

# NovaTech – August 2010 – NovaTech Services Newsletter

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Greetings ,

We recently did an investigation of hosting and replacement options for MicroSoft Exchange. There are several new hosting options becoming available and cloud services with wide price differentials. The analysis below gives the considerations for making decisions about when and how to setup the new Exchange 2010 version. The cost comparison below can help to drive the decision process.

Each option is scaled for 100 users with anticipated growth and coverage for 4+ years. These options are easily adjusted for your size.

In summary here are the four options:

- In house - \$24K onetime/lease (quote attached)
- Hosted dedicated server - \$1,300/m (same size as in house)
- Hosted virtual server - \$1,000/m (same capacity)
- MicroSoft BPOS cloud service - \$5/100users/m - \$500/m

All four would require equal amounts of ongoing Exchange system administration

Please let us know how we can provide any additional assistance in your decision process.

Best regards,

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NovaTech Services

Additional information to help in making the decision to go with (offsite) Exchange Hosting or to keep/maintain the service(s) onsite.

First, I'd like to reiterate my role: an unbiased research and recommendation what I/we/NovaTech believe is the best possible solution for your company and staff.

One other point is that: more and more, the Exchange Hosting by Microsoft is looking (to me) like a "me too" / "stepped-up" version of Google Apps for Business.

The Exchange Hosting by Microsoft falls under their BPOS "Business Productivity Online Standard Suite" and, in my opinion, is largely Microsoft's answer to Google and "cloud computing" in general. We all know Microsoft's original business model of selling boxes and licenses. Now with Google being a real threat to that business model: Microsoft needs a way to get their apps to customers who don't want or can't afford the necessary hardware, build/tech expertise, management infrastructure and software licenses.

Anyway, all that is fine (MS entry into cloud computing) as long as the Exchange Hosting under BPOS is a corporate class service (including functionality, support and security).

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In my opinion, general business communications (for example: a field office using the BPOS MS Hosted Exchange platform) is in no way as sensitive and critical as the (current) requirements for legal, medical and financial communications today.

I called one of the main hosting companies that I have worked with for Exchange Hosting to see what they had to say about BPOS (since they have to deal with this question all the time). Here's what they had to say:

A) They believe Microsoft BPOS Exchange Hosting is not a (true) dedicated server/service and are using MS Enterprise technology where (for a given server) they can block off each domain from seeing other domains in an Active Directory environment.

The Exchange Hosting Service I've worked with has: dedicated server (through virtualization) where each client has their own: instance of Exchange, their own virtualized OS, their own Active Directory, their own Data Store. Each dedicated Server has multiple processors and memory. The CPU is time sliced (divided) based on number of users and total storage.

B) To help prove that Microsoft BPOS is not a real dedicated server: I'm told they don't/can't issue SSL Certificates on BPOS. The Exchange Hosting Service can and does issue SSL Certificates for the dedicated Exchange service running on the (virtualized) dedicated server.

C) BES - If staff members at use Blackberry, I'm told that the integration and support of BES (Blackberry Exchange Services) at Microsoft Exchange Hosting (BPOS) doesn't work that well. I don't know the specifics on this, but I see that one can sign up a few users on BPOS (for a 30 day trial). Thus the recommendation would be to: try BPOS for a few users (or some "test" users) and test the BES on Blackberry. Probably many staff are now on or have migrated over to the iPhone. Same deal: setup some test users at BPOS who have iPhone and see how that works. Actually with Blackberry (BES) and iPhone (activeSync) it's not even the email that concerns me (as being a possible issue) -- it's the Calendars and Contacts.

D) Calendars and Contacts - Microsoft BPOS claims they have migration wizards and an organization can port over some users (at a time) versus all the users over to BPOS. This probably is correct - but important to note (with any Exchange migration) that any group/shared Calendars and Contacts won't be functionally until all the users have been migrated over to the new service. If executives have staff members acting as Outlook/Exchange delegates - those rights and permissions also need to be looked into (to see if this migrates over cleanly or not, or need to be redone).

E) "The Exchange Hosting Service I've worked with" tells me that when IT staff use the BPOS web interface to manage users and other actions: they typically have to go/log into 3 different web sites (to manage). The service I've worked with has everything with one login from one website. Functions are based on user level rights (i.e. administrator can do everything).

F) Support - one has to wonder what kind of response/service Microsoft will give at \$5 per month per user. Does Microsoft really care about 100plus users/mailboxes at an important firm when compared to the (possible) hundreds of thousand \$5 per month user accounts they might have. (As mentioned is this MS Exchange Service anything more than a "stepped up" Google Mail / Google Docs ??)

