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- **MVP Nation**
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SMB PC MAGAZINE

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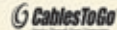
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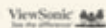
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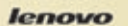
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[Jennifer Hallmark with new husband Craig on their recent honeymoon to Australia! Seen here climbing the Sydney Harbour Bridge with Microsoft Small Business Server MVP Wayne Small and his friend Anthea.]

EDITORIAL

By Harry Brelsford, CEO

Forecasting the Future

The words on this page are intended to both inspire and disturb you. Our editorial genre is to focus on the first element but honor the second. Looking forward into 2011, as a student of economics, I suggest to you that good times are dead ahead. But don't party like a drunken sailor yet. The economic indicators that I need to see are affirmative: galloping financial markets, low volatility index, low inflation, low borrowing rates, etc.

However I would be remiss if I didn't offer a balanced view. It's only for your benefit. Down on Main Street, where you diligently serve small businesses each and every day as an SMB channel partner, the economic recovery sometimes feels like Chinese water torture. The unemployment rate is stubbornly high; jobs are not being created fast enough. Folks are anxious about "when" this economic recovery will come. State and local budgets are still feeling the cuts as a lagging part of the economy. You share these observations with your customers because you are a small business as well.

What are you to do about the 2011 economy? I recommend you keep a balanced portfolio and not be too "top heavy" in any one line of work. Consider a time-proven business model: franchises. There is a feature article in this issue that really allows you to consider recasting HOW you do business. Another best bet is CLOUD. I just had coffee with Tom Poole, an Internet entrepreneur who believes that CLOUD will be "bigger" than the Internet boom of the late 1990s. Finally, you should dedicate yourself to increasing sales, as the fine article by Matt Makowicz suggests.

So celebrate the New Year with wisdom.

This and That….

Events: We have some upcoming events detailed at our site (www.smbnation.com) you should consider. There is MVP Nation (March 3-4, 2011, in Seattle) and SMB Voice (inside Channel Partners, March 13-15, in Las Vegas). Our SMB Nation Spring Show has become a traveling event and will be hosted in Toronto (date TBD – late May/early June). And the 9th Annual Fall Conference is slated for Sept 30 – Oct 2nd at the Rio in Las Vegas.

Pocket MBA: Last issue we featured the SMB Nation/Aspen University Pocket MBA as our cover story. Your response was positive, even – dare I say it – overwhelming. We're just revamping the curriculum for 2011 with a special twist for MSPs. Add earning the Pocket MBA to your New Year's resolutions! And please applaud the first graduating students!

Wishing you continued success in 2011!

Cheers…harrybbbb
Harry Brelsford
CEO, SMB Nation

PS – This issue is the most content-rich yet! Let me know what you think…

Community Corner!
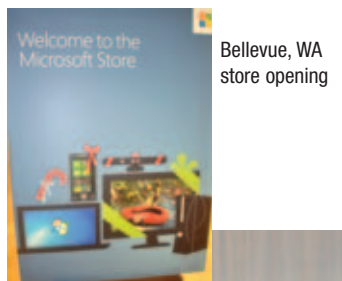
Bellevue, WA store opening

Autotask/SMB Nation BeerFest, Seattle, WA
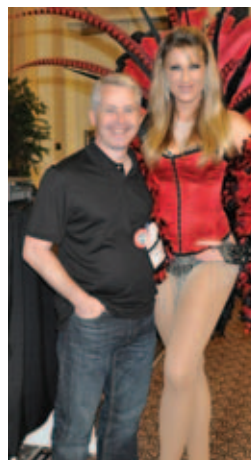
SMB Nation Fall 2010 – Beer Kegger!

D&H Distributing show, Hershey, PA

More Autotask/SMB Nation BeerFest, Seattle, WA

by Larry Lannon

SMBnation partners with **Channel Partners** Conference & Expo

A WORKING PARTNERSHIP THAT WORKS

SMB Nation and Channel Partners are teaming up again this March in Las Vegas. The goal of the partnership is simple— to help VARs succeed in the channel. Like any worthwhile goal, the objective is easier to define than it is to realize.

VARs are increasingly adopting the indirect sales model to reach the small- and medium-sized business market. Layering VOIP on top of their traditional IT offerings allows VARs to thrive working the channel model.

Though the appeal and utility of the channel model is clear that does not mean only smooth sailing lies ahead.

Adoption of an indirect sales model poses challenges for VARs. Technology adaptation is not the major hurdle confronting VARs making the leap to the channel. Business processes and practices also change under the channel model. VARs accustomed to meeting their financial goals at the time of sale sometimes find adapting to a residual model challenging. The residual model requires a longer-term economic perspective with less of a focus on the sale and a greater focus on the post-sale client experience.

Further complicating the situation is a parallel change taking place on the telecom side of the channel. SMB customers increasingly want a single source for telecom and IT services. Like an irresistible gravitational force, this customer requisite is pulling traditional agents from their traditional telecom orbit further and further into the IT space.

The channel model's gravitational pull is increasing, creating new relationships, rewarding new skill sets, and sparking new opportunities and new challenges.

Circumstances in the channel today are dynamic, challenging, exciting, and fluid. Already exceedingly competitive, the channel is certain to become more competitive in the months ahead as these dynamics play out and accelerate.

Handicapping risk and reward on the top line is not difficult. Clients will benefit mightily from this highly competitive environment.

Article continues at our BLOG at
www.smbnation.com

Are You Better Off Than You Were Four Years Ago?

"Are you better off than you were four years ago?" That's a famous line used by presidential candidate Ronald Reagan, in 1980, against incumbent President Jimmy Carter, in a widely viewed, televised debate. It was a seminal moment seared into the minds of a generation. The same disturbing question could be asked of SMB Nation tribal members today. Many would answer NO. The follow-up question, taken directly from tough-love parenting manuals, is "What are you going to do about it?"

There is a bit of insanity out there as we emerge from the Great Recession. Readers of this magazine are repeating the same business model behaviors but expecting different results. That's clearly a form of insanity. The SMB technology channel and partner community is being impacted with the rapid adoption of the managed services provider (MSP) business model, cloud computing, and general economic malaise where the road to recovery has been bumpy.

Enter franchising as a legitimate way for you to restructure your operations and achieve significantly different results. And I'm talking only about the typical SMB Nation tribal member here. You own a small IT consultancy, love what you do, and are both fearful and excited about the future. You know change has arrived. This article was written with the express intent of having you revisit the franchise concept in the SMB channel. It was just over four years ago, in the second issue of this magazine, that I wrote a franchising article (see Issue 1-2 at www.smbnation.com under "Publications"). Much has changed in those four years, which is why I have posed the question: Are you better off than you were four years ago?

I am highlighting three major franchise organizations with whom SMB Nation has deep strategic relations. Over the past four years during which I've more actively tracked franchises, I am constantly amazed at how big the pond is. Whereas in many industries you witness a scarcity mentality, I have found that these three franchise organizations are inherently optimistic about their prospects, and there is room enough for everyone to play nice in the sandbox. That's why I've invited CMIT Solutions, Computer Troubleshooters, and Geeks On Call to submit the following "state of the union and 2011 forecast" updates.

CMIT Solutions

"While the economy has presented US citizens with unexpected twists and turns, CMIT Solutions has weathered the storm by sticking to its core beliefs/mission and questioning everything else," says CEO Jeff Connally. CMIT has remained singularly committed to the SMB market and considers itself a technology services company whose go-to market strategy is through the franchise business model. This approach leverages buying power, collaboration between investors, breadth of skills and experience, and the kind of marketing and research that is possible with an organization this size. CMIT also emphasizes that each office is owned and operated by a local entrepreneur—someone committed to the local community. Recent findings of Pew Research show that more than 70 percent of Americans have a high level of trust and confidence in small business, while only 25 percent feel the same way about large corporations. It is the "Decade of the Entrepreneur"!

