

# Magic Quadrant for E-Mail Active Archiving, 2007

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**E-mail active archiving products continue to add functionality to meet new market demands. Solutions are available to meet basic and complex requirements at a corresponding range in cost.**

## WHAT YOU NEED TO KNOW

Gartner's 2007 e-mail active-archiving Magic Quadrant is focused on enterprise-class products that met the criteria defined below and were able to prove, through strong references, their ability to address the need of a market looking to support hundreds and thousands of users. Organizations with limited requirements or a modest number of users may want to start with one of these products, knowing that they will eventually need the scalability and functionality they provide. Products that are not included in this research may be too new to the market or may provide a tactical solution to an immediate problem.

As the vendors covered in this year's Magic Quadrant have gained more customers, they have strengthened their understanding of market requirements and have responded with new features and a more robust implementation of existing features. Most vendors have stable code for basic features to allow for full capture of all messages and for mailbox management. They are looking to differentiate themselves with better discovery, administrative tools and expanded device support. Several are providing links to other content archiving or records management solutions. A few vendors still focus on the unique compliance supervision requirements of the financial community, but that market is relatively small compared to the market for support for legal discovery support and mailbox management. The December 2006 changes to the Federal Rules of Civil Procedure is motivating more companies to move more quickly from the evaluation stage to implementation mode.

Although many vendors have made significant improvements to their products, there are still many areas of concern, not the least of which is the complexity of deploying and managing growing archives. Clients continue to ask for better archive management and monitoring tools, even though vendors have made progress in this area this past year. Migrating personal stores into the archive continues to be a pain point in the quality of the available tools and in the time it takes to accomplish the archiving. As the archives grow, the indexes generated for the content also grow. The time to create those indexes for clients receiving large volumes of messages on a daily basis, plus the time to search them, continues to be a key concern. Code quality for new features continues to be a concern with early adopters of such features often serving as quality assurance departments for their vendors. Improved support was a focus for most vendors this year with marked improvement noted by customers. Training of partners and local installation support staff is still a weak area, but low scores for support were most often tied to code problems.

The biggest roadblock for customers is in defining their own requirements. Waiting for legal and the business units to agree on a corporate messaging policy and defining detailed retention rules often delays the selection and implementation process. An effective e-mail management policy is essential for organizations in today's litigious environment. However, companies need to begin archiving now to gain the operational benefits and to centralize data so that when the policy is finalized and the retention rules are defined, the implementation can be adjusted to quickly respond.

### STRATEGIC PLANNING ASSUMPTION(S)

By 2010, 50% of the archiving implementations will use the archive created for compliance and/or discovery to improve e-mail management through message stubbing (0.7 probability).

