



## Microsoft Exchange Hosted Services Customer Solution Case Study



### IT Provider Recommends Hosted Messaging Service to Help Small Businesses Succeed

#### Overview

**Country or Region:** United States

**Industry:** IT services

#### Customer Profile

ISOOutsource.com provides IT services and support for over 500 small to midsize businesses. A Microsoft® Gold Certified Partner based in Seattle, Washington, the company has almost 50 employees.

#### Business Situation

ISOOutsource.com clients needed a spam-filtering solution that would prevent unwanted e-mail messages from clogging bandwidth and slowing productivity. Some clients also wanted encryption or retention.

#### Solution

ISOOutsource.com recommends Microsoft Exchange Hosted Services, which filters e-mail messages before they reach client server computers and offers optional archiving, continuity, and encryption.

#### Benefits

- Increase bandwidth and productivity
- Offer continuity and encryption
- Reduce overhead, costs, and risks
- Improve client relationships

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*Tony Lesirge, Director of Operations and Product Management, ISOOutsource.com*

When clients come to ISOOutsource.com, an IT services provider for small businesses in the Pacific Northwest, filtering unwanted e-mail messages is usually one of their concerns. With small budgets, limited bandwidth, and highly productive employees, these clients want to eliminate spam before it reaches their e-mail servers. To that end, Microsoft® Gold Certified Partner ISOOutsource.com recommends Microsoft Exchange Hosted Services, a hosted messaging solution that provides clients with thorough offsite spam and virus filtering. Some clients also take advantage of additional encryption and retention services. By helping clients meet such basic needs simply, inexpensively, and effectively, ISOOutsource.com can work with clients on more valuable strategic issues.

**“Of all the hardware and software solutions we tried to provide spam filtering, Exchange Hosted Services was not only the most effective but also the easiest to implement.”**

Tony Lesirge, Director of Operations and Product Management, ISOutsource.com

## Situation

ISOutsource.com is an IT services and support solutions provider for small and midsize businesses. Founded in Seattle, Washington, in 1992, the company has grown to almost 50 employees, with branch offices in Tacoma, Washington, and Portland, Oregon.

A Microsoft® Gold Certified Partner, ISOutsource.com engages with more than 500 clients ranging in size from 5 to about 150 employees, with the majority of the clients having between 20 and 70 employees. The clients rarely have an IT department (or at most have a one-person department), so ISOutsource.com often provides all of their IT services, including everything from strategic planning to day-to-day operations.

“Many of our clients are in professional services—they’re architects, engineers, and so forth—which means that they highly value their time and productivity,” says Dan Hay, President and Chief Executive Officer at ISOutsource.com. Consequently, they are concerned about spam, because unwanted e-mail messages reduce productivity. Though filtering spam is rarely at the top of the list of problems that a client comes to ISOutsource.com to solve, it is almost always somewhere on that list.

Sometimes the problem does become critical. “We had one client who was receiving literally thousands of junk messages a day, several gigabytes’ worth,” recalls Tony Lesirge, Director of Operations and Product Management at ISOutsource.com. The client’s low-cost spam-filtering software was ineffective. “It was the most extreme case I’ve ever seen, obviously the result of some kind of attack. But it was bringing down the client’s Internet connection, clogging its e-mail server, and affecting its ability to do business,” Lesirge says.

Even in less extreme cases, spam can silently chip away at productivity by clogging bandwidth. Lesirge says, “Small businesses may be on a simple DSL connection or a single T1 line, which these days is not much bandwidth for, say, 20 people. Spam can take up a lot of that bandwidth—not only inbound, but the outbound nondelivery reports too.” Because spammers often use many permutations of common e-mail addresses, they can tie up the e-mail server in sending nondelivery “bounce messages” for nonexistent addresses.

To provide its clients with effective, complete IT services and support, ISOutsource.com needed a way to address spam and filter viruses. The ideal solution would also perform other optional messaging functions, such as encryption and archiving, needed by a smaller number of clients.

