

Teneros achieves 50% growth in a downturn with OEM solutions from HP and Bell Micro



Switching to HP ProLiant servers and HP StorageWorks arrays increased scalability six fold and reduced field issues by 30%. Teneros realized 50% customer base expansion in six months.

Objective

To provide Teneros customers with scalable, reliable appliances that can be serviced worldwide

Approach

Become certified HP OEM and replace the previous “white-box” servers and storage inside the appliance with HP ProLiant DL380 server and HP StorageWorks 70 or 50 Modular Smart Array; work with HP Care Pack services for onsite service worldwide and HP Leasing and Bell Micro for Software-as-a-Service (SaaS) delivery option

IT improvements

- Eight-fold increase in maximum users per box (500 to 4,000)
- 30% decrease in hardware issues at customer sites
- 20% efficiency gains for Teneros engineers
- Significant reduction in appliance returns

Business outcomes

- Quicker time to revenue by leveraging HP servers and storage for end-user solutions
- 50% increase in customer base (mailboxes protected) in six months
- 200% increase in total addressable market
- 80% of new customers gained through SaaS offering
- Now selling to enterprise customers (with 10,000 users or more)
- Global service footprint gained through HP field support

Keeping the “killer app” live

Email is often called the “killer app”—the one technology that no business can do without. According to Gartner, 60% of all corporate communication is via email, and 80% of all corporate knowledge and data resides on email infrastructure. Significant loss of email capabilities can lead to a risk of business failure. And yet most companies experience long or short email outages once a year or more, caused by anything from server failures to power outages to human error.

“With power email users, our white-box platform could scale up to 500 users on a server. HP literally gave us an eight-fold increase in the number of users per server, up to 4,000 users or more.” —Manish Kalia, vice president of marketing and founder, Teneros, Inc.

Teneros, Inc. ends email downtime by providing an appliance and service which automatically take over during any Microsoft® Exchange failure, providing users with uninterrupted email service and continuous access to their mailboxes. The Teneros Always-On High Availability Solution provides corruption-free replication of Exchange email data combined with Instant-On failover recovery of Exchange services when production systems fail or become unavailable. The Teneros Always-On Disaster Recovery Solution is deployed at disaster recovery (DR) site locations and provides real-time replication of Exchange email data over the wide area network (WAN) combined with Instant-On failover recovery of Exchange services when site disasters occur. “We’ve had customers whose data centers were knocked down by hurricanes,” notes Manish Kalia, vice president of

“On the HP platform, because of the amount of testing it’s undergone and the customer base, there’s significantly higher performance quality.”

—Manish Kalia, vice president of marketing and founder, Teneros, Inc.



marketing and founder of Teneros. The DR solution uses VMware, combined with HP ProLiant and StorageWorks technology, to automatically replicate Exchange databases between the two locations.

The Teneros network operations center (NOC) constantly monitors Exchange at its clients’ locations and reacts the moment it senses trouble. “If email goes down, the NOC can issue an automatic failure warning within seconds, and transition all Microsoft Outlook, Blackberry, and email user sites to the Teneros disaster recovery solution,” explains Kalia. “Meanwhile, the customer can repair the infrastructure. Once that’s done, it just takes a one-click failback from the Teneros appliance to replicate the missing email data back to the customer’s server and transition the users back.”

“How do you handle support, logistics, and spares for your products worldwide? HP has such a significant deployment of support, logistics, and spares all over the world that we didn’t have to solve that problem ourselves. We leveraged the existing HP support infrastructure instead.” —Manish Kalia, vice president of marketing and founder, Teneros, Inc.

A partner’s recommendation

Teneros, which launched in 2003, started out using a generic “white-box” server within its appliance. “Primarily, our intention was to conserve spending,” Kalia explains. That strategy worked well for the small companies that made up the first customer base at Teneros. But as the company began selling to larger customers, something different was needed.

“As we moved up into the enterprise market, we saw the need for scalability,” Kalia says. “Reliability was also an issue, and so was performance, because Exchange is a very performance-intensive application.” Geography added a further challenge—large organizations often have offices spread across multiple continents, and to satisfy these customers, Teneros needed to provide service at all their locations.

For more than three years, Teneros had depended on HP partner Bell Microproducts Inc. as both a supplier of hardware configuration components for its appliances which are built by Bell Micro, and also as a distributor of the product. As Teneros began pursuing larger customers, Bell Micro made the case that it was time to start using HP products in its appliances. In the summer of 2008, Teneros made the switch and became a certified HP OEM, enabling it to build its solution on HP ProLiant DL380 servers and HP StorageWorks 70 or 50 Modular Smart Arrays instead of “white-box” servers and storage.

About Teneros, Inc.