### MAGIC QUADRANT

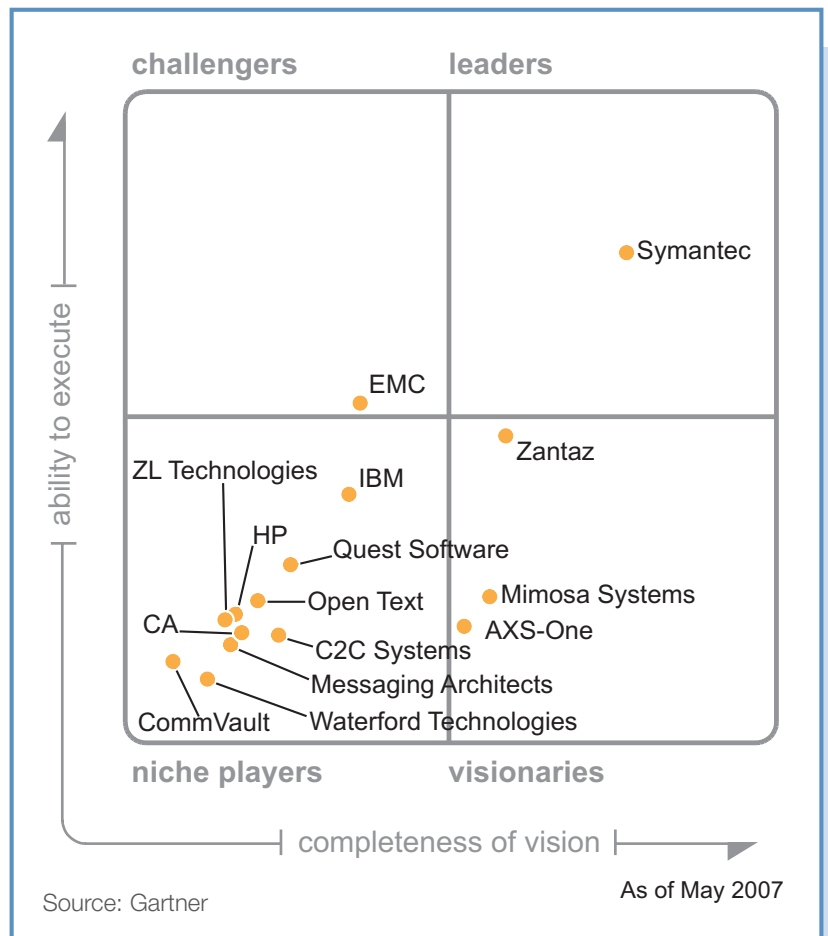
Do not compare the placement of vendors from last year to this year. The market has changed, and the criteria for selecting and ranking vendors continue to evolve. Vendors that did not adapt will naturally move to the left on Completeness of Vision. Vendors that have not yet delivered proven solutions to the new market requirements measured per the defined criteria for this year's Magic Quadrant may also have moved to the left on Completeness of Vision. This does not imply that the products evaluated last year are now deficient. It just means that new requirements have provided new challenges that the vendor has yet to meet.

### Market Overview

The growing size of e-mail data stores, coupled with the requirement to retain e-mail records for regulatory compliance and legal discovery, has created a market for e-mail active-archiving tools. Gartner estimates that the worldwide e-mail active archiving market was \$207 million in new software license revenue in 2006, an increase of 42.8% over 2005. The market is expected to grow to \$1.0 billion by 2011.

An e-mail active-archiving product provides a searchable archive of all e-mail messages for a defined period of time. It can be used independently or as part of a corporate records repository for legal and business uses. It also can be used as a solution to reduce the size of production e-mail data stores to gain operational efficiencies (reduce backup time, improve recovery and eliminate the need for quotas while still keeping the active data store lean).

Figure 1. Magic Quadrant for E-Mail Active Archiving, 2007



Although many vendors can provide products with some level of compliance capture and archiving, to be considered an enterprise e-mail active-archiving vendor, the solution must offer mailbox management and compliance capture to ensure that all records are captured in the archive, whether for legal discovery reasons or for the unique compliance supervision requirements of the financial industry. This is still a relatively new market even though some of the vendors have been in the market for more than 10 years. Requirements continue to evolve, increasingly separating vendors with robust solutions from those that address fairly basic requirements. Product scalability continues to be a significant issue. However, the biggest change happening in this market is the emerging interest in extending the archiving platform to include other kinds of content. Many storage administrators are looking

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beyond the e-mail archiving project to the next archiving requirement and selecting an e-mail archiving vendor that will also be able to help with file, SharePoint or some other archiving requirement. Vendors are responding by providing additional archiving solutions that leverage common services and the e-mail archive repository architecture.

