

SaaS DATA ESCROW BENCHMARK REPORT

Report synopsis

The advent of software-as-a-service (SaaS) has delivered new ways of accessing computing resources, delivering many benefits including a dramatic lowering in the total cost of ownership for many companies' IT systems.

However, as well as delivering new benefits, alternative ways of working often present fresh challenges. For example, the use of SaaS raises a series of questions over where a company's data is held, who owns it and how it can be safeguarded especially in the face of an unforeseen disruption.

This report aims to establish a benchmark of end-users views towards the management of company data residing within SaaS applications. It is a concept coined SaaS data escrow, in recognition of Source Code Escrow; the storage of critical software source code with an independent third party.

SaaS Data Escrow is the same logic applied to data within a SaaS application. It allows companies to protect and insure all the data that resides within SaaS applications by keeping a copy with an independent third party, protecting data from loss, SaaS vendor bankruptcy or other unplanned service outages in the short or long term.

The report is based on a survey of 400 senior IT decision makers, across the US (300) and UK (100), working within commercial organisations with 500 to 5000 employees. The research was conducted in November 2009.

Current and planned use of SaaS

It comes as no surprise that the vast majority of companies are already using, or plan to use, SaaS within their business. Over 40 per cent already make use of SaaS, with close to another 40 percent planning to use at least one SaaS offering. Only around one in five companies have no intention of utilising SaaS in the foreseeable future.

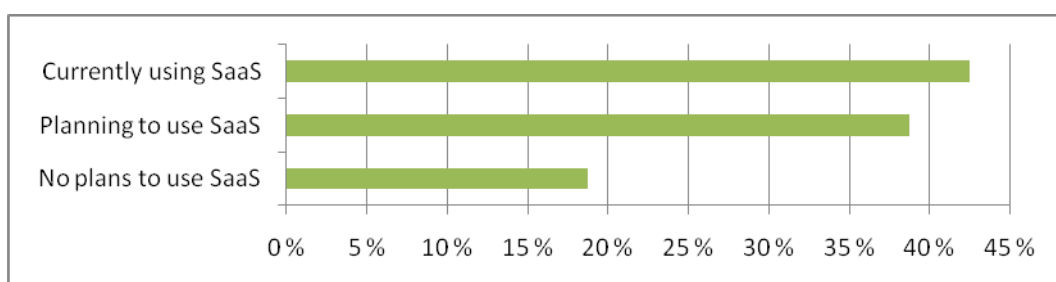


Figure 1 - SaaS usage

There is a difference between adoption within the UK and the US, with more than twice the amount of US organisations taking up the SaaS model of software deployment.

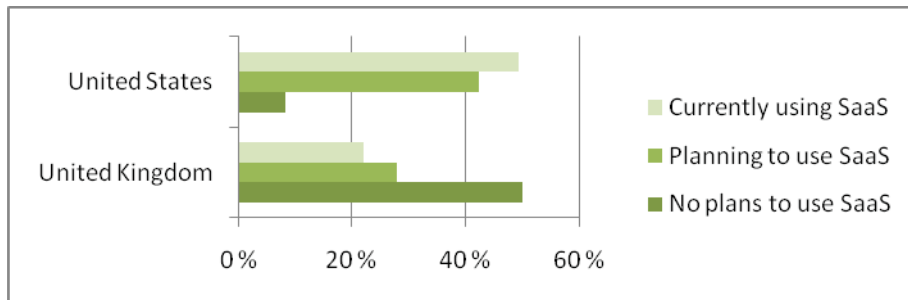


Figure 2 - SaaS usage - UK v US

The drivers for SaaS data escrow

Although SaaS vendors employ backup and replication procedures that allow them to recover customer data following a catastrophic event and ensure adequate application performance, most end-user organisations also want to take their own copy of the data.

Motivations for maintaining a copy of data within SaaS applications vary, but the demand is clear as 52 per cent of companies want to take copies of their SaaS data at least once a week. A third want to take a copy at least once a day. Only 15 per cent of those who currently use, or plan to use, SaaS have no inclination to keep a copy of their data.