## Solution

Over the years, ISOutsource.com examined several different methods of reducing spam. “Several years ago, we tried a hardware solution as part of a firewall,” says Lesirge. “But it really wasn’t effective at all. And although that technology has matured, our clients, as small and midsize businesses, are reluctant to make the upfront investment in the dedicated appliance-based solutions you need to match the effectiveness of a hosted solution.”

For a few years, ISOutsource.com was a reseller for an appliance-based solution. Then from about 2002 to 2005, the company sold two software solutions. Lesirge says, “One of them was only about 50 percent effective, but it was extremely low in cost, which was valuable for our clients. The other, a fairly well-known and more mature software solution, was more effective, maybe 70–80 percent, but pricier. And, of course, they both involved labor costs to install and maintain.”

“We just try to make the simple things—such as spam and virus filtering with Exchange Hosted Services—as cheap and effective as possible.”

Tony Lesirge, Director of Operations and Product Management, ISOsource.com

Though ISOsource.com was providing (and making money on) that labor, the company would have preferred to help its clients save more money.

With this in mind, Lesirge was attracted to the managed service model, which is designed to remove unwanted incoming e-mail messages and threats before they reach the client site, by routing them through an offsite service. “We looked at a few of the big names in managed services,” says Lesirge, “but they had barriers to entry—they required a large number of mailboxes before we could resell the service.”

On the other hand, Microsoft Exchange Hosted Services (then known as FrontBridge Technologies) had no such minimum requirements. Lesirge was confident that it was going to be an effective solution, and ISOsource.com started reselling it to clients in the summer of 2005.

The primary service clients use is Microsoft Exchange Hosted Filtering, which routes all incoming e-mail messages to the Microsoft global data center network. Messages that are flagged as spam can be quarantined for up to 15 days or sent to the mailbox of a specific user, such as an IT administrator, for review.

Exchange Hosted Services includes three additional services:

- Microsoft Exchange Hosted Archive for archiving e-mail and instant messages to help companies meet legal and regulatory requirements.
- Microsoft Exchange Hosted Continuity for storing a month’s worth of e-mail that can be accessed during a planned or unplanned outage. Users can compose, receive, and send e-mail messages in real time.

- Microsoft Exchange Hosted Encryption for providing policy-based message encryption from sender to recipient.

In mid-2007, ISOsource.com decided to stop reselling hardware and software products and services from other vendors. Instead, it chose to gain all of its revenue from the packages of services it offers to clients, such as server monitoring, desktop maintenance, and on-site or remote support services. Thus it is now recommending (rather than reselling) Microsoft Exchange Hosted Services. Total corporate revenues have remained the same since the switch (with larger service-package revenues making up for the reduction in resale commissions), says Lesirge, which suggests that clients are responding favorably to the new model.

## Benefits

By recommending Exchange Hosted Services to its clients, ISOsource.com helps them increase productivity and bandwidth by reducing spam. Some clients meet additional needs through continuity and encryption. Whether it’s reducing spam, or reducing spam while improving continuity and encryption, all gain a low-overhead solution. ISOsource.com uses the recommendation to significantly improve its relationships with clients.

### **Increase Bandwidth and Productivity**

ISOsource.com clients can use Exchange Hosted Services to filter spam before it reaches their e-mail servers. For example, in the extreme case of the company that seemed under attack, Lesirge says, “By implementing Exchange Hosted Services, we were basically able to block all that traffic almost immediately.”

By keeping spam away from their IT systems, the clients regain precious bandwidth. And by keeping spam away from their highly

productive employees, they gain precious work time.

The managed-service approach makes particular sense for the small and midsize businesses that ISOsource.com works with, and Exchange Hosted Services scales to meet the needs of enterprise customers. “Of all the hardware and software solutions we tried to provide spam filtering, Exchange Hosted Services was not only the most effective but also the easiest to implement,” says Lesirge.

