

WHITEPAPER

HOSTED EXCHANGE BUYER'S GUIDE

EXECUTIVE SUMMARY



The adoption of cloud-based hosted services is gaining momentum among businesses interested in reducing costs, preparing for possible disasters, and allowing IT staff to focus on high-priority tasks. Cloud-based services reduce your IT department's complexity and cost, increase company-wide efficiency and collaboration, and improve overall productivity.

A critical element to modern business practices is email-based communication; people check their work emails when away from the office while traveling or working remotely. Critical tools—such as email—need to be available whenever and wherever employees require them. A lack of availability—whether due to scheduled downtime, failure, or disaster—costs money, creates user dissatisfaction, and disrupts business operations.

With Hosted Exchange, businesses—regardless of size—can ensure their employees have the ability to effectively communicate at all times. In addition, Hosted Exchange email service provides all of the benefits of enterprise-class email communication and collaboration solutions without the costs and headaches associated with managing the application in-house.

- > With Hosted Exchange, businesses do not have to purchase and maintain expensive servers, licenses, and support contracts
- > Hosted Exchange eliminates the burdens of maintaining and protecting in-house email and collaboration services
- > With Hosted Exchange, future software and service upgrades are included in the low monthly service fee
- > Hosted Exchange provides security and privacy through redundancy built into hardware architecture, real-time data replication, documented disaster recovery policies, and service level agreements (SLAs)
- > Maintaining a reliable messaging service is a core competency of Hosted Exchange providers, offering 24/7/365 monitoring in the provider's data centers, anti-virus and anti-spam software, and documented internal policies and procedures used by support staff



DEFINING HOSTED EXCHANGE

Microsoft® Exchange is an advanced productivity solution that features corporate-class email, as well as shared calendaring, tasks, and contact capabilities.

Microsoft Exchange Server hosting—using a third party to manage corporate email—can be beneficial to companies lacking space or resources to administer what many consider to be their most important business application.

Hosted Exchange can cut the amount of time that IT administrators spend maintaining systems, as well as keeping releases current and patched.

CHOOSING HOSTED EXCHANGE

Numerous motivations compel companies to adopt Hosted Exchange, the primary three being decreased cost and complexity coupled with increased control.

COST

Cost issues aren't just about simple dollars and cents; they're also about staff size, training needs, and hardware expenses. "The desire to look at Hosted Exchange is driven, for the most part, by companies that like Exchange Server and want to keep it," said Mark Levitt, analyst for IDC. "But they want to deliver it either at a lower cost or lower overhead in terms of time and administration."

Because Hosted Exchange is cloud based, it is free of the expenses associated with hardware and management.

COMPLEXITY

Microsoft intended Exchange Server to be an easy-to-use, on-premises messaging platform. As Exchange Server steadily gained in popularity over the years, Microsoft continually added more functionality to deliver more value, but increased complexity requires administrators to spend more time maintaining the server; therefore, outsourcing Exchange service becomes an attractive alternative.

Because Hosted Exchange is easy to implement, user-friendly, and a cloud-based application, it eliminates the day-to-day in-house

CONTROL

management; instead, a third-party provider manages the application. Each account is administered via a convenient web-based interface, making it scalable as your business needs change and available for employees to use as soon as the account is set up.”

The need for email storage also creates demand for hosted services, according to a Gartner report. The email storage cap most administrators set for email has many organizations archiving messages to save them, instead of relying on a storage area network (SAN). Hosting providers can help reduce the cost of storage that likely isn't available to many enterprises. Hosting models that can offer nearly five times the storage space for the same money begin to seem more attractive—giving the organizations control of which emails they keep, and for how long.

Security isn't seen as a luxury by the majority of today's businesses; instead, it is seen as a necessity. Every Hosted Exchange account includes built-in disaster recovery, data protection, anti-spam, anti-virus, and anti-phishing protection to prevent lost or stolen data, ensuring businesses can access their invaluable data, anytime and anywhere.

HOSTED EXCHANGE: BENEFITS FOR IT PROFESSIONALS

IT personnel may initially balk at the notion of adopting hosted solutions, fearing loss of job and/or loss of control over an important application.

More often than not, however, IT personnel quickly realize that hosted solutions—such as Hosted Exchange—can be a benefit and make it easier to be successful at their jobs.

