

TECH CHOICES



January 31, 2006

Iron Mountain Is A Strong Performer In The Message Archiving Hosted Services Market

The Forrester Wave™ Vendor Summary, Q1 2006

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EXECUTIVE SUMMARY

With its Digital Archives offering, Iron Mountain is a strong performer in the message archiving hosted services market. Iron Mountain's focus is on digital records management (RM) and digital data protection. The company intends to expand its vertical focus beyond financial services to include defense, medical, and other industries. Iron Mountain has about 235 Digital Archives customers; about 80 of them joined in the past 12 months. Its Digital Archives is well suited for financial services companies that use Exchange, need to comply with SEC and NASD regulations for archiving and supervision, and want to outsource message archiving to a leading hosted service provider. It is especially well suited to firms that view message archiving as part of a broader records management (RM) strategy.

IRON MOUNTAIN TARGETS FINANCIAL SERVICES COMPANIES

Iron Mountain is much larger than most of its competitors in the message archiving hosted services market. The 14,000-person company had fiscal year 2004 revenues of approximately \$1.8 billion and has been profitable since Q4 2001, which is the same year the company launched its Digital Archives service. Iron Mountain's strategic mission is to provide customers with solutions for better managing and protecting electronic data and records.

Forrester evaluated Iron Mountain's current message archiving hosted services offering and strategy against 61 criteria (see Figure 1). Its strengths (as indicated by a score of 3.0 or higher) include support for content other than messages and attachments, supervision, vision and product strategy, and company financials. Its weaknesses (as measured by a score of lower than 2.0) include email capture and management and language localization. Iron Mountain Digital Archives is an especially good fit for buyers that:

- **View message archiving as part of a broader RM strategy.** Iron Mountain's focus is on digital RM (image archiving, compliance message archiving and supervision, and data restoration) and digital data protection (PC and server electronic vaulting). The company has a large physical RM business and is expanding into electronic RM. Iron Mountain views emails and instant messages (IMs) as just another form of business record. Its Digital Archives offering provides support not only for messages and attachments but also for faxes, file systems, and databases. Customers can provide Iron Mountain with email backup tapes and paper files to convert into electronic documents and import into the archive.

- **Need post-review capabilities to comply with financial services regulations.** In the US, National Association of Securities Dealers (NASD) and Securities and Exchange Commission (SEC) regulations require brokers/dealers — and, in early 2006, hedge fund managers — to archive registered reps' email and IMs and monitor them for compliance. Digital Archives has robust supervision features with tools for reviewers, and indicators and mechanisms for monitoring reviewer effectiveness. Random sampling is very strong, and the system can flag messages as potential issues based on a lexicon match. Digital Archives includes a basic homegrown built-in workflow engine. The system provides post-review only, not pre-review.
- **Are Exchange shops that have basic search and eDiscovery needs.** Currently, Digital Archives supports only Microsoft Outlook/Exchange, but it can index and search over 200 different attachment types. The product supports IM gateways from Akonix, FaceTime, and IMlogic (which is in the process of being acquired by Symantec), and directly supports Bloomberg messaging. Reviewers and compliance staff can search across their company's entire archive and save queries for reuse. The system indexes all metadata, messages, and attachments, including nested files (e.g., ZIP files), but only supports Boolean search and search by a combination of key words. For eDiscovery, basic case management is available, and customers have some legal discovery features — though large discoveries require Iron Mountain technical support. The system does not provide marking or Bates numbering features but does provide an API for integration with third-party legal discovery software.

To see how Iron Mountain Digital Archives stacks up against four other competitors, see the Forrester Wave™ evaluation of the message archiving hosted services market.¹

This analysis reflects our assessment of the Iron Mountain Digital Archives hosted service. Throughout the scorecard, we refer to this set of components as “the product,” “the system,” and “the solution.”

