

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Geminare offers enterprise-class, cloud-based business continuity services to the SME space, and it does so in a cost-effective, technologically impressive manner that provides real opportunity for a broad and diverse channel looking to leverage Cloud Compute and Storage into their product portfolio. In this respect, the company is well positioned to address the market opportunity at hand.

## **LEARN MORE**

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Company Website: [www.geminare.com](http://www.geminare.com)

*From Here to Cloud in Canada*, Oct. 2010, IDC # CA2IS10

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