Businesses of all sizes and their IT personnel are quickly recognizing the advantages of Hosted Exchange. By choosing a hosted solution, they can avoid the investment and overhead expenses associated with owning and managing the hardware and software required to sustain an inhouse email system. In addition, IT departments can easily scale Hosted Exchange based on current business needs, eliminating any guessing games and fire drills that can accompany less scalable solutions.

HOSTED EXCHANGE: BENEFITS FOR END USERS

Other benefits experienced by IT professionals after implementing Hosted Exchange include:

- > Lower and more predictable costs
- > No capital investment
- > Access to Exchange expertise
- > Business continuity in the case of natural disasters
- > Secure data backups
- > Rapid deployment and scaling
- > Deployment flexibility
- > Painless migration to new versions of Exchange
- > Minimize impact on the internal network
- > Improved security
- > Ability to focus IT staff and core business processes
- > Avoid all-hours troubleshooting

IT personnel are not the only ones who see the benefits of Hosted Exchange. Employees quickly realize the benefits Exchange Server offers including anywhere access, built-in protection to prevent data loss and reduce the impact of malware, and tools to support regulatory compliance, archival, legal discovery, and intellectual property protection.

Additional benefits for end users:

- > Check email and work from anywhere using your laptop, tablet, or smartphone
- > Enhance team collaboration through shared calendars and scheduling
- > Trust your email is safe with anti-virus and email encryption
- > Integrate your email with other Microsoft services

COMPARING THE COST OF HOSTED VS. IN-HOUSE EXCHANGE

- > Complete functionality of Exchange 2010, with the latest updates and patches
- > Use with Outlook 2007, 2010, or 2013 with Windows and Outlook 2011 or Entourage with Mac, or Outlook Web Access (OWA)
- > Full protocol support (RPC/MAPI, POP, IMAP)
- > ActiveSync and BES for mobile access using iPhone, Android, and Blackberry
- > Email encryption and anti-spam/virus protection with content screening and blocking capabilities
- > Features controllable on a per-user basis from a web-based Control Panel
- > Optional Company Disclaimer: Automatically insert a legal disclaimer at the bottom of all emails
- > Archiving capability helps to enable regulatory compliance (FINRA, SEC, SOX, FRCP, IIROC (IDA), HIPAA, privacy)
- > Encryption (optional): A Policy Based Encryption solution ensures that the specific security needs of your organization are met automatically by encrypting specific emails based on company-defined policies.
- > Virus and Spam protection included with every Hosted Exchange mailbox

Initially, if a business wanted to implement Microsoft Exchange, it had to shoulder the burden of great capital expense in the form of purchasing a server, acquiring the software licensing, and hiring the IT personnel capable of managing an in-house Exchange server.

Fortunately, times have changed and businesses are now free from the burden associated with undertaking an in-house Exchange environment. Due to advancements in cloud-based technologies, businesses have shifted their attention to hosted applications that result in high-quality, secure, reliable solutions without the large investment required to set up and maintain an in-house solution.



Financial	Operations	Technology	People
<ul style="list-style-type: none"> > No capital investment (servers, switches, software, etc.) > Reduced operating expense (including space, power, network) > Lower, more predictable costs > Pay only for services used > Scales as your business grows 	<ul style="list-style-type: none"> > Increased reliability & performance, with 100% availability SLA > World-class engineering & operations team > 24/7/365 monitoring & support > Enhanced security > Single supplier for all communications services 	<ul style="list-style-type: none"> > Enterprise-class service & platform > Most recent version with all enhanced features, latest updates & patches > Faster deployment > Simplified, hassle-free management > Single supplier for all communications services 	<ul style="list-style-type: none"> > Streamlined communication & collaboration > Anywhere access > Support for multiple devices, smartphones & tablets > Focus your IT staff on other projects that add business value

EVALUATING YOUR BUSINESS' NEEDS AND CAPABILITIES

Before deciding whether to adopt cloud computing, it is imperative for businesses to evaluate their assets and needs. Regardless of a business' size, the choice to move to cloud-based applications and processes is usually a matter of resources and budget.

Larger corporations could probably successfully adopt an in-house solution because they can most likely absorb the initial capital investment associated with the Exchange application—including the hardware, software, licensing, and trained IT staff. Their IT staff may be able to support the end users, perform server maintenance, and develop an in-house strategy for maintaining the Exchange server. An alternative option for larger companies is to implement a dedicated/managed server or

EVALUATING PROSPECTIVE PROVIDERS

colocation services from a hosting company—particularly if the company does not have the redundant systems, backup power, or security required for a large in-house implementation.