Since 2006, CMIT Solutions has grown from 94 to 128 offices and increased total annual system-wide sales revenue by 264 percent. Since last year, its same-store average monthly sales for offices open one year or longer rose 38 percent. That's in spite of a pretty rugged and uncertain business environment.

"By far, the biggest reason for CMIT's growth is our understanding of the market we serve—the SMB market," Connally says. "As a young IBM systems engineer in the early 1970s, designing and writing application programs for small businesses and installing their very first technology, I saw how much small businesses needed and valued technology—and how confused the owners and decision makers of small businesses were when it came to technology. Fast-forward to today—with geometrically more vendors, platforms, systems architectures, mobile access options, and security risks—and the choices for small business owners are bewildering."

He emphasizes the technology needs of the market they serve. While the landscape over the past several decades has radically changed (who thinks we've just entered a new era of predictable non-disruptive technology?!?!), there has been one constant: the intense needs of small business owners and managers for their technology to work.

I mentioned earlier that in recent years, CMIT questioned everything except its core beliefs, market, and basic business model. It also reexamined every aspect of its business and made investments in those areas that positively affected its customers.

Looking forward, Connally does not envision an economy that rebounds overnight; the globe will continue to be fraught with uncertainty in the political and business realms. But it is during these challenging economic times that the true character of people and organizations will be revealed.

"In the market we serve, customers need us now more than ever," he says. "Those of us in our industry need to market relentlessly, as our friend Robin Robins recommends, using a clear message about our values, our value, and the impact we can have on the success of the small businesses we serve."

As the industry sorts through the hype surrounding cloud computing, it's imperative for any long-term players in the industry to be diligently focused on sorting hype from what's hot and to have a clear product and go-to market strategy for cloud computing. That will be easier said than done.

Perhaps most significantly, the industry is ripe for consolidation.

"In 2011, we'll see more consolidation in the industry due to increased investments that are needed for product research, packaging, branding, and marketing," Connally predicts.

Computer Troubleshooters

Strength in Numbers: The Trend Towards IT Franchising
Chip Reaves, CEO

Over 1100 IT Service Providers operate as part of a franchise. While still small compared to the total market (an estimated 60,000 IT Service Providers operate in just the USA), the number has been increasing since the first IT franchises launched in the 1990s. And while most of the 1100+ started their business as part

Announcing MVP Nation 2011!

MVP Nation is a new community event (March 3-4, 2011, Seattle) that connects three important communities in one place at one time.

Microsoft MVPs

This technical community constituency will already be in Seattle for the annual Microsoft MVP Summit from February 28 to March 2, 2011. Microsoft predicts 1,500 MVPs from around the world will attend and 200 MVPs will attend MVPnation. Product groups we anticipate participating include ServerMVP Pie Chart Solutions (e.g., Windows Small Business Server, Windows Server), Client Operating Systems (e.g., Windows 7), Communication and Collaboration (e.g., Microsoft Exchange), Business Management (e.g., Dynamics CRM), Business Productivity (e.g., Office), Virtualization, Data Center Management, and many more groups. The MVPs will be the speakers at this event.

Community members

Customers, channel partners, consultants, and members of the public will be in attendance to learn from the MVPs. View it this way. A mid-level IT administrator at a Fortune 1,000 corporation (say Weyerhaeuser or Boeing) would attend to meet his favorite Windows Server MVP!!!! A Microsoft Partner who is a consultant would attend to learn from her favorite Exchange Server MVP! A member of the public will be thrilled to attend a panel discussion hosted by Microsoft Office MVPs. Hopefully you get the point — this is an amazing opportunity for the public to meet the infamous MVPs!

Community sponsors

We've been amazed at the enthusiasm and excitement already displayed by the technology ISV, and vendor community to embrace and extend their budding relationship with the MVPs. It's like the old Texas saw, "Strangers are just friends who you haven't met yet." and such is the case herein. MVPnation is positioned as a connection catalyst to bring this important third-leg to the stool. And it shouldn't be lost on anyone that the generosity of the underwriting sponsors has made MVPnation possible.

MVP Nation 2011 Conference

March 3rd–4th, 2011 | Seattle, Washington | www.mvpnation.org

MVPNation
Produced by SMB Nation

$75,000 Technology Makeover Winner Named!

The results are in! We had hundreds of monstrous IT stories submitted to our Small Business Technology Makeover Contest. Thank you for your entry! We truly enjoyed reviewing all the stories and had a difficult time selecting a winner. We want to offer each of you who submitted an entry in our contest a FREE Business and Technology Security Assessment. Contact us today to have us assess the gremlins in your network and show you how to save time and money!

Our panel of industry judges narrowed the list to three finalists. All three have a great need for a tech makeover. CMIT is honored to be able to give back and make such a generous contribution to a business in need.

The finalists are…

* George Hills creatively submitted their story, including a video of their dedication to their clients and the services they provide. They have an intense need in technology and could really use a makeover to upgrade all systems to overcome the network topology and security challenges they have grown into over their 56 years in business. Here is an excerpt of their story…"You can be the judge as to 'which' is the worst in the bunch—but in our eyes, 'collectively' they are the nightmare that keeps us awake at night, and all must be addressed in unison to further drive our firm's TPA and JPA management business growth, results, and excellent reputation. Ironically, most of our current IT horrors are the result of becoming—through decades of hard work and market excellence—California's TPA and JPA management firm of choice, i.e., most of our horrors are associated with ongoing client satisfaction, employee loyalty, best practice services, and organic office growth—cumulatively leaving GHC with network topology challenges, as well as security, user group, and role issues…"

* Another finalist entered from New Hampshire. The Monarch School of New England began as a volunteer playgroup in 1968 as parents were looking for a way to educate their children with special needs. Since then, they have evolved as a leader in special education. They are a non-profit, private school governed by a volunteer Board of Directors and funded by the school districts that send students to their school. Their entry began with, "Our Horror Story is that we desperately need new computers! Our current computers are a mess and we are trying to figure out what to do

next!" They continued to write about how technology is important to the children attending their school. "Technology is a huge motivator for our students; they love any opportunity to work with computers. If our students can see tangible events occurring on the screen, they are much more interested in their work. Computers also provide the opportunity to see lessons in real time, making academics much more useful as students gain functional skills for their transition back to their sending school district or to the world of work after graduation."

* The last finalist is from Pennsylvania. Women's Services, Inc., is a non-profit organization incorporated in 1977. The agency is a member of the Pennsylvania Coalition Against Rape, The Pennsylvania Coalition Against Domestic Violence, and the United Way of Western Crawford County. Funding is also received from federal, state, and local governments, private foundations, local contributions, and fund-raising activities. They really win the award for creativity as their team compiled a video as their entry. You can view their entertaining Blair Witch spoof here. Amazing production value and a true need for an upgrade!

So now you see how tough the job is to select the winner! CMIT was so touched by all the stories submitted. We want to offer all entries a FREE business assessment so that we may help you figure out how to affordably turn your monstrous IT environments into marvelous IT environments! In addition, CMIT is donating an IT solution to each of the finalists that will best help them make the most of their IT. So all three finalists will be receiving a significant gift to help their cause.

The GRAND PRIZE winner will receive Dell hardware, Microsoft software, and 12 months of proactive IT management and data backup services from CMIT Solutions valued at more than $75,000.

