

# Archiving Email for Compliance and Competitive Advantage

An ArcMail Technology Research Paper



## Why archive email?

Email is ubiquitous. No matter where you look, people are reading their email; whether at an Internet kiosk at an airport, on a laptop in an Internet café or on their smart phones in the middle of church. As a result of the growing reliance upon email, people have started to use email applications as the 21st century filing cabinet where they document their activities, store files and important communications and conduct business. At the same time, users are being overwhelmed with the amount of email they receive each day, making it difficult to effectively extract data stored in email messages. In addition, if email stops working, business for many people and their organizations comes to a halt as IT teams scramble to address the problem.

When it comes to today's information age, there has never been a more business-critical communications tool than email. Like the manila folders of old, the virtual folders have become gold mines of information. Unfortunately, while the manila folders only caused paper cuts, when mishandled, the virtual folders can create a number of challenges for organizations.

## Backing up vs. Archiving

The key to understanding the importance of email archiving is to understand the difference between archiving and backing-up. While most companies back-up their data to a tape drive or other media, the process of restoring, searching and using the information can be time consuming and difficult. Archiving differs in that it allows organizations to store information in such a way that email can quickly be searched, restored and used for a competitive advantage.

The question of why archive has a number of answers. This white paper will outline the following top 10 reasons why organizations should archive their email. While not all email archiving solutions are alike, these top 10 reasons should be considered when evaluating the implementation of email archiving software or hardware.

1. Knowledge Management
2. Storage Management
3. Risk Management
4. Employee Productivity
5. Business Continuity
6. Compliance and Legal Discovery
7. Improve network performance
8. Disaster Recovery
9. Reduce Load on IT Department
10. Email Dexterity

## Knowledge Management

Email is the most common means of communicating in business today, for everything from simple greetings to contract negotiations. A recent article in KM World Magazine sums up the importance of email in today's business world:

"Twenty years ago, no permanent records existed that weren't physically printed on paper, due to legal precedents. Now 60 to 70 percent of business critical data is, at some point, contained in email, so the need to manage, store, search and retrieve those electronic records is paramount. Email Management is now mission-critical."<sup>i</sup>

**Access to business-critical information.** Email applications have become repositories of communications and files that more often than not contain information that is relevant and can be used and reused for business purposes. Legacy back-up systems are not designed to allow users and organizations to access and search email files. The concept behind email archiving is to allow organizations to maintain a complete, secure and real-time archive of every inbound, outbound and internal email attachment. Once stored, users should be able to search the archive in a matter of seconds using a variety of search criteria.

Archiving ensures that corporate knowledge is retained and stored in an accessible format while protecting the integrity of the database by preventing users from altering or deleting files.

## Storage Management

According to The Radicati Group, the email client worldwide installed base is expected "to reach 2.4 billion clients by year-end 2007, and grow to 3.2 billion clients by 2011."<sup>ii</sup> Radicati also estimates that "worldwide e-mail accounts are growing faster than e-mail users at an average annual rate of 8%,"<sup>iii</sup> while the average corporate email account receives 18 MB of mail and attachments each business day. That figure is projected to grow to 28 MB a day by 2011.<sup>iv</sup>

With the growing number of email accounts and users, email is consuming an increasing amount of network and storage resource, forcing many organizations to institute strict mailbox size quotas. For most organizations, email storage or back-up simply involves maintain individual user's PST files. Organizations that take email back-up a step further typically invest in traditional tape back-up systems, which can be both time consuming to manage, difficult to search and prone to errors. While tapes are cheaper than network or appliances, tapes are often damaged or simply wear out, while humans often forget to change the tape, accidentally delete files or reformat tapes, or handle the tapes improperly.

Reduce storage costs. Archiving is a more efficient and cost-effective way to store email files. Hardware-based solutions provide centralized storage for all email accounts, which reduces backup time, hardware requirements and media costs of keeping old email off of mail servers. The hardware device also eliminates the need to manually change back-up tapes by automatically indexing all emails and attachments.

Email storage management is also critical when it comes to compliance, which this paper will address shortly in more detail. Michael Osterman, principal of Osterman Research, recently said that "Growth in email storage is the number one problem facing IT managers today. With storage needs increasing by approximately 35 percent per year, IT managers are faced with finding the best solutions to manage email volume and meet archiving requirements for compliance."<sup>v</sup>

## Risk Management

One of the driving forces behind email archiving is risk management. As the volumes of email continue to increase, organizations need to find ways to manage the data, as well as the risk. A 2006 article in *Wall Street & Technology* reported, "E-mail has gotten so big that it's no longer a mere issue of personal productivity. Top executives and their companies are being judged on how they're controlling it, as mismanagement can lead to legal troubles."<sup>vi</sup>

By archiving all company emails in a single location, organizations can quickly produce a paper trail that will help resolve disputes and prevent litigation. An archiving solution can also help to deter employees from using company email for inappropriate uses while eliminating the need for users to store email on personal media and the potential risk of misplacement or theft.