### Market Definition/Description

As defined by Gartner, the e-mail active-archiving market targets vendors that not only provide for the capture of all e-mail messages, but also use that archive to allow for the purging of messages from the active mail data store while giving the end user the illusion of an infinite mailbox. E-mail active-archiving products should:

- Capture and archive all e-mail messages entering and leaving the company and messages between users on an e-mail server as unique, indexed records. Leaders will use single-instance storage technology to efficiently store the data in the archive.
- Provide access to the archive via a Web client and through the e-mail client.
- Include auditing capabilities to track access to archived records.
- Support the secure storage of increasingly large archives offering multiple storage options for the archive, including disk, optical, and tape. Special-purpose content storage devices are also gaining traction, initially with the financial community that requires tamper-proof storage, but increasingly for industries that store very large files, such as the medical and broadcasting sectors.
- Exploit hierarchical storage management technology to automatically prune the active e-mail data store for more-efficient operations.
- Offer personal data store migration tools and temporary offline local store options to eliminate the storage of e-mail messages outside the control of the archive system.
- Provide or integrate with a robust records management solution to manage the life cycle of the records to ensure proper retention and deletion.

Leading vendors will:

- Package tools for sampling and management of the compliance supervision process for regulated broker-dealers.
- Package or integrate with tools to manage the discovery process, narrowing the search and managing the steps needed to deliver records. Leading products offer more than just search and packaging but also provide tools for review and case management.

### Inclusion and Exclusion Criteria

To be included in the 2007 Magic Quadrant, a vendor must be the developer of the product and not just a reseller or value-added reseller. The company should have at least five large enterprises (1,000 mailboxes or more) that are using the software in a production environment for mailbox management and compliance archiving and that are able to be referenced to Gartner to support compliance to the criteria. Included vendors are worldwide in scope and industry-independent.

### Added

CommVault was added to the 2007 Magic Quadrant.

### Dropped

FileNet was dropped because it was acquired by IBM in October 2006. IBM remains, but it now offers both the IBM DB2 CommonStore and the FileNet Email Manager.

### Evaluation Criteria

#### Ability to Execute

Several factors contribute to a vendor's ability to execute ratings. Product capabilities were evaluated separately for basic and advanced functionality. Special emphasis was placed on archive scalability and storage management capabilities, mailbox management, compliance supervision, legal discovery and integration with other related technologies. Because this market contains many small vendors with uncertain futures, financial viability was an important consideration. A vendor's ability to anticipate and respond to changes in the market and achieve competitive success as market dynamics change was also highly rated. As products become more complex, the e-mail archives grow and the need to use the information in those archives becomes more mission-critical, strong customer support becomes increasingly important.

**Table 1. Ability to Execute Evaluation Criteria**

Evaluation Criteria	Weighting
Product/Service	high
Overall Viability (Business Unit, Financial, Strategy, Organization)	standard
Sales Execution/Pricing	standard
Market Responsiveness and Track Record	standard
Marketing Execution	high
Customer Experience	high
Operations	low
Source: Gartner	

## Completeness of Vision

A vendor's completeness of vision is evaluated based on its ability to convincingly articulate its future product direction and demonstrate innovation in meeting customer needs, enabling the vendor to more effectively compete in the market. The credibility of a vendor's vision is weighed against its past ability to execute against previously stated plans. Market understanding should be the guiding factor in new product development to ensure that the product engineered meets customer needs. Managing the complexity of storage environments requires innovative approaches that will distinguish leaders and delight customers.

**Table 2. Completeness of Vision Evaluation Criteria**

Evaluation Criteria	Weighting
Market Understanding	standard
Marketing Strategy	high
Sales Strategy	high
Offering (Product) Strategy	high
Business Model	no rating
Vertical/Industry Strategy	low
Innovation	standard
Geographic Strategy	standard
Source: Gartner	

## Leaders

Leaders have the highest combined measures of an ability to execute and a completeness of vision. They have the most-comprehensive and most-scalable products. They have a proven track record of financial performance and established market presence. In terms of vision, they are perceived as thought leaders, with well-articulated plans for ease of use, how to address scalability and product breadth. For vendors to have long-term success, they must plan to address the expanded market requirements for archive management, personal store migration, ease of use and deployment, and archive recovery.

Leaders must not only deliver to current market requirements, which continue to change, but they need to anticipate and begin to deliver on future requirements. A cornerstone for leaders is the ability to articulate how these requirements will be addressed as part of their vision for expanded archive management. As a group, leaders can be expected to be considered as part of most new purchase proposals and have high success rates in winning new business.