Other enterprises and small and medium businesses typically don't have the necessary trained staff and don't want to invest their limited capital dollars on the infrastructure required to deploy and maintain an Exchange server. Yet, in today's competitive business environment, their customers and employees demand the same efficient communication tools, including anytime and anywhere access.

Choosing Hosted Exchange is only the beginning of the decision-making process. Once the decision to adopt cloud-based technology is made, businesses must evaluate third-party providers and determine which meets their specific needs and expectations. For most businesses, the cost savings associated with Hosted Exchange makes it a worthwhile investment, but businesses interested in more than dollars and cents know to look for extras—such as 24/7/365 support and state-of-the-art data centers—to make a service essential and maintain a competitive edge.

When choosing to do business with any vendor, it is important to ask many questions and evaluate multiple options to ensure the provider you choose can meet your business needs. Use the following questions as a guide for evaluating the offerings and capabilities of potential third-party providers.

1. How long have you been in business?

When starting out with any business relationship, it is key to understand the potential partner's trustworthiness, history of success, longevity, and adherence to service level agreements (SLAs). Are you willing to accept the level of risk associated with a fledgling operation that might not exist in the near future instead of a company that has a proven track record and has stood the test of time? Does the provider have the resources to sufficiently answer your questions 24/7/365?

MegaPath is a business communications expert that has been responding to the unique needs of small, medium, and enterprise businesses since 1996. We are a leading cloud communications company that empowers businesses to easily and securely communicate between their headquarters, employees, and business partners. MegaPath's business is built on a simple promise: to provide our customers with voice, unified communications, cloud, Internet connectivity, and secure data networking services that help them compete in today's technology-driven business environment. This promise drives everything we do. We provide the robust SLAs and flexible, scalable services you need to compete. Our cloud-based services help businesses reduce capital and operational expenses, optimize systems and network performance, protect proprietary data, and increase productivity, efficiency, and communication.

2. What is your primary business?

Often, Service Providers hesitate to offer a forthright answer to this question because they often do something else, such as contract systems integration work. Service providers that offer a robust portfolio have proven that they can offer a scalable delivery platform.

MegaPath is a single source for your business communications needs. MegaPath delivers a full range of nationwide voice, unified communications, data, security, and Hosted IT services with the power to keep your business ahead of the curve and give you an edge in today's economy. Whether your business has one location, multiple offices, or virtual teams, we can deliver all the flexible, affordable solutions you need throughout the U.S.

3. What is your expertise providing Exchange in a Hosted Environment?

Exchange is a sophisticated software system and maintaining it requires expertise and a strong knowledgebase. MegaPath knows that only those who have spent a great deal of time learning, understanding, and working with it can sort through any issues that may arise. Unfortunately, not all software patches are without issues and having an experienced and knowledgeable provider who can monitor the system and identify issues before they become problematic is crucial.

4. What services can you provide to help meet Regulatory compliance requirements?

Service providers working with cloud-based applications should have up-to-date knowledge about compliance requirements and be able to prove that their facilities, processes, and specifications meet recognized industry and compliance standards.

Compliance with data security standards can bring major benefits to businesses of all sizes, while failure to comply can have serious, long-term consequences. Our Hosted Exchange offer includes optional Email Archiving which helps meet FINRA, SEC, SOX, FRCP, IIROC and HIPAA requirements.

5. What is included in the purchase?

You should ask this question to determine if the initial purchase includes all of the software licenses and patches, as well as any upgrades. Most Hosted Exchange providers include incremental software upgrades and patches at no additional charge, and some include major upgrades in their service. Microsoft does not guarantee that license costs will remain unchanged with major version upgrades; your cost basis may change with upgrades, so consult with the provider. MegaPath includes all incremental upgrades in our standard service and works closely with Microsoft to determine any change in cost basis for major upgrades.

6. What system availability guarantees do you provide and are your SLAs financially backed?

A service level agreement (SLA) is a guarantee offered by a service provider that guarantees they will provide the service purchased by the customer. The most basic SLA is an uptime guarantee, and service providers typically offer an excess of 99% availability. When evaluating a provider's uptime guarantees, keep the following in mind to fully understand how the percentages can impact the amount of uptime / downtime:

- > 99% availability: up to 7.5 hours per month downtime
- > 99.5% availability: up to 3.6 hours per month downtime
- > 99.9% availability: less than 45 minutes per month downtime

MegaPath guarantees 100% availability, with financial rebates for any months where we are out of compliance with the SLA. Additionally, MegaPath also offers a 60-day satisfaction guarantee; if a customer is dissatisfied with the Hosted Exchange service during the 60-day satisfaction guarantee period, the customer can terminate the Hosted Exchange service without liability for further term commitments.