"The Exchange Hosting Service I've worked with" always has live US support and I think all the techs are Tier2 or higher. I don't think I ever had to wait more than 5 minutes to get a tech on the line (24 x 7 x 365) -- and support is free. Again: with 100 users at \$5 per month are you going to get a knowledgeable tech who can quickly address and solve problems? [I've recently been told by another Exchange hosting vendor that there is no live MS tech support for BPOS. These have to

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submitted through email/website. Maybe MS allows support to a live tech at an hourly or per case rate].

G) Third party apps - I asked the main techs at "The Exchange Hosting Service I've worked with" and they said they never add third party apps to their servers (for reliability and specifications), but they have been able to work out ways (with message threads) to get some third party calendaring systems to work. This is in case you want to see if the legacy calendaring app can still work on a Hosted Exchange server. No way will MS entertain such a request.

H) Compliance: (Legal, Medical/Health, Financial) -- HIPAA (Health Insurance Portability and Accountability Act), Gramm-Leach-Bliley Act (GLBA). Does Microsoft's "BPOS shared hosting environment" pass these compliance standards? Even if MS claims their (blocked Active Directory) / shared Exchange environment is "dedicated" -- does it pass the HIPAA and GLBA tests ?? \$5 \$10 \$15 a month per user - none of this will really matter (as "cost savings") if there is ever a lawsuit on the sensitive material the data stores and how it is stored/delivered. i.e. - can a firm today (of 100+ users) operate on Google Apps/Docs ??

Honestly, I am not against MicroSoft or any vendor to have cost effective solutions. I am vendor independent. I just want to make sure that the above concerns are thought out / addressed.

One other idea I had:

If we find a Hosted Exchange solution where our questions and concerns are addressed, I'm thinking we should find a way to backup (at night) all the Exchange OST cache (mailbox) files to local PSTs on the end-user's PC/laptop, and then at night maybe a (differential delta) backup of these local OSTs/PSTs to a large network storage drive. This is so we can have a copy of (all) mailbox data locally (and to protect against losing the OST in a hard drive crash - even though the OST will come back when the user reconnects). But, I do think it would be helpful to have storage/backup/plan of the users mailboxes on the site/premises.

I) "The Exchange Hosting Service I've worked with" tells me they can send out the Exchange Data Store to clients on a regular basis (as well as other ways to get the PSTs/mailbox data stored at the client site). Can MS BPOS do this ?

Reference URLs:

<http://www.microsoft.com/online/business-productivity.aspx>

<http://www.microsoft.com/online/exchange-online.aspx>

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## Quotation

Date **July 30, 2010**

Customer

Qty	Description	Unit Price	Tax	Total
	<b>2010 MicroSoft Exchange - in house install and setup</b> 100 users - no limits on mailbox size			
1	<b>Computer server</b> HP ProLiant Server - Model#: 504633-001 ~ 140GB Raid 1 Operating System ~ 1.5TB Raid 5 Data Store Processor - Intel® Xeon® X5550 (4 core, 2.66 GHz, 8MB L3, 95W) - 2 processors Memory - 12 GB, Ethernet - 1GbE NC382i Multifunction 2 Ports Storage Controller - (1) Smart Array P410i/512MB BBWC Power Supply - (2) 460 Watt hot plug redundant, 4 year warranty NBD qty 2 - HP Internal Hard Drive 146GB SAS 10K RPM 2.5IN - Model#: 507125-B21 qty 4 - HP Internal Hard Drive 500GB SAS 7.2K RPM 2.5IN - Model#: 507610-B21	\$7,683.00	Y	\$7,683.00
	<b>MS Software Licenses</b>			
1	Exchange Server Standard 2010 - 312-04048	\$674.00		\$674.00
100	Exchange Standard CAL 2010- single user - 381-04181	\$64.38		\$6,438.00
1	Windows Server Standard 2008 R2 - P7304982	\$692.00		\$692.00
100	Windows Server CAL 2008 - single user - R18-02709	\$27.89		\$2,789.00
40	<b>Labor - installation assistance on setup and migration</b> assistance and design review for migration and setup	\$125.00		\$5,000.00
	<b>Notes and Considerations</b> Power and UPS consumption to be slightly more than unit being replaced Data backup service to use existing arrangement on network Exchange system administration to be comparable to hosted/cloud solutions Recommended solution is 4X existing need and can grow to 2.5 TB disk size Recommended solution will cover anticipated use and growth for 4 years			
	Terms: <b>Net 10</b>			
	<b>Authorized Signature:</b>			

\*\* This quote is subject to change without notice. Please call to confirm validity after 10 days.  
 The NovaTech Services General Terms and Conditions are incorporated by reference into this quote.  
 15 day return policy and 15% restocking fee for all hardware items.  
 All software sales and labor are non-refundable.  
 Manufacturers warranty is sole warranty on all third party hardware and software.

<b>Subtotal</b>	\$23,276.00
<b>Shipping (est.)</b>	\$29.00
<b>Sales Tax (9.25%)</b>	\$710.68
<b>TOTAL</b>	<b>\$24,015.68</b>