We are ECSTATIC to announce that the winner of the 2010 Small Business Technology Makeover is……**The Monarch School of New England!**

We cannot wait to meet them and enjoy the excitement of it all! Congratulations to the Monarch School of New England. We know this makeover will allow you to better educate your students and provide a lab that meets their special needs. We are looking forward to providing these services to your organization and helping such a worthy cause.

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of a franchise, a growing number of existing VARs and MSPs and Solution Providers are joining a franchise as a way to boost their business and reduce their expenses. What's behind the trend?

Think of it this way: Have you ever worked with a client who insisted on doing too much of their own IT? Maybe they buy their own computers (from whatever's on sale at Costco) and try to add them to the network themselves, maybe they pick security applications from magazine ads and do their own installations, maybe they spend hours on the phone with Dell tech support trying to figure out a server issue. What's the result? In my experience they usually wind up paying a lot more for a real IT pro to come in later and clean up their mess. In fact many of us use the same sales pitch with those types of clients, something like "You have your own work to do. Why don't you save money, time, and frustration by letting a professional handle this for you?"

A growing number of IT pros are starting to take their own advice, focusing on what they do well (serving their clients) while letting a professional take care of specialized areas of their business like marketing, structuring managed service plans, negotiating vendor deals, and so on. A franchise network is a professional group of dozens or hundreds of similar businesses who have worked together to find the best business model and share

Chip Reaves (shown left) repairing his computer hard disk!

resources to support it. Ideally it's like adding a huge support team to your existing business—but it's not without its risks too.

Here's a quick checklist of the 12 things to review when considering joining a franchise network:

1. **Business Model**. This is the most fundamental part. Any franchise should provide you with training, resources, and support for a successful business model. Some IT franchises are based on business-focused, managed-service-plan models, others help you run a retail storefront, and still others may specialize in onsite service for home users. Always verify this with existing franchisees in the system, and make sure the business model aligns with your goals.

2. **Marketing**. The best business model in the world is useless if you don't get clients, and ideally a franchise system should use the strength of their numbers to improve the marketing effectiveness for everyone. Look at how the franchisor is going to help you grow your business, especially in emerging areas like search engines, social media, and email marketing as well as traditional areas like direct mail, networking, yellow pages, and radio. Many franchises also do national advertising which is funded by fees to the franchisees. Make sure the ROI for that marketing is reasonable compared to the ROI for the same money spent locally.

3. **Business Tools**. You need software to manage your accounting, schedule your technicians, and maintain your client information. Does the franchisor provide these tools and the training to use them? Or do they do all the work for you? Like everything else in this list, check to see if the costs for doing so are reasonable and if the existing franchisees are happy with the tools provided.

4. **Vendor Relationships**. One of the biggest reasons for an existing IT Service Provider to join a franchise would have to be vendor relationships and discounts. A franchise network should use its group buying power to negotiate better deals for all the members. and I've had franchisees tell me they save more in vendor discounts than they pay in franchise fees! Be careful, though; some franchisors may lock you into certain vendors, often because of commissions the franchisor receives from those vendors. This is not illegal but must be disclosed, especially if it makes your costs higher than normal.

5. **Training, Coaching, and Support**. Does the franchisor give you some manuals and a website and leave you to fend for yourself, or do they have an ongoing program for training and support? Can they coach you on areas of your business where you need more help, like marketing or managed services or employee management? This area is usually very strong for franchise systems, since the franchisor has a vested interest in your success.

6. **National Promotion.** A national (or global) franchise system should have some program for national advertising and reaching out to national customers.

7. **Team Building.** How does the franchisor help you recruit, train, and manage top employees?

8. **Infrastructure.** This can be described as the nuts and bolts of your business—your website, your email, tech utilities, plus access to franchise-provided files and resources through some sort of intranet.

Article continues at our BLOG at
www.smbnation.com

by Larry Doyle

The Irishman and VM6

I found VM6 Software totally by accident. I was upgrading some servers one evening and came across an article in TechRepublic (or ZDnet, I can't remember which) that wasn't the usual geek techo I normally read. It was about how various companies got their name (we stole ours from Mr. Clancy!) and VM6 was mentioned. However I was more interested in reading that they provide an alternative to expensive clustering for SMB who want highly available virtual environments. My interest peaked, so I went to their website to have a look at their solution offering:

> A cost effective software solution that sits on Hyper-V and eliminates the requirement for SAN storage while at the same time simplifying management

I liked the sound of this and wanted more! I got in touch by email and received a response from the president of VM6, Eric Courville. Soon afterwards I had a full-on technical demo with Claude where I was able to get into the nitty gritty of this product. I have to say, I was really impressed with it but, as with all techs, I just wanted to get my hands on it to put it through its paces to see if it could deliver.

I set up a test environment for myself in the office—2 x Dell 2950 servers running Windows 2008 R2 standard edition (2 x Quadcore, 16GB RAM, Perc6i, 2 x 146GB 15k SAS RAID 1 for OS, 4 x 300GB 10k SAS RAID 10 for VM storage, 4 x Gigabit NIC). I downloaded the latest version of VMEX 2.1, and I was ready to roll.

Ready for a mouthful? I installed the Hyper-V role onto both servers and installed VM6 onto both servers, created an Enterprise Site, added my two VMEX servers and my storage group (like a RAID group) using the RAID 10 disks in each server, and then a storage partition for each VM I was going to build later. (This would be the equivalent of a LUN for those familiar with a SAN.)

I was able to test failover by pulling the plug on a single server and failover worked perfectly as it would with a traditional Hyper-V cluster. I liked the idea of replicating data from one set of RAID disks to another (RAID isn't absolutely necessary—I just like the added redundancy) rather than what you get with a SAN solution. SAN is a single set of shared disks whereas VMEX is replicating the data between two sets of disks. (I am aware that most SAN solutions have snapshot technology either included or as an optional extra which could be considered similar.) I haven't tried out backing up at a host level using either Windows backup or StorageCraft, but I expect that I will run into the same issues I did with Microsoft CSV (cluster shared volumes) in that it doesn't allow host level backups. But I'll try that out this week and let you know. For now I will continue with backing up from within the guest OS using
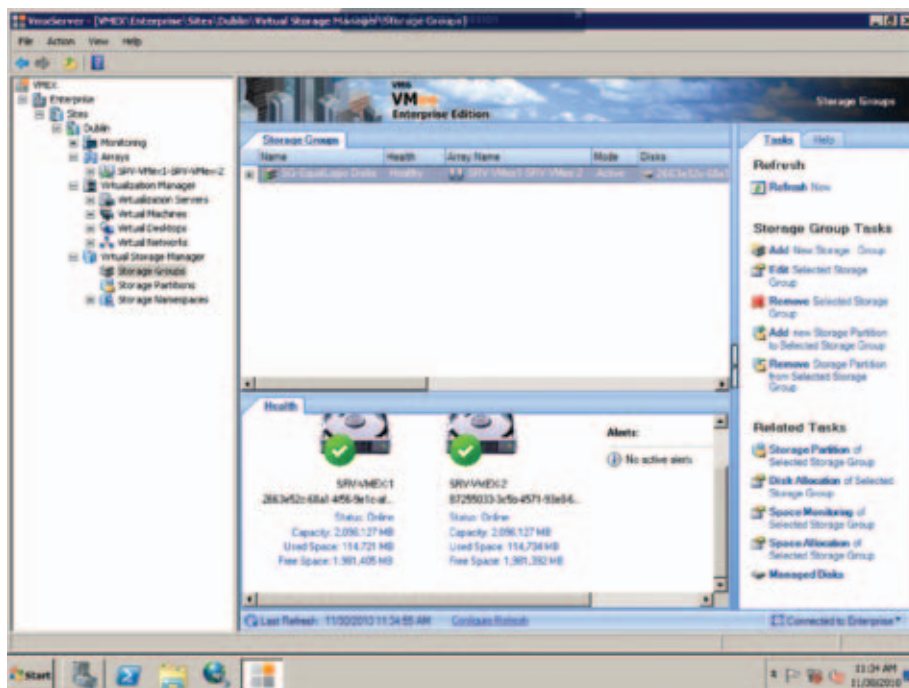
StorageCraft v4.