Symantec remains the clear leader in this segment, far ahead of the rest in its ability to anticipate evolving market requirements and to deliver new features ahead of the competition. Its Enterprise Vault product has evolved into an integrated content archiving (ICA) platform with the largest, worldwide base of e-mail archiving customers and a large, fast-growing base for its file archiving solution. Symantec also delivers its own archiving solution for SharePoint and instant messaging and links into other archiving repositories and leading records management products.

## Challengers

Challengers can execute today but have a limited or evolving vision. They have capable products and can perform well for many enterprises. These vendors have the financial and market resources and capabilities to become leaders, but the important question is whether they have the understanding of market trends and market requirements needed to succeed in the future. They may not devote sufficient development resources to deliver products with broad market appeal and leadership features.

EMC is delivering its EmailXtender archiving product to a worldwide customer base of Exchange and Domino users but is late in delivering on its ICA platform option, Documentum Archive Services for Email, which it announced in April 2006. Migrating from one archiving solution to another is not a trivial exercise, and the customer preference is not to maintain both the old and the new solution. The late delivery of the newer solution and the shift in long-term direction for EmailXtender has added a level of confusion to the market and has fragmented EMC's archiving development resources.

## Visionaries

Visionaries are forward-thinking, but their execution has not propelled them into a leadership position. These vendors are differentiated by product innovation, but they have not achieved completeness of solution or the sales and marketing success required to give them the high visibility of leaders. Zantaz is focused on the archiving and litigation support market, and its Enterprise Archiving Solution is a competitive offering in the product side of its business. It has delivered a discovery module and purchased the technology that it had been reselling for compliance supervision. Its Zantaz First Archive solution, which links the on-site archiving to the longer-term archiving service, is getting early adopters and looks promising. Zantaz has made progress on improving its service delivery and continues working to strengthen the ability of its channel to sell and deliver.

AXS-One has a strong product, especially in the underserved Domino market, but has been focused on supporting the complex requirements of a small base of large customers at the expense of growing market share and revenue. The company has completed the divestiture of its other product lines, and a strong first-quarter 2007 license revenue number may be the beginning of the long-promised growth.

Mimosa provides an Exchange archiving solution based on log shipping, rather than journaling, which combines a continuous data protection and recovery solution with archiving. The company added a legal discovery option in 2006.

## Niche Players

Niche players are narrowly focused on an application, market or product mix, or they offer broad capabilities without the relative success of competitors in other quadrants. Niche players may focus on a segment of the market and do it well, or they may simply have modest horizons and lower overall capabilities compared with competitors. Others are simply too new to the market or have fallen behind and, although worth watching, they have not yet developed complete functionality or the ability to execute. IBM and Open Text are enterprise content management (ECM) vendors with complementary e-mail archiving solutions. Both are most successful in selling to customers committed to their ECM solutions. Open Text has an evolving ICA solution, delivering components today, with the promise of tighter integration when its Enterprise Library archiving solution is more formally delivered at the end of 2007.

CA Message Manager has lost market visibility as CA works to integrate other storage acquisitions and to rebrand the former iLumin Assentor product into CA Mail Manager. ZL Technologies (formerly known as ZipLip) has begun to get some market traction but is still challenged with meeting the complex requirements of the financial customers that it has targeted, limiting its ability to address a broader market. HP continues to grow its base of Reference Information Manager for e-mail customers but primarily with loyal HP customers willing to buy HP hardware and software and to bet on a product that is still evolving.

C2C Systems and Waterford Technologies have fast-growing market share in the midsize enterprise, government and education markets that have basic requirements, limited budgets and a requirement for a product that is easy to deploy and use. C2C has a robust solution for that market with some interesting discovery tools. Waterford has an inexpensive solution that is especially appealing to organizations looking to meet basic discovery requirements. Messaging Architects has the strongest tool for the GroupWise market. CommVault enters the Magic Quadrant this year with its Data Archiver for Exchange compliance archiving product and its Data Migrator for Exchange mailbox management solution. Sold mainly to its Galaxy backup customer base, the products are the only ones that require agents on the Exchange server.

