

Veritas hopes to get strategic with SMEs as data management vendor

Simon Robinson, Sector Head

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Putting its pending acquisition by Symantec to the back of its mind, Veritas has announced a new product strategy that it hopes will position it as a more strategic supplier among small and mid-sized enterprises (SMEs). As well as releasing an updated version of its market-leading SME backup tool – Backup Exec version 10 – Veritas has created a new product suite that it hopes will lure in customers by providing a range of data management capabilities, as opposed to stand-alone functionality around data protection. The announcement further highlights the extent to which storage vendors in particular are seizing on the apparent burgeoning opportunity in the SME sector.

Impact assessment

The message

Veritas has beefed up its SME product portfolio as it looks to move from being perceived as a provider of data protection software to a broader vendor of data management products. Key additions include a new version of Backup Exec, as well as a new Backup Exec Suite.

Competitive landscape

The perceived opportunity among SMEs is bringing a wide range of players to the table. CommVault has already assumed a strong position, and EMC and Microsoft are both going to be significant players.

The 451 assessment

Veritas is already a big player among SMEs, but, as at the enterprise level, its customers here might not appreciate the extent of its evolving range of services. The new Backup Exec Suite should certainly grease the wheels as it looks to become a more strategic provider of data management software to SMEs. Meanwhile, the latest version of Backup Exec provides some important new capabilities and hints at Veritas' future direction as it looks to embrace emerging trends in data protection.

Context | The last year or so has seen the somewhat unusual sight of storage vendors seemingly falling over themselves to appear attractive to SMEs. The logic is relatively straightforward: SME technology offerings have always had to be relatively cost effective and simple to use and maintain, but increasingly, smaller users are requiring functionality that only a few years ago was the sole preserve of higher-end products. This is partly because of the evolving nature (and complexity) of IT and the emergence of the 'real-time' organization and rampant data growth – but also because SMEs are just as bound by emerging compliance issues as large enterprises, perhaps even more so.

Regulated industries not only must protect organizational data, but also prove it hasn't been tampered with and can be stored for long-term archiving in a form that is easily retrievable. For a company like Veritas, the opportunity is to move beyond being just a provider of backup and recovery software, to become a more strategic supplier of data management products that cover a whole gamut of requirements. Veritas is in a relatively strong position because it already has a sizeable SME footprint with its market-leading backup product Backup Exec, as well as a strong indirect channel. It is now hoping to capitalize on these strengths with a new approach that will bundle what was a hodgepodge of point products into a single, integrated suite.

Products | To support this, Veritas this week announced a new version of Backup Exec. Version 10 that includes some significant new features that Veritas hopes will extend its lead in the SME backup space.

An important aspect of the new release is improved disk-based backup capabilities, including disk-to-disk-to-tape backup and virtual tape-like capabilities. 'Multistage' backup allows backups to be stored on disk and then backed up to tape according to a scheduled policy. Data can then be expired according to media retention policies. Additionally, data can be backed up from multiple clients concurrently or sequentially, and restores from tape to host can be made directly without first restaging to disk.

Backup Exec 10 also includes an Advanced Disk-based Backup Option that Veritas says can double the performance of restore operations. It does this through synthetic backups, which combines multiple incremental backups into a single full backup, and off-host backup, which uses the storage area network to back up snapshots without involving the host or LAN.

Also new is a central server administration option, traditionally a high-end feature that offers simpler management and scalability through centralization. Designed to appeal to SMEs with multiple remote offices, the central server is used to define jobs and policies, distribute jobs to servers and perform monitoring and reports, as well as manage devices and media, load balancing and centralized catalogs.

Other additions include a new, 'high-performance' remote agent for Unix and Linux environments, as well as a new entry-level version – Backup Exec QuickStart – featuring a core but limited set of features. QuickStart is available now, starting at \$295. Backup Exec 10 starts at \$795, although the Central Admin Option starts at \$1,595. The Advanced Disk-based Backup Option starts at \$494, and the Linux/Unix agent \$295.

Strategy | This week, Veritas also announced the Backup Exec Suite. Billed as integrated protection and management, it pulls together three existing products into a single offering for managing and protecting Windows-based data across local and remote sites. Those components are Backup Exec 10 for Windows Servers, Veritas Storage Exec 5.3 (the new name for the StorageCentral file-based storage resource management product, originally from Precise/WQuinn) and Veritas Replication Exec 3.1 (formerly Storage Replicator). Integration between the products allows users to more easily identify files that haven't been backed up, submit a backup job and initiate a replication. The entire process can be monitored within an alerting framework using the Backup Exec console. The suite starts at \$4,280.

One word about the pending Symantec deal and how it may impact the data protection line: we think it's likely Symantec will market a consumer version of the product, probably as part of the Norton suite.

Competition | The products – the new Backup Exec Suite in particular – both broaden and deepen Veritas' already strong standing in the data protection market. Despite its market-leading position, competition here is fierce and continuous improvement and refinement is necessary for any vendor to maintain an advantage. Indeed, one weakness in Veritas' strategy has been that the 'gap' between its low-end Backup Exec product and its high-end enterprise product Net Backup has been perhaps too wide, from both a pricing and functionality perspective. This has meant that Veritas' appeal to the upper end of the SME market hasn't been quite as strong as it could have been. Some rivals – CommVault Systems in particular – have taken full advantage of this. In about five years, it went from a standing start to becoming an important player. This latest move by Veritas is designed to appeal to those large SMEs and close the gap worked so well by the likes of CommVault.

However, the opportunity among SMEs is now deemed so significant that it's bringing much larger players to the table, which are likely to crank up the pressure on Veritas. EMC is already making its move following its acquisitions of Dantz and Allocity last year, and it already has a broad portfolio of storage management functionality that potentially allows it to develop a similar broad suite. Further out, Microsoft is a clear threat as it prepares to add data protection functionality to its core Windows stack. Microsoft Data Protection Server is due out in early 2006.

SWOT analysis

Strengths	Weaknesses
Veritas already enjoys a market-leading position in the low-end data protection market. A huge installed customer and channel partner base combined with an improved product set should improve its appeal.	The Backup Exec Suite is a step in the right direction, but initially lacks some functionality, including integration with Veritas' archiving products.
Opportunities	Threats
The SME opportunity is burgeoning as smaller firms face the same challenges in data management as larger organizations.	Smaller players such as CommVault have already shrewdly exploited the gaps in Veritas' lineup. Now the likes of EMC and even Microsoft are looking to do the same.

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