As you can see the management screen is very MMC and familiar and easy to use. There is an option included to manage Virtual Desktop Infrastructure, but I haven't had a chance yet to play with this. Creating virtual machines is very simple and anyone familiar with creating virtual machines in Hyper-V will see it is much the same, as VMEX leverages much of Hyper-V management.

A dedicated NIC is required for the cluster heartbeat and one for the replication network, one or more for virtual machines and one for the management interface. Since most servers now come with a minimum of four NIC interfaces, it's not an issue and I would usually add more NICs for redundancy and load-balancing.

This is a much easier and cheaper method of providing failover resilience than using Microsoft clustering with a SAN. For SMB clients with smaller budgets, this is a fantastic solution, as typically we would have had to put in a SAN at a cost of over 10K as well as purchase Windows 2008 Enterprise licenses. We have a number of clients who require high availability but can't justify the cost. For example we have one client running five virtual machines:

> 1 x SBS 2008 Server, 4 x Windows 2008 R2 Standard Servers – SQL, APP, Remote Desktop Services, BES server

Rather than fork out for SAN hardware and Windows Enterprise licenses, they were able to leverage their investment in SBS Premium and Windows Std licenses, purchase VMEX, and utilize their existing server hardware to build a highly available Hyper-V clustered environment, saving around 40% as well as reducing their ongoing support costs.

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by Matt Makowicz

Million Dollar Hurdle
Part1 – Defining the Hurdle

Business growth is both a nebulous task and a common ambition among all business owners and managers. In the SMB IT community there are common challenges and predictable steps to achieve growth. Also common and predictable are the obstacles, challenges, and warning signs in growing a business to achieve over one million dollars in sales. This is the Million Dollar Hurdle. It is the aim of this article, in whole and with each part, to illustrate how to overcome the Million Dollar Hurdle and achieve the ultimate coveted goal of nearly every business owner—scalable and predictable business growth.

This article is the first of a seven-part series with each article focusing upon an aspect of the Million Dollar Hurdle. The concepts included in this multi-part article are:

1. Defining the Million Dollar Hurdle
2. Hitting the Wall
3. Sizing up the Challenges
4. Letting Go
5. Breaking Through Barriers
6. Process Driven Success
7. The Next Hurdle

The Million Dollar Hurdle is a term used to describe the unique set of challenges associated with a business growing to and through one million dollars in annual revenue. While certain rules in business remain constant no matter the size of the organization, the operational realities of running a business vary dramatically depending upon the business's size. In fact, the principles of running and growing a business can change so dramatically that it is more common for a business to fail when approaching the Million Dollar Hurdle than to be successful in breaking through that milestone. The concepts and techniques outlined in this article apply primarily to achieving one million dollars in annual revenue but also apply to other Million Dollar Hurdles at $5 million, $10 million, and $50 million in annual company revenues.

To successfully navigate the Million Dollar Hurdle, one must be able to change. "Change" can be a scary word. What worked before may not work anymore. Staff members who were invaluable assets may now be holding back the company's growth. The role of the owner becomes dramatically different as the company grows. These changes are frustrating and difficult, but also necessary. First, read the book *Who Moved My Cheese* to gain an excellent perspective on dealing with change. Next, accept that everything in the business may change. Hold on to nothing.

Imagine running a business to be like playing a game of chess. At some point, the game gets complicated. Simplicity gives way to chaos. Often in a game of chess, a player asks himself, "How did I get here?" Business owners, like competitive game players, refocus to get through and make the best of the situation in which they find themselves. Unfortunately, that approach doesn't provide adequate time to both reflect upon how the situation became reality and how to prevent such an occurrence in the future. The better way to deal with this situation is to clear the board. Ask, "What if I started over today?" followed by, "What would I do in this situation then?" Playing hundreds or thousands of games of chess over a lifetime makes a player better than playing just one, tremendously long game.

This is not meant to advocate firing the entire staff and starting over—although sometimes that's what's needed! Rather, challenge all assumptions. Assumptions are statements that begin with "I can't…" An example: *I can't fire George even though I should. All my customers love him, and I don't have the time to do what he does.* This is bull. The truth is it may be difficult to fire "George," but any statements containing "I can't" limit one's ability to think clearly and "clear the board," which allows fantastic new ideas to come about.

Why change? Answer—the consequences of not changing can and often are disastrous, including up to the destruction of the company itself. Add to this that as the company has grown, these consequences have become more severe. For example, if the company has only 10 clients and an employee or staff member is rude, obnoxious, and offensive to clients, he/she should likely be fired. The consequence is replacing an employee when he/she may be only one of two or three in the company. Fast forward to a point when the company has eight employees and 50 customers. A much bigger problem now exists in that 50 clients are being negatively affected. Ignoring problems in business often makes the problems larger.

Another obstacle that makes up the Million Dollar Hurdle is that of scalability. Tasks that were easily accomplished up to this point in the company's growth can no longer be accomplished in the same way, by the same people, or without a documented procedure. Purchasing hardware or software for a customer's project initially may have been an easy task performed by the business owner. As the company grows to doing a project or two each month, it quickly becomes apparent that with documenting the procedure, dedicating a resource, and focusing on that task as important, larger consequences occur.

Now that it is understood what the Million Dollar Hurdle is, how to recognize it, and what the consequences of doing nothing can be, prepare for things to potentially get worse before they get better. In the next issue, Part 2 "Hitting the Wall" discusses new problems that develop when approaching the Million Dollar Hurdle and how to handle each.

Facing the Million Dollar Hurdle prepared and with knowledge improves the likelihood of success. Knowing what's coming and realizing that these challenges are both common and predictable changes everything! Not knowing is akin to being a pinball unwittingly bounced around. When running your business, do you feel like you're in control of the flippers or are you the pinball? Knowledge without action is wasted. Take control, recognize the Million Dollar Hurdle, plan for the challenges, and act.

Matt Makowicz is a Business Development Manager at SMB Nation, founder of AmbitionMission.com, and an author of three books dedicated to helping IT businesses grow.

Check out our blog at www.smbnation.com

by Harry Brelsford and Jim Locke

We Keep A List… And We're Watching!

We know who you are and we're watching. Seriously, as the SMB channel partner community has matured, discussions between SMB Technology Network (SMBTN) and SMB Nation—à la *SMB PC* magazine—have resulted in the Top 150 list.

In this age of social media, we thought it would be cool to identify the "movers and shakers" everyone in the SMB channel should know. We hope this will become sort of a starter list of people you will want to get to know and connect with the next time you are at an event, conference, or community group meeting.

This list was created by the SMB community for the SMB community. It is a function of good citizens voting for like-minded good citizens who deserved recognition for good deeds. It's neither vendor-sponsored nor otherwise supported by outside interests (such as political action committees). At the same time, it is not limited to a specific group either. Hence, you may recognize names of key MVPs, vendors, and media personalities right alongside those of respected peers in the channel. It's as if folks held a town hall meeting and applauded pillars of the community by casting a vote.