## Vendor Strengths and Cautions

### AXS-One Strengths

- While supporting the full range of market requirements, AXS-One is especially strong with support for Domino, and with its solutions for compliance, discovery and case management.
- Support for large implementations is strong from product and consulting perspectives.

### Cautions

- AXS-One is small and has relatively few customers. It has limited new-license revenue, which could affect future investment. Having divested all noncompliance platform assets, financial reports will better represent company growth in this market.

- Although buying from Sun offers the resources of a large company to complement AXS-One's relatively small staff, companies that have purchased through Sun have reported that Sun has limited in-house expertise on the product.

### C2C Systems Strengths

- C2C Systems has an easy-to-deploy solution at a modest price, with no requirement to license Microsoft SQL.
- Its discovery tool can search active e-mail messages, public folders and .pst files.

### Cautions

- C2C products are untested in large environments. Most success has been with companies with fewer than 10,000 mailboxes.
- It is a small company with limited resources, which could be a problem for companies with special support or product requirements.

### CA Strengths

- Mail Manager offers strong compliance and discovery capabilities supported by its natural-language search technology.
- Integration with the CA MDY FileSurf product provides strong records management capabilities.

### Cautions

- CA Mail Manager has had no installer program and no integration with directory products, such as Microsoft Active Directory, so installation by CA is recommended for the initial deployment and updates.
- CA's service organization is still ramping up support, and timely support from a knowledgeable technician may require customer escalation to CA engineering.

### CommVault Strengths

- CommVault Galaxy customers' ability to leverage the backup product's infrastructure can make the deployment more cost-effective.
- CommVault has worldwide sales through its own direct sales force and through Hitachi Data Systems, Dell and other resellers.

### Cautions

- The company provides a basic search capability but lacks the robustness and speed of competitive solutions.
- Product support will often require escalation because of product quality issues and limited expertise in the support group.

## EMC

### Strengths

- EMC supports Lotus Notes, and one-third of its installed base comes from Domino customers. Exchange is also supported.
- EMC has worldwide sales and support, and the ability to deliver software and storage.

### Cautions

- Companies with large numbers of mailboxes and complex compliance requirements should wait for EMC to deliver its planned large-company e-mail archiving solution or expect to migrate in the future.
- Companies requiring robust support for double-byte characters should test thoroughly to see whether current functionality is sufficient.

## HP

### Strengths

- HP has a complete archiving solution that comes with software, storage and service, and requires no additional licensing for a database product.
- Although it has only recently begun deployments supporting large numbers of users, companies report that the tightly integrated solution has proved to be very scalable.

### Cautions

- Proprietary hardware and software platform may make any future product migration more difficult.
- Product support will often require escalation to the engineering team because of limited expertise in HP's support group.

## IBM

### Strengths

- IBM has strong internationalization and a worldwide sales and support organization.
- Integration exists with IBM DB2 Content Management and records management

### Cautions

- Multiple e-mail archiving products, since the acquisition of FileNet, are confusing to sales personnel and prospects, and will require careful monitoring of road maps.
- Although preloaded systems offer some ease-of-deployment support, deployment and management is still complex and requires knowledge of DB2. Compliance supervision will require integration with a third-party solution

## Messaging Architects

### Strengths

- Messaging Architects has strong knowledge and support for the total GroupWise environment.
- Its products are easy to install and use.

### Cautions

- Messaging Architects is a small company with limited resources, which could be a problem for companies with special support or product requirements.
- Because Messaging Architects' references tended to have short retention periods and fewer than 5,000 mailboxes to support, companies with larger numbers of users or those with long retention periods should seek larger references to confirm product scalability.

## Mimosa Systems

### Strengths

- Mimosa Systems' products are easy to deploy and manage, with a full-function search and an added option for discovery support.
- The continuous data protection and recovery features integral to the product are a bonus that users who bought only for archiving find that they use as well.

