

MarketScope for Enterprise Backup/Recovery Software, 2006

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The backup market continues to evolve as new recovery methods provide alternatives to traditional tape-based backup. The nine vendors analyzed represented 88% of the distributed backup market's new license revenue in 2005.

WHAT YOU NEED TO KNOW

The backup market is undergoing a change as new recovery technologies provide alternatives to tape backup. Expect backup vendors to extend their products to offer new disk-based recovery solutions or risk being replaced by niche offerings. Enterprises with large, complex environments should continue to work to consolidate to a single, robust backup offering if it can meet their expanding recovery and management needs. Smaller companies with less complex environments have a wider set of options. Expect smaller vendors to narrow their support to a few key technologies and to deliver a more bounded solution with a focus on ease of use at a lower cost.

As companies begin to deploy archiving solutions for long-term retention and as backup sets are saved for weeks, not months, replacing a backup product will become easier to do. Users should look to keep or switch to vendors that continue to innovate and that deliver strong product support. Clients not satisfied with product functionality, support or cost (acquisition or service/maintenance costs) should consider making a change in their backup vendors.

Users should expect that the enterprise backup vendors in this report will begin to transform their backup catalogs into recovery management tools that move beyond the focus on tape to embrace new approaches that promise to meet more-demanding recovery time objectives (RTOs) and recovery point objectives (RPOs). Enterprise backup products that fail to make that transition will lose out to other vendors' products.

STRATEGIC PLANNING ASSUMPTION(S)

Through 2008, improvements in backup success rates will be the No. 1 driver for disk-based recovery implementations (0.9 probability).

By 2009, disk will be the primary medium for recovery (0.8 probability).

By 2011, surviving enterprise backup/recovery products will have transformed into recovery management solutions that unite traditional backup, replication, snapshot and continuous data protection (0.7 probability).

MARKETSCOPE

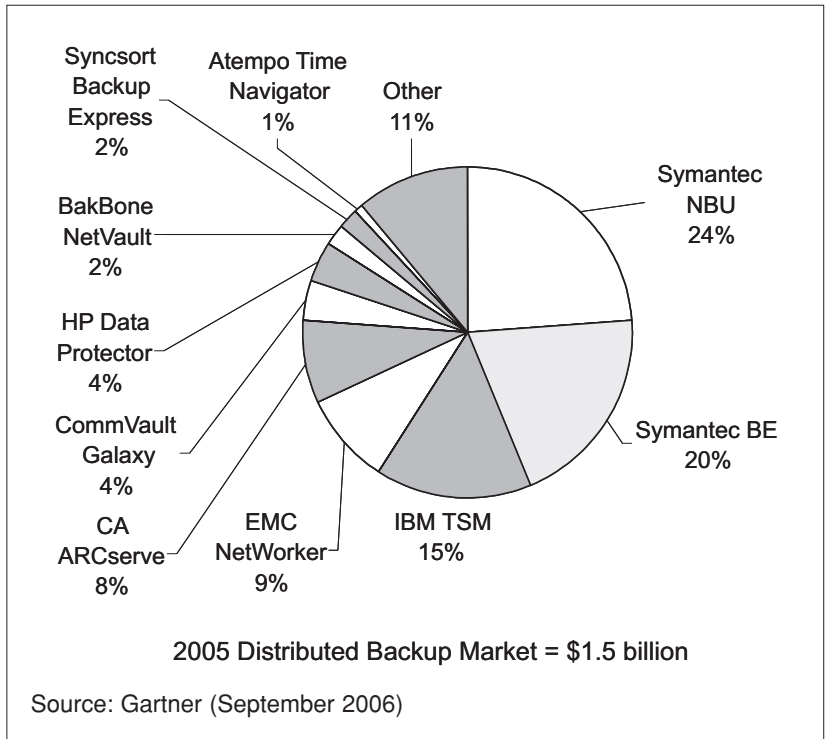
All the vendors listed below can support backup of heterogeneous server and storage environments with added value agents for popular applications. Smaller vendors are increasingly narrowing the focus of new product development to support an underserved niche in the hope of using that entry to gain a stronger presence in the midmarket or as an entry into larger accounts. Larger vendors have the challenge of meeting the demands of large, complex environments while delivering a product that is easy enough to use so that it can participate in the faster-growing midmarket as well. The following nine vendors were responsible for 88% of the distributed-system backup market revenue in 2004 and 2005 (up from 87% in 2003), with the top four accounting for 76%, as shown in Figure 1.