A conveniently accessible and searchable email archive can be the difference between a quick resolution and a drawn out process of discovery that can waste significant time and money.

## Employee Productivity

According to eMarketer, email volume in the U.S. will reach nearly 2.7 trillion messages this year, while other studies suggest that workers spend an average of two hours per day sorting through their inbox. For many organizations, email is still a major productivity challenge. With many employees receiving hundreds of emails a day, simply reading, responding to and searching messages can be extremely time consuming.

A recent study by IDC found that a company with 1,000 information workers can expect to lose more than \$5 million in annual salary costs because of the time spent on unproductive email searches.<sup>vii</sup>

Productivity is also impacted when users have to manage mailbox sizes by downloading and filing emails on their personal computers, creating an underground archive that is rarely backed up. Archiving emails allows users to quickly search and find information stored in emails without having to import old PST files or require tech support to search email servers. Archiving emails in a central, searchable repository saves time related to search and enhances competitiveness by giving employees fast access to the company's knowledge base.

## Business Continuity

With the speed of business today, business continuity is critical. Never before has the phrase "time is money" been more apropos. When email systems go down an employee leave a company, there are business processes that can be dramatically impacted. Being able access and search email archives can save a significant amount of time in replicating information and eliminating the need to recreate emails and information.

Automatically archiving employee email ensures that organizations retain access to emails when employees leave, or when hard drives or network systems crash or fail. Archiving serves a real-time backup for all email and attachments.

## Compliance and Legal Discovery

A recent report by IDC found that global sales of email archiving solutions increased by 45 percent in 2006 fueled by the need to satisfy compliance regulations, legal discovery and storage requirements.<sup>viii</sup> Email records are being used more and more to incriminate or protect organizations.

Recent cases such as the Republican Party unable to produce more than five million emails or Intel's anti-competitive lawsuit with AMD have demonstrated to IT departments across the country the importance of being able to quickly and easily access and search email archives. A number of studies indicate that between 50 and 70 percent of IT departments have been subpoenaed to produce email records as part of legal action.

Effective email archiving will allow organizations to restore emails on demand to comply with a variety of industry and government regulations, including the Sarbanes-Oxley Act, HIPAA, the Garmm-Leach Bliley Act, the Freedom of Information Act, the USA Patriot Act, the Securities and Exchange Commission and other regulations.

**Complying with the new FRCP.** In addition, the new amendments to the Federal Rules of Civil Procedure increase the focus of the electronic discovery process early in court cases. The amendments, which went into effect January 2007, require that when business records are reviewed for discovery purposes, the files must include emails. The FRCP moves data management and retention beyond a simple best practice into a legal consideration that if not maintained can result in serious consequences for the organization.

By integrating a comprehensive archiving solution that facilitates data management and search, companies can be better prepared should they ever be asked for emails as part of a legal discovery process. As a result they will be able to avoid fines, penalties and expensive, time consuming restores of backup tapes.

## Improve Network Performance

Email can be a drain on network resources, particular the performance of the mail server. The

increasing amount of emails are becoming a burden on users and the IT staff, which is responsible for finding a solution for the both the storage and protection of the data and the infrastructure. Archiving email on a dedicated device can eliminate the need to keep old mail on the server, reduce the capacity for the mail server and prevent email blockages caused by users going over their mailbox storage limits.

## Disaster Recovery

According to Radicati, the global email disaster recovery market is expected to reach \$635 million by the end of 2007 and grow to \$887 million by 2011.<sup>ix</sup> The market is being driven by the need for business and message continuity, and the increase in security threats and natural disasters. Traditionally, email is stored in a variety of locations on servers as well as on individual workstations. Backups are usually performed using tapes or optical drives, or left in the hands of individual users to archive in ad hoc PST files. Email archiving can serve as part of a disaster recovery plan to help protect one of the most important business assets.

**No email left behind.** A centralized, automatic email archiving solution provides a consistent way to protect email data, as well as a more cohesive method for restoring emails in the case of a security breach, system outage or disaster. While backup tapes and optical drives capture the data at a specific moment in time in the past, many email archiving solutions capture information in real-time, allowing organizations to recover email at the point the system outage or disaster occurred. The ability to quickly and completely restore user accounts can save organizations significant time and money.