We were really pleased to receive nearly 900 submissions with an average of six names on each ballot. Even better was the fact that we got good participation from around the globe. So if you don't recognize a name, it could very well be because they represent the worldwide SMB community and hail from countries such as Canada, England, or Australia.

Needless to say, it took the staff at SMBTN a bit of time to compile the votes and then double-check them for accuracy (making sure there were 150 people on the list, etc.). In the end, though, we think you will agree that it was time well spent, as we recognized many of the names as popular and even notorious figures in the community. Cool!

So, now that the vote is in and the SMB community has spoken, here is your Top 150 list reflecting the most influential people in the SMB channel!

Last Name	First Name	Company
Anderson	Richard	Next Level Café
Austin	Travis	Rezitech
Babinchak	Amy	ThirdTier
Bahl	Rick	Quality Systems Solutions, Inc.
Bangs	Chris	Telephonation
Banks	Steve	Banks Consulting Northwest
Barlow	Scott	Reflexion
Barrett	Tim	SKYE Technologies
Bates	Cindy	Microsoft
Beard	Tim	Networthy Systems
Bell	Teresa	Citrus Networking Solutions Group
Bellini	Arnie	Connectwise
Benner	Brad	X-BAR
Bentz	Don	Preferred IT Group
Blackie	Gerald	Kaseya
Blundell	Gregg	Integral Systems
Booker	Aaron	VarVid
Bradley	Susan	TSHB
Braun	Jacob	WakaDigital
Brelsford	Harry	SMB Nation
Brown	Eileen	AMASTRA
Brown	Gareth	Sytec
Brown	Kevin	Symform
Buchianico	Rayanne	ABC Solutions
Bumbernick	William	Alteva
Bush	Debi	CMIT Denver
Carney	Tim	SFBay-Link Network Services
Cash	James	JamesCash.co.uk
Cayouette	Scott	BTS Technologies Inc
Chang	Linus	Coretex I.T. Labs
Chase	Chris	Joom Connect, Directive
Chavez	Tony	Just Handle IT
Christian	Karen	North County Technology Group
Cioffi	Robert	Progressive Computing
Cohen	Robert	Trusted Business Advisors
Coker	Frank	CoreConnex
Connor	Les	C-Five Ltd
Cooch	Mike	Kutenda
Correia	Ed	Sagacent Technologies
Crall	Mark	Autotask
Craven	Henry	CI Infromation Technology
Crawford	Stuart	Ulistic
Crotty	Justin	NetEnrich
Cunningham	Howard	Macro Systems
Daniel	Sean	Microsoft
Dansey	Susanne	Purple Cow Ideas Management
Di Miceli	Leonard	SpamSoap
DiCostanzo	Len	Autotask
Dippell	Paul	Service Leadership
Dove	Barbara	Dove Help Desk
Edwards	Jeannine	Connectwise
Elder	Philip	MPECS, Inc.
Epp	Dana	Scorpion Software Corp
Forsen	Rich	Virtual Administrator
Fox	Bradley	TriCon Technical Services
Foxall	James	Tigerpaw Software
Garvis	Mitch	SWMI Consulting
Godart	Bob	Autotask
Goodman	Andy	SBS-Rocks.com
Gross	Chad	Layton Flower Technologies
Gurnee	Frank	CharTec
Harper	Andrew	Gaeltek LLC
Helbush	Alan	Where To Start Technology Solutions
Hicks	Curtis	Center for Computer Resources
Hicks	James (J.D.)	JD Hicks & Associates
Hughes	Frank	Cloud Services Depot
Hulsey	Ted	Sonicwall
Jay	Brett	Paperless Concepts
Johnson	Fred	Ross-Tek
Joyce	Rick	Joyce Network Services
Kam	William	Trend Micro

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Kane	Gerard	MSP Services Network
Kenyon	Richard	HL Tech Solutions
Kernan	James	Kernan Consulting
Knap	Marietta	SmallBizServer.net
Koutavas	Jerry	ASCII
Lancaster	Grey	
Leon	Rob	SpamSoap
Ligman	Eric	Microsoft
Locke	Jim	SMB Technology Network
Loucks	Jeff	Available Technology
Luby	Amy	Synnex
Makowicz	Matt	Ambition Consulting
Mazek	Vlad	OwnWebNow
McBain	Jay	Lenovo
McCabe	Laurie	SMB Group
Middleton	Jeff	SBSmigration.com
Morris	Ryan	Morris Management Group
Muglia	Jim	Jim Muglia Computer Consulting & Maintenance
Mulzer	Beatrice	SBSTraining.net
Neale	Eriq	Third Tier
Nitrio	Bob	Ranvest Associates
Otterson	Roger	Qualitec
Overton	David	Microsoft
Palachuk	Karl	KPEnterprises
Panettieri	Joe	Nine Lives Media
Parkes	Andy	IBIT Solutions/AMITPRO Group Lead
Pica	Gary	TruMethods
Powers	Brook	Techserve
Quintero	Fernando	McAfee
Reaves	Chip	Computer Troubleshooters
Reuben	Michael	L.A. Computer Works
Robins	Robin	Technology Marketing Toolkit
Rocha	Carlos F P	
Rogers	Alex	ARRC Technology Inc. / CharTec
Roos	Marina	
Royalty	Kevin	Total Care Computer Consulting
Rue	Chris	Black Warrior Technology
Russell	David	ManagetoWin
Sandiford	Peter	Level Platforms
Schafran	David	Transformation Strategies Inc
Schulze	Larry	Taylor Business Group
Scott	Walter	GFI
Seibert	Dave	IT Innovators
Selbst	Stuart	Stuart Selbst Consulting
Shackelford	David	Third Tier
Sherman	Brian	Tech Success Communications
Shoer	M.J.	Jenaly Technology Group
Sierchio	George	Action Business Partners
Simpson	Erick	MSPU
Skreptos	Nick	SUPERAntiSpyware
Small	Wayne	SBSfaq.com
Smith	Lane	Do IT Smarter
Sobel	Dave	Evolve
Sommer	Oliver	Trinity Computer
Sorensen	Arlin	HTG
Spring	Jan	eFolder
Starks	Greg	Hewlett Packard
Sturgill	Dan	Live Virtual Help Desk
Sweeney	Sean	Level Platforms
Teiger	Steven	

Thibodeaux	Todd	CompTIA
Thoreson	Ken	Acumen Management Group
Thorsell	Erik	Success Computer Consulting
Timm	Chris	TCG Computer Services Ltd
Tinnirello	Vince	Anchor Network Solutions
Travis	Hilton	Quark Group
Trish	Andy	NCI Technologies/UK SBSC PAL
Tubb	Richard	JamesCash.co.uk
Vogel	Bob	Autotask
Walling	Luke	AVG
Walsh	Larry	The 2112 Group
Weaver	Charles	International Association of Managed Services Providers
Webster	Eric	Doyenz
Weilbacher	Kevin	KW Support & Consulting
Weinberger	Alan	ASCII
Wensley	Dan	Level Platforms
West	Jamison	Jamison West Consulting Services
Williams	Nancy	Cloud Services Depot
Yarbrough	Ben	Calyptix Security Corporation

One of the top 150 individuals on this list needs special mention: Beatrice Mulzer. She left the employment of SMB Nation just over three years ago. I could give you a month full of Sundays and you'd never guess where she is now (and yes, she is still technical). Here is an update on Beatrice:

Currently I am in Pune, India, helping set up a new yoga studio for Bikram. Starting up a business...and all my expertise from previous life's experiences is coming in quite handy, including my tech knowledge, naturally. Despite being a yoga teacher now, which allows me to lead a much more relaxed and mellow life, IT has not let go of me. Everywhere I go I still fix networks, servers, etc.—mostly for yoga studios and friends and friends of friends. Ha ha, the lifestyle consultant! Life is great as I am again enjoying travels, just this time I get to stay in places (such as Frankfurt for three months) for an extended period of time.