Market/Market Segment Description

The backup/recovery market consists of a large number of players that target a range of platforms, devices, applications and geographies. Although few new vendors enter the market, established vendors continue to see modest growth, with sales often consisting of replacement of a current vendor,

consolidation of backup resources, support for branch or remote offices, or support for new applications/servers or geographies. However, data growth, new application deployment and a focus on improving recovery times are leading to further sales and providing opportunities for new vendors. The primary differentiator between a replication product and a backup product is the catalog and support for a robust set of recovery options, including support for all the common tape drives and libraries. An enterprise backup product must distinguish itself from the overall market by providing a robust and scalable catalog for tracking recovery options. It must also be heterogeneous in application and operating-system support, including the common Unix platforms and Windows, at a minimum. The catalog must support recovery from tape and disk backups and, increasingly, leading third-party replication products.

Figure 1. 2005 Enterprise Backup Market Leaders Based on New License Revenue



Inclusion and Exclusion Criteria

To be considered for the MarketScope for Enterprise Backup/Recovery Software, a vendor must have a large and growing customer base with annual revenue of at least \$15 million in new license revenue and must support large Unix and Windows server environments and a range of storage devices, including tape automation. The focus is on backup for the distributed-system market. The backup product must have a catalog that keeps track of the various options available for recovering a file. Products must support recovery from tape and disk, with leaders supporting replication and snapshot for reducing the processing impact on application servers and to provide for the fastest recovery for critical applications. The product must also be available in multiple geographies.

Rating for Overall Market/Market Segment

Overall Market Rating: Positive

The enterprise backup market has made progress in delivering disk-based recovery tools that reduce recovery times and are starting to integrate new continuous data protection technologies into their backup architectures to reduce data loss. In the past year, four of the nine vendors included in this report acquired startup companies that specialized in replication and/or continuous data protection (CDP) capabilities. Atempo acquired StoreActive, BakBone Software acquired ConstantData, CA acquired XOsoft and EMC acquired Kashya. Symantec and CommVault have their own replication technologies, and CommVault recently launched its CDP product. Symantec has a CDP option for Backup Exec, the company’s small and midsize business (SMB)

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offering. HP resells the Double-Take file replication product under the name OpenView Storage Mirroring and offers a CDP solution called HP StorageWorks Continuous Information Capture. IBM released CDP for Files to support desktop data protection. Although most of these products are not yet integrated into the respective companies' enterprise backup products, most of the companies have announced their intent to do so. In particular, we see the management of these capabilities becoming more unified as enterprises seek to streamline the number of tools in use and to demonstrate a preference for a single recovery management platform rather than having to be the integrator for multiple point solutions.

For several years, the SMB market has been a promising area for growth by the enterprise backup/restore vendors. As of 2006, six of the nine vendors listed in this report offer SMB backup/recovery products. These vendors are CommVault (Galaxy Express), EMC (Retrospect),

HP (Data Protector Express), IBM (TSM Express), Symantec (Backup Exec) and Syncsort (Backup Express SMB). CommVault, IBM, Syncsort and Symantec provide the ability to reuse existing SMB tape backup volumes with their enterprise products.

As new recovery techniques become available in host-based software, network-based appliances, wide-area file system (WAFS) and wide-area network (WAN) accelerators, and storage disk arrays, the enterprise backup vendors could face increasing pressure to differentiate themselves not only from each other, but from the bundled capabilities of these other solutions.

To be considered a significant player in this market requires continued investment to support new server platforms, such as 64-bit systems, VMware and Novell OES, and to add robust support for newly popular applications such as SharePoint, or new storage devices and their related replication options.