### Cautions

- Log shipping, as opposed to journal capture, although collecting more-robust metadata, could also grow to a large metadata file for customers with large numbers of mailboxes and long retention periods.
- Mimosa is a small company with limited resources, which could be a problem for companies with special support or product requirements.

## Open Text

### Strengths

- Open Text supports multiple types of archiving and will integrate its archiving solutions more tightly by the end of 2007.
- The ability to link to the strong records policy engine in Livelink, as well as the other content management capabilities of Livelink, will be an advantage for those looking for a comprehensive content management solution, especially current Livelink customers.

### Cautions

- Technical support outside of Europe is weak as Open Text works to train its staff on multiple new products from recent acquisitions.
- Confusion in communication regarding the features in its Email Archiving, Email Management, and Email Monitoring products has led to false expectations. Clearly define requirements and contract for Livelink technicians to install the products.

## Quest Software

### Strengths

- Quest Software's products are easy to deploy and use.
- The company has worldwide sales and support, although limited local language support.

### Cautions

- Quest has weak reporting and management tools.
- The company has basic retention management and no integration with third-party tools for retention or discovery.

### Symantec

#### Strengths

- Symantec's robust Exchange product has continued enhancements from a large development and quality assurance team.
- A large base of customers advises Symantec on changing worldwide requirements, which helps the company develop a robust road map.

#### Cautions

- Very large installations will need to carefully plan their architectures as use grows. Clients that work through a reseller need to confirm the reseller's ability to support the installation effort.
- Support for Lotus Domino does not include mailbox management.

### Waterford Technologies

#### Strengths

- Waterford Technologies has an easy-to-deploy product at an attractive price.
- The company has easy-to-use, canned reports that meet target customer requirements.

#### Cautions

- References all had fewer than 3,000 users and were running basic product features, Domino customers and those looking to run newer modules should seek additional references or be prepared to help debug newer product code.
- The company is small with limited resources, which could be a problem for companies with special support or product requirements.

### Zantaz

#### Strengths

- Zantaz has a strong Exchange archiving solution with a complete set of features and scalable architecture that has been well received in implementations where geographic coverage requires multiple archives.
- The company has extensive expertise in the litigation support area, including support for tape reclamation.

#### Cautions

- Zantaz has limited beta testing of new code features prior to release. Clients should test new features before putting them into production.
- No large deployments for the Domino version of the product are referenceable yet.

### ZL Technologies

#### Strengths

- ZL Technologies' product can support pre- and post-review options for compliance supervision to meet U.S. Securities and Exchange requirements.
- It has an established reference base and selling partners in Japan.

#### Cautions

- Current references outside of Japan are too small or too early in deployment to fully test product scalability or mailbox management capabilities.
- The company's willingness to tackle customers with special requirements may make it difficult to address a wider market. Although this could be viewed as a strength for customers looking for special support, the size of the company may limit the number that can effectively be managed.

### Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor appearing in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.

## Evaluation Criteria Definitions

### Ability to Execute

**Product/Service:** Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets, skills, etc., whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

**Overall Viability (Business Unit, Financial, Strategy, Organization):** Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit to continue investing in the product, to continue offering the product and to advance the state of the art within the organization's portfolio of products.

**Sales Execution/Pricing:** The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

**Market Responsiveness and Track Record:** Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

**Marketing Execution:** The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional, thought leadership, word-of-mouth and sales activities.

**Customer Experience:** Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements, etc.

**Operations:** The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

### Completeness of Vision

**Market Understanding:** Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen and understand buyers' wants and needs, and can shape or enhance those with their added vision.

**Marketing Strategy:** A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the Web site, advertising, customer programs and positioning statements.

**Sales Strategy:** The strategy for selling product that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

**Offering (Product) Strategy:** The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature set as they map to current and future requirements.

**Business Model:** The soundness and logic of the vendor's underlying business proposition.

**Vertical/Industry Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including verticals.

**Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

**Geographic Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.