



AXS-One White Paper

OPERATIONAL RETURN ON INVESTMENT (ROI)
For E-Mail Archiving and Electronic Records
Management



BACKGROUND

The need for operational archiving solutions - software products designed specifically to deliver operational efficiencies - has continued to grow as businesses strive to deal with the explosive expansion of electronic records and their associated storage requirements.

One of the potential challenges in acquiring an operational archiving solution is that it may not be considered as business-critical and so may meet with challenges over budgeting. Operational ROI Analysis is designed to help companies assemble and develop the business case for an operational archive.

Appropriate archiving software can have a broad impact on business operations and provide support for employees in their every day work. In addition, archive solutions can deliver tangible benefits in areas beyond just the relief of operational burdens. These include privacy and intellectual property protection, litigation support, regulatory compliance, fraud investigations and HR misconduct situations. However, for many companies, the fundamental driver continues to be operational relief in e-mail and other records storage areas.

The basic economics of operational archiving ROI revolve around five areas:

- ▶ Online storage savings
- ▶ Offsite tape archives savings
- ▶ Employee e-mail management savings
- ▶ Litigation support expense savings
- ▶ IT support resources for general data retrieval savings

Operational ROI Analysis examines each of these areas to estimate expected cost savings over a three year period and compare those savings to the costs associated with implementing archiving software, required hardware and their respective maintenance costs plus any additional costs for implementation consulting and training.



ONLINE STORAGE SAVINGS

The rapid growth of online storage and the resulting costs are an increasing concern for companies. To manage these costs, companies are examining a number of solutions including migrating less active data to less costly Tier 2 or 3 storage, implementing archiving solutions that increase storage efficiencies by reducing the data volume or by implementing a combined solution. The combined solution uses archiving technology to reduce the volume of data and the Tiered Storage solution to reduce storage media cost.

Operational archives provide companies with the ability to reduce the storage requirements for information by moving less active information from primary high-availability storage used by production applications into archive storage possibly stored on lower cost storage media. Storage savings can be achieved by compressing data as it is archived and removing duplicate copies of records (and attachments in the case of e-mail and Instant Messages). Additional cost savings may be realized by migrating archived records to less expensive storage, as they are added to the archive. The benefit of these savings varies depending on the record types that are being archived.

One of the most significant potential savings areas is e-mail. Every e-mail has at least two copies, one for the sender and one for the receiver. As e-mail is archived, only a single copy of the message is stored, a process known as "Single Instance Storage". Savings are even greater in the case of an e-mail sent to multiple recipients. Additionally, attached files are only saved once in the archive, regardless of the number of different e-mails to which they may be attached. Storage savings of 40% - 65% can be achieved, depending on an organization's environment. Cost savings may be even greater.

A secondary benefit of an operational archive is the reduction of primary record or mail store backup times. By removing large quantities of records from the primary store, the backup time for the production systems is substantially reduced. Additionally, if the archive is enabled with an "incremental forever" backup feature then in each backup cycle, only a very small portion of the archive needs to be backed up. The operational time and resource savings is significant.

OFFSITE TAPE ARCHIVE SAVINGS

Offsite Tape Archive Savings is one of the dramatic areas of potential savings for companies that rely on disaster recovery backup tapes to store and retain copies of electronic records as their archive. There are massive storage redundancies in disaster recovery (DR) backup tape archives because each full backup contains duplicates of most records. On any given DR backup tape, there may be only 10% or 15% new data. The rest is duplication of the previous full backup. By using an operational archive with an incremental tape backup feature, the number of archive tapes can be dramatically reduced, sometimes by more than 80%.

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EMPLOYEE E-MAIL MANAGEMENT

In an effort to control the growth of their e-mail system storage demands, most companies limit individual user mailbox sizes. As users approach or meet their limit they are required to reduce the size of their mailbox by deleting e-mails or moving e-mails to personal .pst or .nsf files. This is a time consuming exercise that, for many companies, is a regular part of every e-mail user's day. In a company of 5,000 e-mail users, a savings of one minute per day per user, at an average employee cost of \$20 per hour, amounts to \$400,000 per year.

LITIGATION SUPPORT EXPENSE

Operational archives can also provide relief for business users from HR, Compliance and Legal departments who are constantly accessing saved information to assemble evidence for regulatory audits, investigations or litigation. Assuming an appropriate archiving product has been implemented, its value here is the ability to quickly and accurately access records with little or no assistance from IT. A bonus savings is that the retrievals are easy to perform and can be done quickly. This enables users to access the records in multiple iterations, refining the selection criteria and narrowing the resulting data sample. This smaller data sample in turn reduces the number of documents requiring manual review for relevance and privilege. With robust search capabilities, the cost for review by counsel can be reduced by 30%-50%. For a company with just 20 legal cases per year and average review costs of \$100,000 per case, this amounts to a savings of \$600,000 per year.

IT SUPPORT RESOURCES FOR GENERAL DATA RETRIEVAL

In addition to litigation and regulatory support, users call upon IT professionals to locate and retrieve lost, deleted, or old records from archives. This is a time consuming activity, particularly when the requested data is only stored on DR backup tapes which must first be restored before they can be searched. Some companies have IT professionals whose primary job is to service these requests. With an archive, the need for this support is drastically reduced. Users have direct access to the archive for their own records. Legal, HR and, temporarily as needed, regulators have a more universal access. Freeing IT support resources results in additional cost savings.

IN SUMMARY

The impact of these savings varies from one company to the next, but the results of the ROI analysis are often a pleasant discovery as companies realize the significant savings that can result from the implementation of an operational archive. For many companies, the payback occurs in less than one year.

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NEXT STEPS

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ABOUT AXS-ONE

AXS-One is a leading provider of Records Compliance Management solutions. The AXS-One Compliance Platform™ enables organizations to implement secure, scalable and enforceable policies that address records management for corporate governance, legal discovery and industry regulations.

AXS-One's technology has been critically acclaimed as best of class and delivers digital archiving, business process management, electronic document delivery and integrated records disposition and discovery for e-mail, instant messaging, images, SAP and other corporate records.

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