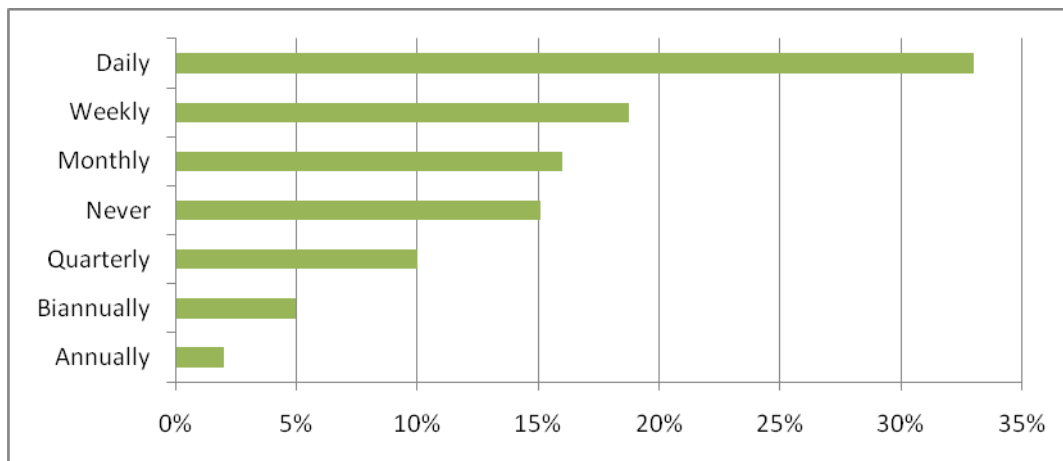


Figure 3 – How often companies want to take copies of SaaS data

Although the US has a higher uptake of SaaS, a much greater proportion of UK respondents want to take a copy of data regularly, with 64 per cent of UK SaaS users either making or keen to make copies of their SaaS application data at least daily, compared to a 27 per cent figure from US organisations.

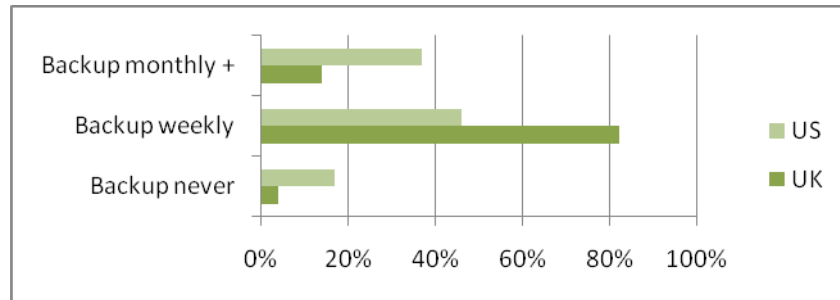


Figure 4 - How often SaaS data is copied - UK v US

There are six primary drivers for keeping a copy of SaaS data, with protection against data loss or corruption from either the SaaS vendor or the end-user the two leading concerns. Rather more commonplace requirements include the availability of data should there be a temporary service issue with the SaaS provider or a fault with the organisation’s internet connection.

A quarter of companies cited reporting and analytical requirements that exceed the capabilities of SaaS applications as a prime reason for keeping a copy of SaaS data, with internal and external compliance pressures also of importance.