7. What kind of infrastructure do you have?

The infrastructure and configuration in place to support the Hosted Exchange solution can have a significant impact on the ability for a Service Provider to meet their reliability and availability SLAs.

MegaPath's Hosted Services are delivered across an advanced network infrastructure, built upon best-in-class hardware and software housed in SSAE 16 compliant, geographically dispersed, interconnected data centers to ensure the highest level of availability and reliability. A dedicated staff closely monitors the network and data centers 24 hours a day. Clustering, redundancy, and failover capability across data centers guarantee data protection, disaster recovery, and business continuity.

8. What kinds of backups do you perform and how often?

IT professionals know that a failure—big or small—can occur at any point in the system: burned-out network interface cards, failed fans, or broken cables. Sometimes the smallest piece of equipment can bring down a multimillion dollar system. All of our servers are fully redundant, from NICs to power supplies to cables; the data center has redundant power, cooling, and separate physical entrances for redundant connectivity to the Internet backbone; and major systems (such as Exchange Servers, SMTP Gateways, storage) are configured with backups that can failover in an emergency. We perform daily backups which include off-site storage as part of the process. We also offer 30 days of deleted data recovery, real-time email content replications, near zero rate for data loss in the event of a disaster, and redundancy at all layers throughout the infrastructure: network, SANs, servers, and logical application level.

9. Do you practice restorations?

A library of backup tapes may look impressive, but having documented procedures for how to restore from these tapes is as important as having the data. Performing practice restorations periodically enables companies to work out any bugs from these procedures, ensuring a smooth process when actual emergency restorations are required. We perform test backups from real data to ensure the integrity of the data and the smooth performance of documented procedures.

10. How fast do you install security patches and upgrades?

Microsoft has a regular schedule of releasing bug fixes and security patches. Some companies don't install them at all, leaving themselves open to viruses and other security threats. Conversely, some companies immediately install every patch—although not all patches are regression tested by Microsoft, so they may cause as many problems as they fix. MegaPath knows the right way to do this takes time and resources: Testing patches in a lab environment that closely matches production for stability and ensuring the patch doesn't create new problems. Additionally, all deployments of server patches are documented and tracked to ensure consistent standards for all servers and to provide a paper trail for troubleshooting if any problems do arise.

11. What type of customer support do you provide?

MegaPath's Hosted Exchange services are supported by knowledgeable technical support staff and are backed by stringent Service Level Agreements (SLAs). MegaPath proactively monitors your service and provides email and phone support 24/7/365. Our Operations team uses third-party monitoring tools to monitor hardware, as well as network and application performance 24/7/365 to ensure optimal uptime. An easy-to-use Web portal is available for your on-site Administrator to add or remove users, assign features as appropriate per user, access usage reports and submit support tickets if needed.

12. How are migrations from your current email platform supported?

Moving to the cloud and migrating to a new hosted environment can be a critical time for any company. Generally, if you use Outlook, a migration is easy to do and can frequently be self-managed, but we can provide a



detailed tutorial with instructions and screen shots, and our support team is available 24/7/365 to assist as needed. We also offer a fully managed option to ensure all users are fully functional, all data has been moved to the hosted environment, and all subscribed services are active. Regardless of which option you choose, MegaPath is here to help ensure that your migration happens efficiently and successfully.

SUMMARY

Frequently, the cost savings associated with cloud-based services—including Hosted Exchange—is enough to persuade businesses to move to the cloud. Savvy business decision makers understand that looking beyond dollar signs to improved productivity, collaboration, and connectivity are keys to their success. The adoption of cloud-based solutions is gaining momentum among businesses of all sizes because cloud-based solutions are easy to implement and reliable, increase connectivity and availability, help ensure the safety of data, and are accompanied by superior customer support.

By eliminating the cost and hours associated with implementing and managing in-house systems, businesses can focus on growth. MegaPath provides Hosted Exchange at an affordable monthly cost, eliminating your daily maintenance worries with no investment in costly IT infrastructure.

NEXT STEPS

Visit www.megapath.com/hosted-it/hosted-exchange to learn more, or contact a MegaPath Business Consultant today at 877-611-6342.