Evaluation Criteria

Table 1. Evaluation Criteria

Evaluation Criteria	Comment	Weighting
Market Understanding	Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.	high
Marketing Strategy	A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the Web site, advertising, customer programs and positioning statements.	standard
Offering (Product) Strategy	The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature set as they map to current and future requirements.	high
Product/Service	Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships.	high
Market Responsiveness and Track Record	Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.	high
Marketing Execution	The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional, thought leadership, word of mouth and sales activities.	standard

Figure 2. MarketScope for Enterprise Backup/Recovery Software, 2006

	RATING				
	Strong Negative	Caution	Promising	Positive	Strong Positive
Atempo		x			
BakBone Software			x		
CA		x			
CommVault					x
EMC				x	
HP			x		
IBM				x	
Symantec					x
Syncsort			x		

As of September 2006

Source: Gartner (September 2006)

Vendor Product/Service Analysis

Atempo

Rating: Caution

Atempo is a private company focused exclusively on data protection, with dual headquarters in California and France. It continues to see the bulk of its Time Navigator sales come from Western Europe, but the March 2006 acquisition of Storactive for its CDP products will not only expand the company’s product portfolio, but also give it a stronger presence in North America. Total company revenue in 2005 was just over \$30 million, with about 75% sold through indirect channels, but with no major reselling or OEM partner. The company ended the year with about 2,600 customers. Atempo offers broad platform and application support with the base balanced between Windows, Linux and Unix servers, but the addition of support for iSeries (OS/400) and Mac OS X is providing the company with opportunities to target organizations that need to include support for those platforms. The company has also invested in architecture to enable the product to support a backup service business and has customers using those features, although the company is not promoting those capabilities.

Although Atempo released v.4.1 of Time Navigator in June 2006, providing a security and compliance manager offering that offers a broad range of

encryption and authentication capabilities, the company focus seems to be more on its recently acquired CDP product line. The company has a history of changing business strategy and continuous management turnover that have prevented it from leveraging core products and new technologies into significant revenue growth or company name recognition outside of Western Europe.

Consider Atempo Time Navigator when:

- There is a requirement to run a backup service with users controlling the backup process without visibility to other user data.
- Platform support is needed for iSeries or Mac OS X.
- Systems to be supported are in North America and/or Europe.

BakBone Software

Rating: Promising

BakBone is a worldwide supplier of data protection software sold solely through indirect channels, with a strong presence in Japan and the Asia/Pacific region, as well as Europe and North America. More than 40% of new sales are in support of the Linux platform, where the company provides broad application support (including MySQL and PostgreSQL) as well as support for multiple Linux distributions. The company has OEM relationships with NCR (for Teradata), Network Appliance (NetApp);

for Open System SnapVault [OSSV]), Fujitsu, Sony and Apple Computer, as well as offering the portfolio through an extensive set of value-added resellers (VARs). BakBone has invested in delivering broad support for the NetApp platform and recently has expanded to support the Apple Mac OS X environment. The company added a replication product via the 2005 acquisition of Constant Data and is expected to leverage that technology to take it into the CDP market in 2007. It also acquired backup reporting technology from Otium in 2006 that it had previously been private-labeling and reselling as NetVault: Report Manager for Backup. BakBone will continue to resell the Otium storage resource management (SRM) tool as NetVault: Report Manager for Disk Space. Media Management is available through a reselling agreement with B&L Technologies for the Vertices product. Version 7.4 of the product, released in December 2005, added support to the company's virtual tape software for different retention periods for disk and tape backup copies.

BakBone is a public company, but an ongoing financial reporting issue has resulted in two years with no official reports. Although the company claims a strong and healthy business, questions of financial viability have extended some sales cycles. Gartner estimates 2005 company revenue growth of 20% to reach total revenue of \$40 million, with about 12,000 customers. The company has limited investment in marketing and just started to free up money for acquisitions to fill in product gaps. BakBone focuses on midmarket customers and niche backup requirements.

Consider BakBone's NetVault when:

- Support for Linux, Apple Mac OS X, NCR Teradata or NetApp filers is required.
- Solution price and ease of use are important selection criteria.
- Supported systems are located in North America, Asia/Pacific, Japan or Europe.

CA

Rating: Caution

With the integration of two backup and recovery offerings completed, an enterprise and a workgroup

product, CA released ARCserve r.11.5 in September 2005. This version provides much-needed enhancements in disk-to-disk (D2D) and disk-to-disk-to-tape (D2D2T) capabilities, as well as improvements in the sometimes-fragile backup catalog – both of which were sources of frequent product criticisms. CA storage has completed three acquisitions in less than a year, including iLumin for e-mail archiving and XOssoft for high availability, replication and CDP. The addition of the XOssoft portfolio and its engineering team should enable CA to better deliver on its newly announced recovery management strategy and provide a stronger remote-office solution. Although the product boasts about 350,000 server licenses with support for eight languages and worldwide sales and support, ARCserve is still the most frequently mentioned as the product being replaced, often for issues that have been addressed in more current versions of the product. The offering is still considered a strong option for NetWare, but directions around Novell clustering and Open Enterprise Server (OES) are not readily visible on the Web site. A major competitive disadvantage is the lack of a synthetic full capability for disk-based backups.