## Reduce Load on IT Department

With the growing dependence on technology and electronic communications, many IT departments are simply overwhelmed with email management issues. According to Osterman Research, 50-75 percent of costs associated with managing email systems is the labor.<sup>x</sup> Email messages that were once typically 20-25KB in size, are now growing to 50MB or more as a result of the growing popularity of video and digital images. Email boxes are getting bigger, which means storage requirements and management of email users is increasing.

"Ferris Research estimates that IT staff typically spend 3 to 5 hours per user, per year managing e-mail. The IT cost associated with managing e-mail is \$20 per user, per month. The user productivity cost associated with managing e-mail is \$120 per user, per month."<sup>xi</sup>

**User independence.** As long as people insist on using email to store presentations, images, videos and other large files, there will be an increasing demand on IT resources, and conversely the people that manage those resources. Using a stand-alone, automatic email archive appliance helps to alleviate the burden on IT departments by reducing the wear and tear on email services and other network resources. In addition, it allows end users to resolve a number of email related concerns on their own, such as searching old emails and restoring accidentally deleted emails. The appliance also eliminates concerns for storage requirements and the need for mailbox size quotas while providing administrators complete visibility of all emails, which reduces the time it takes to search and find files.

## Organizational Dexterity

What does dexterity have to do with email and email archiving? Email was designed as a tool to help improve the way organizations communicate and do business. It is a tool that allows organizations to be more agile by quickly sending information as well as responding to requests for information. In business, email has always been about speed. Unfortunately, with its growth in popularity, the volumes of email have slowed network resources, handicapped IT staffs, created numerous corporate risks and made retaining and accessing knowledge found in emails difficult.

Organizations are struggling to get a handle on how to manage the information effectively so that data can continue to be used without impeding personal productivity, as well as the performance of network resources.

Email archiving removes a significant burden from both a company's human and network resources, allowing people to continue to use email effectively. Integrating an email archiving solution will create a standardized way for email to be stored, change poor and/or inappropriate use habits, and eliminate the need for rogue databases and personal archives. All email can be searched and accessed, allowing organizations to access information faster, have more complete information and make better business decisions. Organizations can also respond to e-discovery requests faster and meet compliance requirements.

Archiving allows businesses to use email as it was originally designed, and not look at it as an unfortunate, necessary burden.

## There's more . . .

There are a number of other reasons to archive, from simply good business practices to establishing network redundancy. The top ten reasons listed in this white paper provide what can be considered the most compelling reasons for investing in an email archiving solution.

As was mentioned earlier, not all email archiving solutions are built alike. Many may not be able to provide solutions that support the reasons spelled out in this top ten list. The need for email archiving is clear, and with IDC predicting that sales of email archiving applications to reach \$1.4 billion by 2011, the demand is growing as well. <sup>xii</sup>

## A solution . . .

Defender by ArcMail Technology is a comprehensive email archiving and management solution. The appliance provides secure, centralized email archiving that reduces bandwidth concerns, helps organizations comply with industry and government regulations, reduces the email management burden from the IT department and eliminates the need to store emails on backup tapes or the mail server by providing up to 12TB of onboard data storage. Defender also features robust search function, which makes it easy for users to find email and attachments.

## About ArcMail Technology

Founded in 2005, ArcMail Technology is a cutting-edge provider of simple, secure, and cost-effective email archiving and management solutions for small and medium-sized businesses. The company's ArcMail appliance is easy to buy, easy to install, and easy to use, and improves the end-user experience, reduces the load on IT resources, and safely and securely retains the business information contained in emails. ArcMail provides broad coverage for the SMB market and is capable of meeting the archiving and management requirements for an organization with as few as five users up to more than 4,000 users. The company is developing a global channel program to help deliver its products to organizations worldwide. ArcMail is headquartered in Shreveport, La., and has development groups in Washington and Arizona. For more information, visit [www.arcmail.com](http://www.arcmail.com).

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<sup>i</sup> <http://www.kmworld.com/articles/PrintArticle.aspx?ArticleID=15409>

<sup>ii</sup> <http://www.radicati.com/>

<sup>iii</sup> *ibid*

- iv <http://www.fastcompany.com/magazine/117/next-tech-email-is-dead.html>
- v [http://www.wwpi.com/index.php?option=com\\_content&task=view&id=2243&Itemid=44](http://www.wwpi.com/index.php?option=com_content&task=view&id=2243&Itemid=44)
- vi <http://www.wallstreetandtech.com/resourcecenters/riskmanagement/showArticle.jhtml?articleID=193004323>
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