The beautiful thing is that I am absolutely freelance, so I don't know what next year brings. I am looking at either trekking down in Tasmania and teaching in Australia and New Zealand for a while, or could possibly open my own studio in Germany or in the US—it's all up in the air. I might continue over here in India setting up studios in Bangalore and Chennai. The world is my oyster right now.

Beatrice Mulzer with yoga students.

Summary

Let us know what you think. This year's Top 150 list if our effort to reach out and discover who we are as a community. Next year will be even better!

by Scott Beveridge, Developer/Webmaster at SMB Nation

The Case for Azure in SMB!

With the recent rebranding of Microsoft's BPOS—now Office 365—the Redmond software giant's Cloud Services offerings are looking less like the Biblical tower of Babel and more like a place where SMBs can live and flourish. Microsoft has been seen as understandably reluctant to embrace the cloud—after all it threatens to cannibalize the bread and butter Office and Windows products that have powered the company since its origins. In 2010 the company has come out roaring with a solid suite of cloud computing offerings: Office 365, Windows Server Hyper-V, and perhaps least understood in the SMB community, Windows Azure.

What does the cloud mean to channel partners and SMB consultants and where does Azure fit in the cloud stratosphere? Let's find out.

As you have probably figured out, the cloud computing solution set includes both hosted services and hosted environments. Hosted services are technology functions that exist outside of the user's network. Hosted environments are services where the user accesses a hosted desktop or server via login. The key difference between a hosted environment and a hosted server is *maintenance.* In the cloud paradigm the end user couldn't care less how the service works—they just want maximum availability without the cost of maintaining the applications and hardware themselves. And this is the promise of cloud services—no hardware costs upfront, higher uptime, capacity that scales with business demands, and decreased development and maintenance costs. It's better, faster, cheaper.

Cloud offerings today fall into three broad categories: SaaS, IaaS, and PaaS. It's worth the time to review these terms.

Saas: *Software as a Service*. This means applications like email, office productivity, communications, CRM, and ERP.

IaaS: *Infrastructure as a Service*. We're talking backup, archiving, file storage.

PaaS: *Platform as a Service.* This is the place to build your apps. Salesforce, NetSuite, and Azure fall into this category and all offer developers the chance to build powerful apps – quickly.

The entire cloud environment is taking off. In five years the amount of cloud software used by SMBs is predicted to be staggering. For small businesses, SaaS will likely be the first point of entry into the cloud environment because it allows them to implement and maintain applications in a scalable, affordable, and timely manner.

All of this is making traditional resellers, channel partners, and SMB consultants a little nervous. After all, the whole point of SaaS is to cut out the middle man. So what strategy should SMB consultants take to keep up and maintain their customer base? It is probably best to leverage existing business knowledge expertise and identify and align your offerings with a SaaS service in that area. It's time to adapt. In five years you'll be glad you began now.

Finally, where does Azure fit into all this? Azure is a PaaS offering that will compete with the likes of Force.com. Azure applications can be written in .NET, SQL Azure, Visual Studio, or even non-MS technologies like Ruby, Python, PHP, and Java. Azure will be a collaboration and communication service platform as well; Microsoft plans on moving Exchange Online and SharePoint Online to Azure.

What businesses will be able to afford Azure? Microsoft estimates that Azure apps will be viable for companies with as few as 10-15 nodes. Small and midsized businesses have already shown great willingness to use Force.com applications—and with the MS developer community boasting 7 to 8 million developers, it is only a matter of time before Azure apps begin to carve out a sizeable market share among small and midsized businesses. Eventually these businesses may choose to develop Azure apps themselves.

It's the future—exciting and daunting at the same time.

Check it out for yourself:

Azure Total Cost of Ownership:
www.microsoft.com/windowsazure/tco
Azure Pricing:
http://www.microsoft.com/windowsazure/pricing/

by Harry Brelsford

StorageCraft lures Microsoft MVP as General Manager Tech Services

We are thrilled to see two great friends get together. StorageCraft has appointed IT entrepreneur and consultant Wayne Small, who is a Microsoft MVP (Most Valuable Professional), as General Manager Technical Services, Asia Pacific Region. The appointment was announced at Microsoft's Tech-Ed 2010 event on the Gold Coast.

The MVP Award recognises (folks – that is the Aussie spelling) exceptional technical community leaders from around the world who voluntarily share their deep, real-world knowledge about Microsoft technologies with others.

Wayne Small's new focus will be on controlling all StorageCraft's technical services across Asia Pacific, including technical support, professional services, technical updates and technical training.

StorageCraft Vice President APAC, Richard Giddey, said: "This is a major coup for us. Wayne brings with him a wealth of diverse knowledge and is a highly respected industry expert who will be instrumental in helping us to accelerate our expansion in the Asia Pacific market.

"We have seen exponential growth of StorageCraft ShadowProtect server, SBS and virtual server Editions over the past 12-18 months. Today we are signing typically between 1,000 and 2,000 new customers a month in the Australian and New Zealand markets alone."

Wayne Small has been involved in the IT Industry for over 30 years, starting with computer hardware design at age 9, and running his own computer repair business at 12. Since then his roles have ranged from technical support through to account management and marketing support.

In 1997 he started Sydney-based SMB IT consulting company Correct Solutions, which grew to an eight-strong team with multi-million dollar revenues. In 2005, Wayne merged Correct Solutions with two other companies, the combined organisation becoming one of Australia's most respected SMB IT resellers. In late 2006, he handed over the reins to Ryan Spillane, to focus on training, presenting and writing on technical and business topics. He also provided consulting services to SMB IT professionals.

Wayne is an acclaimed international speaker and has presented at numerous events since 2000, including Tech-Ed Australia, Microsoft Partner events both in Australia and in the USA and SMBNation. He has been involved in the SMB IT Pro community since 1998 and is the founder of it here in Australia.

Commenting on his move to StorageCraft, he said: "I seized the opportunity to work with a revolutionary product and team and to contribute in ways that will enhance StorageCraft's technology and its impact on the reseller community.

"The company is recognised as a thought leader in backup and disaster recovery and StorageCraft products are market leaders, featuring innovations such as head start restore and virtual boot, which reduce the impact on a business should a disaster occur. They are allowing resellers to provider higher availability solutions to their clients at lower costs than ever before."

PS – You can meet Wayne Small at MVP Nation, March 3-4, 2011 in Seattle. Details at www.mvpnation.org.

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The Heart of the Matter

With six locations across five states in America's heartland, using the MSP model and deploying Zenith services allows Heartland Tech Group to leverage internal and external resources to offer its customers solutions.

By Jabulani Leffall

At first glance, a cursory Web search for Heartland Technologies could give you the sense that there are many companies of the same name spread out through different areas of America's—for lack of a better term—heartland.

Such locales include Harlan and Ames, Iowa, as well as Joplin and Blue Springs, Mo. There are even listings in areas of Nebraska and Oklahoma. But this isn't a case of copyright infringement. Heartland Technology Solutions is the founding company and every other company bearing the name or a variant thereof in all these different locales forms a sort of mini-conglomerate called Heartland Tech Group (HTG).

Heartland Technology (HTS) Solutions was established in 2003 through the merger of SCCI of Harlan, Iowa and Connecting Point of Joplin, Mo. The parent organizations were both established in 1985. HTS acquired Beacon Micro of Ames, Iowa, in 2003.