Founded in 2003, Teneros is a leading provider of Always-On high availability and disaster recovery, archiving, eDiscovery, security, and spam solutions for Microsoft Exchange 2003 and 2007. Teneros solutions ensure continuous email operations through planned and unplanned downtime with an easy Plug & Go® installation and single-click Exchange failover and failback within minutes—maintenance free. Teneros also offers Software-as-a-Service (SaaS) for simple, reliable, CAPEX-free email continuity. The result for Teneros customers is lowered costs and less administrative burdens from email systems, simplified operations, and improved end-user productivity.

The move to HP brought several immediate benefits:

- **Broad technology portfolio:** By becoming an approved OEM, Teneros was able to leverage the complete HP server portfolio as part of its solution, speeding time to revenue. By choosing the right HP ProLiant servers for its various usage scenarios, Teneros didn't need Bell Micro to configure, test, and certify white-box servers.
- **Eight-fold greater capacity:** "Realistically, with power email users, our white-box platform could scale up to 500 users on a server," Kalia says. "HP literally gave us an eight-fold increase in the number of users per server, up to 4,000 users or more."
- **30% fewer hardware problems:** "With HP, we have seen a 30% drop in hardware issues," Kalia says. "Scalability and reliability are tightly connected," he continues. "Theoretically, you could make any system scalable by adding more process servers, more disk, and more RAM, but the question is, can you scale while remaining reliable? On the HP platform, because of the amount of testing it's undergone and the customer base, there's significantly higher performance quality. What that means is, in the real world, you can scale up to thousands of users without encountering higher failure rates or other unexpected issues."
- **Significantly lower appliance returns:** "There's been a significant reduction in return merchandise authorizations for our appliances," Kalia says. Because each Teneros appliance comes with HP Care Pack services to cover both the server and storage array, if included, most service issues are dealt with directly by HP. "We've been able to lower Teneros' cost for repair and replacement because now they have service in the field by HP," notes Gary Gammon, senior vice president, enterprise marketing for Bell Micro. Teneros also deploys HP Integrated Lights-Out Advanced Pack, allowing its staff to solve many problems remotely.
- **20%–30% productivity improvement:** With more reliable hardware, and HP performing service onsite, Teneros engineers have been freed to turn their attention to product enhancements, Kalia says. "This in turn has led to efficiency gains of 20% to 30% in general productivity," Kalia notes.
- **Global footprint gained:** "As we moved into the enterprise market, we have taken on a global footprint," Kalia says. "We service some of the biggest Fortune 500 companies. All these companies have offices all over the world, and if you're delivering a service such as ours, the question they ask is, 'How do you handle support, logistics, and spares for your products worldwide?' HP has such a significant deployment of support, logistics, and spares all over the world that we didn't have to solve that problem ourselves. We leveraged the existing HP support infrastructure instead."
- **Software-as-a-Service brings in 80% of new business:** Thanks to HP Leasing, Teneros is now able to offer its product on a Software-as-a-Service basis through Bell Micro. Since the company began offering the SaaS option in 2009, about 80% of its new business uses this model. Although customers must still use a Teneros appliance, its cost is included in a monthly subscription payment. Previously, they had to purchase an appliance. "In the current economy, IT departments are seeing their capital expense budgets shrink, with the focus moving toward operating expenses," Kalia says. "We needed a way to deliver our product to customers that was operating expense oriented. We were able to leverage the HP Leasing program and Bell Micro's relationship with HP to get that done."
- **50% growth, 200% more prospects:** As a result of these additions, Kalia says, Teneros has increased its customer base 50% in the past six months. The company is now able to pursue large customers with 10,000 users or more, and with offices around the globe, so there's the potential for much more growth. "We've at least doubled our total addressable market," he says.

Solution at a glance

Hardware:

- HP ProLiant DL380 servers
- HP StorageWorks 70 Modular Smart Array
- HP StorageWorks 50 Modular Smart Array

Software:

- HP Integrated Lights-Out (iLO) Advanced Pack
- VMware Virtual Infrastructure 3
- Microsoft Exchange Server

Operating system:

Microsoft Windows® Server 2003 and 2008

Network protocol:

TCP/IP

HP Services:

HP Care Pack services

Building on industry-leading technology

Using HP hardware has helped Teneros focus on its core competency. "Our strength is providing high availability and disaster recovery for corporations so their message infrastructure continues working uninterrupted," Kalia says. "We don't want to be an innovator in the hardware segment. With HP, we can use the industry-leading solution and then build our unique value on top of it."

"We were able to leverage HP Leasing and Bell Micro's relationship with HP—more than 80% of the company's new business has been software-as-a-service." —Manish Kalia, vice president of marketing and founder, Teneros, Inc.

Bell Micro brings enormous benefit to Teneros with its manufacturing and distribution capabilities, but also its reseller network, and its partnership with HP, he adds. "Because of Bell Micro's relationship with HP, the three of us were able to work very closely together to bring this unique offering to market."

As for Bell Micro, it has paid Teneros perhaps the highest possible compliment—by using its product to protect Bell Micro's own email. "We sell 130 different product lines, but we only implement the things that really help our productivity," Gammon says. "Teneros is definitely one of them."



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