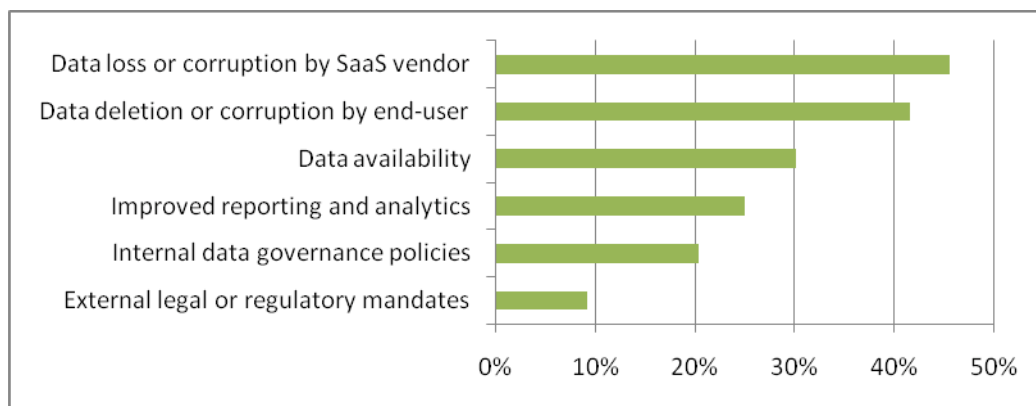


Figure 5 – Reasons for taking a copy of SaaS data

Keep it in the clouds

While there is clear demand for SaaS data to be protected by keeping an up-to-date copy, there is also a business requirement to keep the costs of such a solution low. After all, a company adopting SaaS is looking to minimise the time, effort and resources required to run business applications. Replicating and managing SaaS data in-house introduces additional cost to a lean IT model.

It is not surprising therefore to find that only 10 per cent of companies look to store their SaaS data copy in-house, while 47 per cent would like to use a cloud infrastructure provider other than the one

tied to the original SaaS vendor. Given the cost efficiencies of cloud computing, 43 per cent of companies would prefer to store a copy of their SaaS data with multiple cloud providers for additional security.

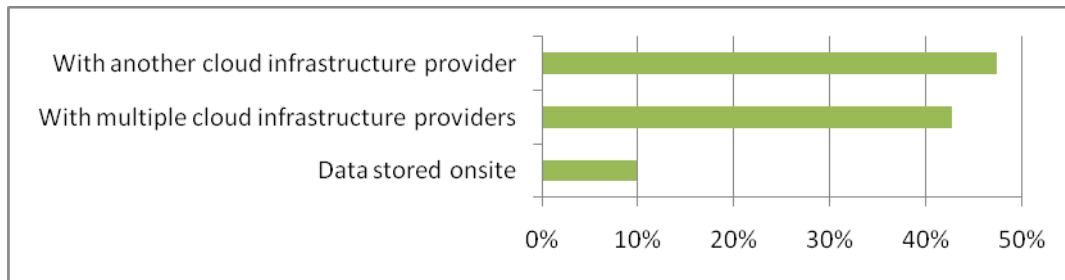


Figure 6 - Storage of SaaS data escrow

However, UK organisations are over seven times more likely to store escrow copies of SaaS data onsite, rather than storing escrow copies with other cloud infrastructure providers, indicating a higher distrust of SaaS and cloud providers.

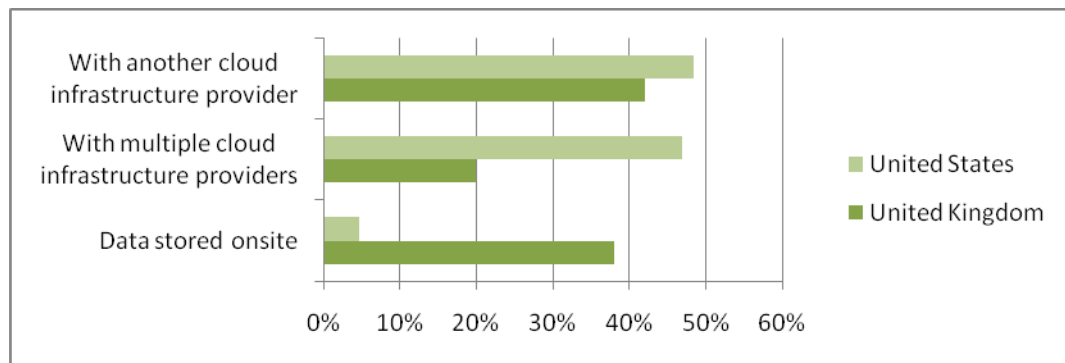


Figure 7 - Storage of SaaS data escrow - UK v US

The demand for SaaS data escrow is clear. 81 per cent of companies already use or plan to use SaaS and 85 per cent of those companies want to take a copy of their SaaS data; a third on a daily basis and over half at least once a week. Of those companies, 90 per cent want to keep at least one copy of their SaaS data in the cloud away from the SaaS vendor.

That is the definition of SaaS data escrow, a service that is a key component of the future of SaaS and cloud computing.