"We've been in business since 1985," says company CEO Arlin Sorensen. "We operate actually under four separate groups and therefore have a lot of area to cover from a geographic and services perspective."

Sorenson says HTG pools its experience and technical "know-how" by partnering with "like-minded companies," by pitching and deploying its managed IT services offerings to and with clients.

While each HTG member company operates as an independent entity, the whole group tends to combine purchasing, distributor and vendor relationships for all of its segments. In addition to having to meet client needs, there are also internal training, support and educational pursuits that require a lot of bandwidth, network activity and also patience among other resources. This is where channel partnerships become germane to operational efficiency, Sorenson says.

One of the turning points in HTG's evolution as a VAR was when it hooked up with Ingram Micro, Inc. to funnel HTG's proven technology to SMB Alliance partners, after which fellow VARs, large and small, joined the group and started meeting regularly. By 2005, Sorenson and his company felt the partnership ethos could drive value for his company.

Beyond being a Microsoft Gold Certified partner HTG counts Sonicwall, Inc., 3Com Corp., Apple Inc., Lenovo and Symantec Corp. among its technology partners, helping the company create what it calls "enhanced products and services."

One of HTG's newest partners, with which it has the most intricate

relationship is Zenith Infotech Ltd. HTG engaged with Zenith in 2006, not long after the group started realizing value from the peer groups and made its first foray into the managed services provider business.

"It was actually through our HTG peer group that we got wind of Zenith," Sorenson remembers. "It was then we realized that adding MSP elements to the mix was a way to serve clients with a quicker response."

Sorenson says there was a trial-and-error period where HTG sought out partners with similar services as Zenith but found in many cases that the ability to manage client systems off site was not up to snuff or non-existent. Moreover, the reoccurring revenue potential available from a partnership with Zenith proved too tempting to pass up in the end analysis, Sorenson adds.

Fostering Quicker Response

If you're a small company with big tasks like HTG is, consolidating client helpdesk operations and being able to provide back up and recovery solutions from a remote location is what makes the relationship with Zenith a winning combination. This is according to HTG's senior staff.

"We've got six locations across five states and using the MSP model and deploying Zenith allows us to leverage our own engineers as well as their engineers, so that we have expedited response and repair time," Sorenson says. "Zenith does our back-end help-desk alerts and system monitoring so that our IT guys can do IT stuff for our customers and clients and not have to spend time on internal issues."

This helps HTG focus on its own claim to fame, a methodology that it pitches to new clients and tries to incorporate with existing clients

"... with the MSP approach everyone has the opportunity to defray cost and still keep the accountability quotient intact."

called "EncompassIT." Through Encompass IT, the idea is that clients get remote systems administration, remote off-site storage, firewall and network monitoring, optimized desktop and server support, total desktop and spam management—services that, in a word, encompass everything.

Proaction vs. Reaction

One of the misnomers in the enterprise IT community is that response to a particular issue, whether it be system security, a downed network or a processing issue, is a sign of activity. In other words, a swift reaction to a given problem shows that business is being taken care of, but in reality, what's really happening is "busy-ness."

This is where the managed services provider component becomes a valuable proposition for VARs, channel partners and the enterprise retaining the services itself.

"Our goal was to deal with things through proaction instead of reaction," explains HTG's Sorenson. "Most of our clients have very few systems and network administrators in-house and the more people you have, the more cooks in the kitchen. So with the MSP approach everyone has the opportunity to defray cost

and still keep the accountability quotient intact."

That accountability, Sorenson opines, comes from customizing client needs on a case-by-case basis and creating the type of unique infrastructure and communication apparatus that makes all the stakeholders happy.

"We found that Zenith was unique when we first stepped into this space," Sorenson recalls. "We used RMM from another leading provider and were not happy with our service level agreements and follow-through until we came across Zenith. We found that Zenith could give us the ability to be up and alert 24x7 and be able to keep that intimacy with customers. What's better than that?"

by Staff

Foundation Repurposes Computers to Keep Military Families Connected and School Children Successful

Since December 2002, John Iasiuolo, the host of Computer Outlook Talk Show, has shared his technology journey with listeners by combining his New York Italian style, his disarming sense of humor, and his child-like curiosity with some of the industry's most respected leaders under the guidelines of just one rule: tech talk with zero techno-babble. In the eight years since the inception of the show, Iasiuolo has earned the trust and respect of well over a million unique online listeners every month.

In the process of gaining confidence and expertise in the computer industry, Iasiuolo discovered two segments of the U.S. population that are not fortunate enough to own or have access to a computer: under-resourced children and families of deployed service personnel.

"I read in a 2009 Nielsen's report that as many as 9.7 million children do not have access to a computer; yet more and more of the world is revolving around computers," observed John. "The fact is, school children without computers cannot compete academically with their peers who have ready access to the vast information and resources available on the Internet. This ultimately contributes to the ever-growing gap between economically stable families and those families who are considered 'working poor.' The other group most in need of computers, deployed military personnel, rely on communication with their family at home to keep them connected. It's a priceless commodity, and although many overseas bases and stations have a few computers available for the deployed service personnel to use, there are usually more personnel than computers, resulting in limited communication with family members waiting stateside."

In interviewing many of the computer industry's guests on his show, John learned of another problem—this time within the business community.

"Every year, Fortune 500 corporations update and upgrade their employees' computers," explained Iasiuolo. "When they are replaced, those perfectly good, end-of-lease computers are often stripped for parts or simply thrown away."

But outdated computers that are sent to the landfill pose a hazardous threat to the environment: monitors contain lead, central processing units contain mercury and chromium, and the systems themselves contain arsenic and halogenated organic substances.

"That's when I realized that we could help both sides," said Iasiuolo, "those who needed computers and those who needed to get rid of computers, and I established the Outlook Foundation. Now instead of being thrown away, a company's computers can be repaired, refurbished, and repurposed to ensure a castaway resource is placed in the hands of those who need them most."

According to Iasiuolo, the mission of the Outlook Foundation is simply defined: to repurpose computers and give them to under-resourced children, as well as deployed service personnel and their stateside families. Since its launch in November, 2010, the foundation has acquired corporate commitments to provide 4,000 laptops and nearly twice as many desktop computers to begin filling those needs in the first quarter of 2011.

By resourcing these unwanted computers, Iasiuolo's foundation will not only help individuals directly, but ultimately the program will help companies economically adhere to the latest disposal guidelines intended to protect the environment. In return, the companies receive a certificate documenting that the technology was either repurposed or recycled and that all electronic data on functional storage devices has been erased by means of a destructive overwrite processes described in U.S. Department of Defense document DOC 5220.22-M to ensure the data is not recoverable.

"It's a solution that not only provides immediate help to people, but also helps reduce technology's negative impact on the environment," said Iasiuolo. "The foundation will recycle computer components, and any technology that cannot be refurbished will be disposed of using certified organizations to ensure hazardous waste will be kept out of landfills."

The underlying reason behind Iasiuolo's passionate pursuit of this dream began on December 7, 2007, when he contracted congestive heart failure and, consequently, kidney failure. As a very successful dialysis patient who is in many ways healthier now than he has been in a long time, Iasiuolo feels he has been given a second chance at life.

"This is my way of paying forward in a tangible and hopefully significant way for all the times my own life has been touched so positively by experiences and the people around me," said Iasiuolo.

To further help ensure that they are opening doors to new opportunities when they provide a computer to an under-resourced child, the Outlook Foundation has teamed with several technology education leaders to provide education vouchers that will give families the tools to fully embrace those prospects. These education vouchers will allow computer recipients to pursue a technology education at no cost to the family. They will learn Microsoft Office programs such as Excel and Word, open source community applications, entertainment applications, including photo and video editing, and more.