Figure 1 Iron Mountain Digital Archives Evaluation Overview

CURRENT OFFERING

Email capture and management	Iron Mountain supports only Microsoft Outlook/Exchange. It does not support manual archiving or classification. The system captures email through journaling but not down to the individual user basis and does not have strong classification capabilities. A differentiator is that customers can provide the vendor not only with email backup tapes but also paper files to import into the archive. Iron Mountain does not offer antivirus or spam-filtering capabilities.
Ease of use for end users and administrators	End users cannot access email in the archive. Digital Archives is a tool for reviewers and compliance officers. The system provides a Web UI for basic administrator tasks. All other admin tasks must be handled by Iron Mountain tech support. Customers cannot import user data from LDAP directories. The system provides HTML reports out of the box. It does not provide integration with third-party tools for creating additional reports.
Types of content archived	Iron Mountain earns a solid score for support of various types of content. Digital Archives can index and search over 200 different attachment types. The product supports IM gateways from Akonix, FaceTime, and IMlogic (in the process of being acquired by Symantec), and directly supports Bloomberg messaging. It provides a limited range of support for faxes, file systems, and databases. It supports the archive, index, search, and retrieval of messages and attachments in English only.
Search/eDiscovery	Iron Mountain utilizes the Oracle search engine. Users can search across their entire archive and save queries for reuse. The system indexes all metadata, messages, and attachments, including nested files. The system supports only Boolean search and search by a combination of key words. Basic case management is available and customers have some legal discovery features, but large discoveries require Iron Mountain technical support. The system does not provide marking or Bates numbering but provides an API for integration with third-party legal discovery software.
Supervision	Iron Mountain is the top scorer in supervision. The system has robust reviewing capabilities. Digital Archives provides indicators and feedback mechanisms to assist reviewers. Random sampling is strong, and messages can be flagged based on a lexicon match. Digital Archives includes a basic homegrown built-in workflow engine. The system supports post-review only.
Language localization	Currently, the solution provides user interfaces and documentation in English only.

Source: Forrester Research, Inc.

Figure 1 Iron Mountain Digital Archives Evaluation Overview (Cont.)

CURRENT OFFERING

Security	Iron Mountain provides basic security features. Digital Archives applies an algorithm to each message. For access control, the system provides a subset of strong password policies, including account lockout after X failed login attempts and forced password reset after X time. The data center is protected by two or more layers of firewall security. Each time a person enters and leaves the data center, this information, along with date and timestamp, is recorded. Iron Mountain deploys cameras for recording movement within the data center. But physical access to the data center is not controlled with a biometric access control system.
Proven scalability and performance	More than 200 billable TB of data are stored in the system. Because the vendor maintains multiple copies of items, the total volume of data stored in the system is actually more than 600 TB. Forrester estimates that the system is supporting between 50,000 and 99,000 mailboxes in total (3.5 billion messages). Forrester estimates that between 2 million and 3.9 million messages are ingested into the system every day.
Cost	Iron Mountain does not provide a set cost per installation, as implementation is unique and customized to each customer. Pricing is based on storage volume. Storage is charged per GB per month. Storage fee includes full text indexing, licensing, maintenance fees, software upgrades, and support.

STRATEGY

Vision and product strategy	Iron Mountain's focus is on digital records management (image archiving, compliance message archiving and supervision, and data restoration) and digital data protection (PC and server electronic vaulting). The company will expand its vertical focus beyond financial services to include defense, medical, and other industries. The company's product road map includes enhancements in all of its product areas.
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MARKET PRESENCE

Installed base	Iron Mountain has about 235 Digital Archives customers, about 80 of them having joined in the past 12 months.
Company financials	Iron Mountain has solid company financials. Iron Mountain's most recent reported yearly financial results are from 2004. The company's fiscal year 2004 revenues were approximately \$1.8 billion, and the company has been profitable since Q4 of 2001. Iron Mountain has over 14,000 employees worldwide.
Services	Iron Mountain has sales, service, and support offices in the United States, Canada, the United Kingdom, Latin America, and the Pacific Rim. The company works with three system integration partners for its Digital Archives service: Hewlett-Packard, IBM, and Sun Microsystems.

Source: Forrester Research, Inc.



Go online to download additional in-depth data and scores for this vendor and other vendors included in this Forrester Wave evaluation.



SUPPLEMENTAL MATERIAL

Online Resource

The underlying spreadsheet for Figure 1 is available online. The spreadsheet includes more detailed data and scores for this vendor.

The detailed data and scores are also available online through an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we narrow our final list to those presented here. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited market share and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in this Forrester Wave — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and readers are encouraged to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence.

Companies Interviewed For This Document

Iron Mountain

Iron Mountain Digital Archives reference customers

ENDNOTES

- ¹ Firms use message archiving hosted services to help them comply with government regulations (especially in the financial services industry) and corporate communications policies as well as to effectively handle legal discoveries. The top five message archiving hosted service providers — as measured by having 100 or more messaging archiving customers — are FivePoints Compliance, Iron Mountain, LiveOffice, Microsoft, and ZANTAZ. To see how these vendors stack up against each other, Forrester evaluated their strengths and weaknesses across 61 criteria. The result: Despite Microsoft having achieved the highest overall score, no vendor emerged as a clear leader — all of the hosted services we evaluated are missing important functionality compared with licensed message archiving software. Nevertheless, Iron Mountain, Microsoft, and ZANTAZ are strong performers, while FivePoints Compliance and LiveOffice are contenders. This Wave includes an interactive vendor comparison tool to provide you with more detailed product evaluations and customizable rankings. See the January 31, 2006, Tech Choices “[The Forrester Wave™: Message Archiving Hosted Services, Q1 2006](#).”