Constant channel program changes and participation in the generic marketing of the larger company rather than more-focused storage marketing programs that are needed to educate and support indirect channel sales have slowed sales and dulled the market view of new product features and pricing options. New license revenue was essentially flat year over year for ARCserve, while all but one other vendor increased revenue in the same period. The acquired people and technologies from MDY, iLumin and XOssoft need to be assimilated and overlaps in product road maps removed, with new directions not only communicated but quickly delivered.

Consider CA BrightStor ARCserve Backup when:

- Support for Novell and/or Windows as the primary platform is required.
- An easy-to-use administrative interface is important.
- It will be used in geographies where the product's language support and the company's sales and support presence are valued, such as China, Japan and other Asian countries.

CommVault

Rating: Strong Positive

CommVault has continued to expand beyond its historic strengths on the Windows platform, especially for Exchange and SharePoint, growing its penetration in the Unix market and expanding its portfolio via in-house development. It followed the December 2005 release of Galaxy 6.1 with the June 2006 introduction of the Continuous Data Replicator (CDR) capability for near-CDP on Windows, providing support for files, Exchange and SQL Server. CDR is targeted at branch office support, and, although it is available as a stand-alone module, it also offers deep integration with the Galaxy product. In July 2006, the RecoveryDirector option was delivered with an approach that enables a unified recovery platform, encompassing tape and disk-based backup, near-CDP capability on Windows, and extensive replication and snapshot support across many storage arrays, NetApp filers and file systems.

Partnerships with Dell and Hitachi Data Systems (HDS) have opened up new markets and geographies for the company. CommVault reported total revenue growth of 40% in 2005, the highest percentage growth of the vendors in this MarketScope – at the end of calendar year 2005 growing to just over \$100 million with more than 3,500 customers for its Galaxy product, not counting the Galaxy Express customers acquired through Dell. An expanded relationship with NetApp for SMB data protection was announced in July 2006.

Consider CommVault Galaxy when:

- Looking to meet broad enterprise recovery requirements with an easy-to-use interface, especially where Windows is a key platform.
- A tightly integrated recovery and archiving solution that includes array-based replication and disk-based recovery is required.
- Support for granular SharePoint recovery is required.

EMC

Rating: Positive

EMC NetWorker was the early leader in the backup market for Unix systems as a result of extensive OEM partnerships with the platform vendors. Continuing to remain a force in the recovery market as it moves to embrace a larger base of Windows systems has required a major upgrade of the product's user interface, even as EMC has added stronger support for disk-based recovery features. With the 7.3 release at the end of 2005 and a point release in June 2006, the company completed the rollout of a new, streamlined administrative interface and expanded D2D features and encryption capabilities. EMC also announced partnerships with WysDM for its EMC Backup Advisor reporting module. In May 2006, EMC acquired Kashya for network-based replication and for CDP, replacing a previous partnership with Mendocino Software. Although NetWorker sometimes lags behind the competition in implementing some features, such as encryption and concurrent restores, it has led in others, such as its CLARiiON Disk Library (CDL) virtual tape library (VTL) support for the production of tape in the appliance while logging both the disk and tape recovery sets in the NetWorker catalog.

EMC NetWorker sells approximately 60% through the channel and has benefited from relationships with Dell and Sun as well the extensive EMC direct and indirect channels worldwide. Although approximately 87% of its revenue comes from North America and Europe, EMC is making strong moves to sell more software in Japan, Asia and Australia and posted strong gains in new license revenue year over year.

Consider EMC NetWorker when:

- There is a requirement for disk-based recovery solutions.
- EMC CDL is deployed.
- Worldwide installations require broad platform and application support.

HP

Rating: Promising

HP offers Data Protector as a complement to its storage hardware and server sales, often at a very low price. The product is frequently used in HP SAP installations with another backup solution used for other systems. HP offers Data Protector primarily through the channel and as a complement to its server and storage sales, but the bulk of HP's sales force has too extensive a portfolio to be able to sell the merits of the product. Although revenue has been growing, HP has not been able to increase the revenue to the size of IBM's and EMC's, the other storage hardware vendors in this report. In an attempt to address this, in 2006, HP added a dedicated storage software sales team, which could improve this situation.