"By walking that extra mile alongside our adopted families," said Iasiuolo, "the foundation and its partners are providing the chance at better; more financially secure futures for our young people."

The Outlook Foundation is currently in the process of receiving 501c3 non-profit status. For more information or to make a donation, please visit www.outlookfoundation.org or call 888-782-3610.

by *Lynn Shourds*

Business Continuity – Keeping It Real

Business Continuity for systems and email are critical components for any business vying to become or remain successful. However, needs can vary, and depending upon those needs, costs can vary even more.

At an enterprise level, end users are not typically concerned with costs. They know that a high-end business continuity solution is going to cost them dollars. And for these increased dollars, they expect lower RPOs (Recovery Point Objectives) and lower RTOs (Recovery Time Objectives). However, if the customer end user is mindful of costs, there are technologies available to give them a very low RPO and very low RTO.

Let's examine the options. We all know that tape backup is going to be at the bottom end of the chart in terms of both RPO and RTO. If we agree that tape is at the bottom, then let's agree that some form of active/active cluster is at the top. Agreed? Well, since you can't answer, I'll take that as a yes.

What, then, is in the middle? In the middle we have disk-to-disk backup, snapshot technology, and asynchronous replication. Let's look closer. Disk-to-disk backup is using tape backup technology—just backing up to disk instead of tape. There is still a restore from a proprietary file format involved for recovery. Snapshots are incremental "pointers" of data/system and require a restore. Asynchronous replication is a byte by byte mirroring of the changes only (deltas). These three technologies all have varying RPO and RTO times.

Of the three, however, asynchronous replication brings the biggest bang for the buck. The RPO with asynchronous replication is nearly zero, especially if the replication is taking place on the LAN. The reason for this is every byte-level change is being replicated in real-time as the change takes place on the production server. Because the replication is asynchronous (vs. synchronous), there is no hold up of any CPU cycles waiting for a commit on the backup side. Instead, buffers are built in to verify the files have been written continuously and with write-order preservation.

But, how about RTO, you ask. Let's examine. We've already agreed that tape RTO is long because of restoration from that tape and its effective percentage relative to success rates. And we know that an active/active cluster can be very fast, yet not very affordable and it takes significant engineering skills to maintain. So, what about disk-to-disk backups? Disk-to-disk backups require a restoration, either to a new physical box or to a virtual session that needs to be built out. Again, it's tape backup technology just built for disk instead. Engineers I know and have spoken with explain that this can be a guessing game in terms of "Will it recover or won't it?" Many of them are moving away from this technique and these solutions.

Next we have snapshots. Microsoft has done a nice job with Volume Shadow Copy Service. Snapshots have become a very popular solution and are considered a very good "second" line of defense in your business continuity strategy. Depending on the vendor, you can recover these snapshots in various ways and restore them—usually to a virtual machine.

Again, replication technologies typically have faster RTO. The reason for this is that when data is replicated asynchronously, it resides in Windows Native File Format. Because there doesn't have to be a conversion process, these RTOs can be seconds to minutes (depending on data recovery or whole system recovery).

Even within a single replication technology there can be varying RTOs. Take HEROware, for example. Their RPOs remain extremely low since the underlying asynchronous replication is the same across all platforms. However, because HEROware uses their technology to vary the costs, the RTO is different, depending on the "Cost vs. Functionality Quotient."

Let me explain. In a typical multi-server environment, there are usually at least three tiers of redundancy needs:
- Tier 1 being application servers that need to be up and running within minutes should there be planned or unplanned downtime
- Tier 2 being servers that could be down for several minutes to an hour
- Tier 3 for servers that could be down for hours at a time

Some replication technology vendors have taken these three tiers, with their varying RTOs and given the user choices based on how much they want to pay for their individual RTO needs.

For the highest cost you can get application-level failover that happens in seconds to minutes. For the next highest dollar amount you'll get whole-server failover that happens in several minutes. And lastly, for the least amount of money, you get replicated backup (Native Windows File Format) that restores to physical or virtual servers in several minutes to a couple hours (depending on size).

This is what I'm talking about when I refer to "Keeping It Real." You must realize what you get for what you pay. In the big scheme of things, the lowest cost (Tier 3) is plenty good enough for 80% of companies. However, should you need to get your RTO closer to zero minutes, it's nice to know that option is available to you—it's just going to cost you a few more bucks.

But what about email? More and more companies rely heavily on their email systems for communication internally and externally. Email has shot to the top of the priority list in terms of "tiering" out a company's most critical applications.

Many companies have now integrated accounting, manufacturing, and business-to-business operations into their email systems, especially when it comes to Microsoft Exchange Server. Because of this, the dependency on email has become the life-blood of many companies throughout horizontal markets worldwide. According to ITSecurity.com, "...emails are not just for idle chatting, but can also be used to make legally binding contracts, major financial decisions, and

conduct professional meetings."

So how should email be protected? There are three sides to this question. One, backup of your email is required so you can recover email from accidental deletion, modifications, or viruses. Two, there must be some form of continuity so your company can recover quickly and easily from an email server outage. And three, there should be long-term archiving of email for compliance reasons. These archives should be available for long-term recovery of individual emails, or whole email boxes, or entire email databases. Additionally, these types of archives should have the capability to configure legal holds in case of a lawsuit or other legal action.

Let's finish up with Disaster Recovery (DR).
DR is a term that is often confused with other pieces of the Business Continuity (BC) model. Let's first examine that model: BC requires local high availability (HA), off-site disaster recovery, and long-term archiving for mass data retention and compliance. The confusion usually starts here. As you can read, DR is one component of the BC model.

So let's suffice to say that your business has some sort of local HA. That HA is where 90% or so of outages happen. Local outages, if not prepared for, can cost companies thousands of dollars. Thanks to North American Systems International, who has provided an easy way to calculate the cost of downtime, you can use the following equation to calculate the average labor cost of an outage:

LABOR COST = P x E x R x H
Where:
P = number of people affected
E = average percentage they are affected
R = average employee cost per hour
H = number of hours of outage
As companies depend more and more on computer applications for day-to-day business operations, the cost of downtime has increased. The simplest way to calculate potential revenue losses during an outage is with the equation:

LOST REVENUE = (GR x TH) x I x H
Where:
GR = gross yearly revenue
TH = total yearly business hours
I = percentage impact
H = number of hours of outage
Service costs are rarely zero.

So now you can see, I've talked about BC and that is not DR. DR is the process, policies, and procedures related to preparing for recovery or continuation of a technology infrastructure critical to an organization after a natural or human-induced disaster.

I like the part about "human-induced disaster." I bet many of you didn't know that a common threat to many companies is its employees. Accidental misuse of technology by systems administrators costs companies hours of downtime. Additionally, the oh-so-loved disgruntled employee can take a company down in minutes. It is these disasters, along with fires, floods, earthquakes, hurricanes, snowstorms, and Godzilla that prove the need for Disaster Recovery.

Well then, you say, how can I properly prepare for these disasters? It's not that hard. You need to at least get your data off-site so you don't lose important company and customer information should you encounter one of the above disasters. Cloud storage and server recovery options are now available to aid you in your DR plans. If you want your company to survive a full company disaster, then it is imperative that you get your act together.

Business owners have spent countless hours and money building a company, hiring employees, and keeping the economy going. Why risk all that hard work and sweat by not following some very basic Business Continuity tenets? Work on your Business Continuity plans now...you'll thank me later.

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