Tier1Research

Geminare racks up another cloud DR win with Allstream

Enterprise and Mass-Market Hosting

by Jim Davis

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Geminare, a provider of software for building cloud storage and disaster recovery services, is continuing to make progress in the market for DR services by notching up yet another reseller for its service. **Allstream**, a service provider based in Canada, is launching Cloud Replication Service as a part of a portfolio of business continuity products it offers to some 70,000 customers.

Allstream is a division of MTS Allstream, which is itself a wholly owned subsidiary of **Manitoba Telecom Services** (MTS) in Canada and is the third largest service provider to the enterprise market in Canada. Allstream's Cloud Replication service, set to launch in March, will enable customers to access automatic failover and disaster recovery capabilities.

While many of the SMB and mid-market firms that Allstream targets have access to simple backup services, these services are typically used by SMBs for archiving non-mission-critical data. Geminare's software enables 'block level replication' to provide instantaneous failover when the primary server is down and failback when the server is restored.

Application and server failover technologies have been available to SMB customers for several years and have been sold as high availability and cluster packages by vendors such as **EMC** and **Symantec**. **SunGard** is another big player in the enterprise DR market, and is in fact an Allstream partner for hosting and colocation services. But even though SunGard is looking to play in the cloud market, Allstream went with relative upstart Geminare, which has secured partnerships with companies such as **Qwest**, **Bell Canada**, **CA Technologies**, **Ingram Micro** and others to offer its 'DR as a Service' platform.

Geminare's growth outlook for 2011

Revenue grew 50% Y/Y in 2010 as 'hundreds' of customers run more service instances on the cloud (Geminare supports a variety of environments, including **Amazon**, **Iron Mountain**, **Mezeo Software**, **Nirvanix**, **AT&T** Synaptic Storage, **Rackspace**, **PEER 1 Hosting**, and others). The firm has 30 employees, and expects to double that figure by the end of the year, with hiring focused on the operations side of the team.

The company has several new partnerships in development, which should help the firm expand internationally in Europe, and more telecom firms are in the pipeline. As it stands, the firm expects to become profitable this year and is not actively seeking an additional round of venture funding.

T1R take

T1R outlined a number of relevant trends in a January Daily T1R. The main point is that there is a legitimate market need for smaller organizations to step up their data and server protection beyond rudimentary remote data protection and into the realm of application failover. This need has been largely untapped, which is why hosting and telecoms firms that have been busy building cloud storage services are more eager than ever to create a genuinely valuable service for customers – more so than vanilla commodity storage, that is. Geminare continues to make headway in the effort to bring these services to market through a growing array of partners, which bodes well for it in 2011.