HP delivered release 6.0 of its Data Protector product in September 2006. This release extended the support coverage for both its Zero Downtime Backup (ZDB) replication management option for taking faster and less disruptive backups as well as the Instant Recovery technique for restoring rapidly from these snapshots. Instant Recovery supports HP XP and EVA snapshots and ZDB supports these, plus EMC TimeFinder on Symmetrix. HP now has the ability to provide synthetic full backups as well as virtual full backups from an improved administrative interface. Virtual full backup reduces the time and space requirements of synthetic full backups by using pointers instead of copying the data. The company has also established a relationship with Mendocino for a block-level CDP appliance.

Consider HP Data Protector when:

- Purchasing new HP equipment for enterprise or departmental use, particularly in support of SAP R/3 or where OpenView integration is needed.
- HP XP or EVA array snapshots are used as part of the recovery process.
- Worldwide support is required (however, HP is strongest in Europe and North America).

IBM

Rating: Positive

IBM has broad support for all IBM servers and applications as well as support for other common enterprise platforms. The current version of the enterprise backup product, IBM Tivoli Storage Manager (TSM), was delivered in December 2004, and another major release is not planned until early 2007, making it over two years between major revisions of the product. Still missing is support for snapshots from third-party arrays without the requirement for an IBM SAN Volume Controller (SVC), although snapshot support via arrays with Volume Shadow Copy Service (VSS) providers is available for Exchange. Also missing is robust Windows support, including a SharePoint agent and VSS support for NTFS files and SQL Server. Although IBM has had a reselling agreement with NetApp since April 2005, deep NetApp support (NDMP and snapshots) is better-addressed by competitors. However, IBM has been focused on surrounding TSM with solutions to target the SMB and desktop data protection environments. In September 2005, IBM formally released Tivoli CDP for Files, which the company positions as both server and desktop CDP, but which has seen its biggest adoption in the laptop/desktop space. In February 2006, TSM Express was introduced, offering an SMB and departmental solution that can be migrated up to the full TSM version but that offers quicker deployment and better ease of use than the enterprise solution.

The product offers comprehensive language support and is sold and supported worldwide by IBM's extensive direct and indirect channel. TSM posted the second-largest revenue number in this MarketScope. TSM agents are embedded or packaged with many IBM software solutions (such as DB2 and Informix). IBM Global Services offers installation and tuning support and leverages the software as part of outsourcing activities.

Consider IBM Tivoli Storage Manager when:

- Mainframe (zSeries), OS/400 (iSeries), AIX or the IBM SVC are part of the enterprise computing environment.

- Broad hierarchical storage manager (HSM) platform support and/or integrated project-archiving capabilities are required.
- Worldwide support and/or multiple language capabilities are required for heterogeneous enterprise environments.

Symantec

Rating: Strong Positive

Symantec has the largest base of enterprise-class backup customers with Veritas NetBackup. The company also has strong penetration in the SMB market with its Backup Exec product. Symantec has been aggressive in promoting its data protection offerings and in defining the vision for the market. The 6.0 version of NetBackup, released in October 2005, represents a major update of NetBackup, changing the backup catalog to a relational database, merging in the bare metal restore (BMR) capabilities, adding the NetBackup Operations Manager console for centralized management and reporting to the base product, and other disk-based recovery enhancements. Although some early adopters experienced challenges with v.6.0, recent maintenance packs appear to have resolved most of the issues. A partnership with NetApp extends NetBackup's ability to act as a recovery manager for integrated snapshot cataloging and management, now supporting several enterprise arrays, NAS filer and Storage Foundation FlashSnap. In March 2006, Veritas NetBackup PureDisk Remote Office Edition was released and provides single instance store (SIS) and WAN-efficient data protection for the remote office.

The 2005 acquisition of NetBackup by Symantec as part of its Veritas acquisition resulted in channel and service lapses that negatively affected product revenue growth for NetBackup, although Backup Exec saw good growth (Symantec's NetBackup was the only product from the vendors in this report to experience negative growth in 2005), and the revenue still was almost 50% higher than its nearest competitor. The company is experimenting with organizational structure and product packaging and has yet to get full momentum restored. Pricing, licensing and service initiatives are major activities

that continue to roll out as the company looks to bring the Symantec and Veritas businesses together.

Consider Symantec Veritas NetBackup when:

- Support for NetApp filers as part of a heterogeneous storage environment is required.
- Integrated multiplatform BMR is required as part of the recovery plan.
- Worldwide installations require broad platform and application support.

Syncsort

Rating: Promising

Syncsort targets midsize enterprises with its Backup Express product but is also penetrating larger organizations with focused solutions for NetApp and Novell. The company has invested heavily in creating and promoting its Backup Express Advanced Protection Manager suite of advanced D2D data protection solutions for the NetApp platform, which provides block-level incremental backup, BMR for Windows servers and fast image backup for large volumes of small files. Novell also continues to be a focus for the company for both the NetWare platform and the Novell OES platform, which allows NetWare and SUSE Linux Enterprise Server to coexist. This focus has provided the company with an advantage on the targeted platforms. An OEM relationship with Tek-Tools provides enhanced backup reporting capabilities. The solution is only available in English but has Unicode support. Approximately 70% of the product business is in North America, with most of the remainder coming from Europe. The company has had a small presence in Australia and New Zealand supporting NetWare and is leveraging that foothold to promote its NetApp solutions.

Syncsort is a 35-year-old, private company historically best-known for its commercial sort and data manipulation utility for the Unix, Windows, Linux and mainframe operating systems, but it is increasingly promoting its extraction, transformation and backup offerings. Its backup product portfolio is run as an independent line of business with no real involvement or synergies with the other businesses. The Backup Express product has been in the market for 10 years and has almost 2,000 customers.

Consider Syncsort Backup Express when:

- Backup to NetApp storage is desired, or when looking for a disk-based backup solution where purchase of NetApp storage is an option.
- NetWare and OES support is required, or when Exchange and SQL Server are deployed on NetApp storage.
- Midmarket companies in North America, Europe or Australia/New Zealand are looking for a cost-effective, easy-to-use solution.

Gartner MarketScope Defined

Gartner's MarketScope provides specific guidance for users who are deploying, or have deployed, products or services. A Gartner MarketScope rating does not imply that the vendor meets all, few or none of the evaluation criteria. The Gartner MarketScope evaluation is based on a weighted evaluation of a vendor's products in comparison with the evaluation criteria. Consider Gartner's criteria as they apply to your specific requirements. Contact Gartner to

Acronym Key and Glossary Terms

BMR	bare metal restore
CDL	CLARiiON Disk Library
CDP	continuous data protection
CDR	Continuous Data Replicator
D2D	disk-to-disk
D2D2T	disk-to-disk-to-tape
HDS	Hitachi Data Systems
HSM	hierarchical storage manager
NAS	network-attached storage
OEM	original equipment manufacturer
OES	Open Enterprise Server
OSSV	Open System SnapVault
RPO	recovery point objective
RTO	recovery time objective
SIS	single instance store
SMB	small and midsize business
SRM	storage resource management
SVC	SAN Volume Controller
TSM	Tivoli Storage Manager
VAR	value-added reseller
VSS	Volume Shadow Copy Service
VTL	virtual tape library
WAFS	wide-area file system
WAN	wide-area network
ZDB	Zero Downtime Backup

discuss how this evaluation may affect your specific needs.

In the below table, the various ratings are defined:

MarketScope Rating Framework

Strong Positive

Is a solid provider of strategic products, services or solutions.

- *Customers:* Continue investments.
- *Potential customers:* Consider this vendor a strong strategic choice.

Positive

Demonstrates strength in specific areas, but is largely opportunistic.

- *Customers:* Continue incremental investments.
- *Potential customers:* Put this vendor on a shortlist of tactical alternatives.

Promising

Shows potential in specific areas; however, initiative or vendor has not fully evolved or matured.

- *Customers:* Watch for a change in status and consider scenarios for short- and long-term impact.
- *Potential customers:* Plan for and be aware of issues and opportunities related to the evolution and maturity of this initiative or vendor.

Caution

Faces challenges in one or more areas.

- *Customers:* Understand challenges in relevant areas; assess short- and long-term benefit/risk to determine if contingency plans are needed.
- *Potential customers:* Note the vendor's challenges as part of due diligence.

Strong Negative

Has difficulty responding to problems in multiple areas.

- *Customers:* Exit immediately.
- *Potential customers:* Consider this vendor only if there are no alternatives.