Indeed, he is hard-pressed to think of an occasion when ISOsource.com would not recommend the service to a client. “For 99 percent of our clients, Exchange Hosted Services is the way to go.”

#### **Offer Continuity and Encryption**

Increasing numbers of ISOsource.com clients are selecting the additional option to have Exchange Hosted Services serve as a backup to their onsite messaging system. “E-mail messaging is just so mission-critical these days,” Lesirge says. “If an e-mail server computer goes down for any reason, Exchange Hosted Continuity gives our clients the ability to go online and still have the ability to correspond, still be able to conduct business.” It’s a trend, he believes, that will continue to grow.

Meanwhile, other clients use Exchange Hosted Encryption to address regulatory compliance issues. “Whether they themselves are facing regulatory compliance, or they’re dealing with companies who require that compliance, they need encryption,” Lesirge says. Though it’s a minority of firms, they appreciate the simplicity of Exchange Hosted Encryption.

#### **Reduce Overhead, Costs, and Risks**

“With Exchange Hosted Services, we don’t have any software or hardware to install,”

Lesirge says. “The startup is really quite simple, and the product is easy to understand. There’s no large project to be done, and no learning curve like you sometimes have with software products. For most companies, their e-mail works exactly the same way that it did before.”

Lesirge believes Exchange Hosted Services presents fewer risks than other solutions. “With Exchange Hosted Services, there’s no software to install and you don’t have any network configuration changes, which is good. Every time you add a piece of software or hardware to the network, it increases complexity, and there’s always some risk associated with that.”

“Our client base is very sensitive to costs, and they find Exchange Hosted Services affordable,” Lesirge says. “We have had some clients who’ve been a bit hesitant about a monthly service because it’s a recurring-cost model, but the entry point is so low that it’s pretty inconsequential. And for the effectiveness of the solution, almost everybody decides it’s worth it.”

#### **Improve Client Relationships**

“There are certain things that every client needs—you might think of them as the plumbing of IT,” Lesirge says. “You have to have them, but they don’t provide unique value. They aren’t going to be a strategic advantage, empower you to get more customers, or make more money.” Such functions include everything from “literally the cabling in your building up to the server hardware platform, the operating system, the antivirus and antispam solution, the firewall, the backup solution, and on and on.”

Because these functions are important, ISOsource.com identifies best practices and best-in-class products to perform them. “We literally have a list of best practices for these functions, though it obviously varies by

industry and size of business,” Lesirge says. “Exchange Hosted Services is on the list of products we’ve picked as best-in-class that we know all our clients need. It’s one piece of a package that everyone should have.”

But this “plumbing” doesn’t form the foundation of an ISOsource.com client engagement. “We want to provide high-value services as much as we can,” Lesirge says. “Anyone can do the simple stuff for our clients.” ISOsource.com thus doesn’t believe in doing custom programming or even reselling products or services that meet such basic needs. “We just try to make the simple things—such as spam and virus filtering with Exchange Hosted Services—as cheap and effective as possible,” he says. With Exchange Hosted Services, he can be confident that the clients’ basic needs are being met.

That’s important to ISOsource.com because the firm wants to provide as much unique value as possible to its clients.

“Recommending Exchange Hosted Services frees us up to work with the clients at a higher, more strategic level, which is going to be more valuable to them,” says Richard Brunke, Chief Operating Officer at ISOsource.com.

That attitude of providing value is central to the ISOsource.com philosophy. “We’ve always had a very loyal client base, and we’ve always been about the long-term relationship,” Brunke says. “Exchange Hosted Services is just something we put out there for our clients. We even tell them, ‘We’re not making any money by recommending this—it’s just what we believe to be in your best interest.’ Because it’s all about doing the best thing for your clients.”

## For More Information

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For more information about ISOutsource.com products and services, call (800) 240-2821 or visit the Web site at: [www.isoutsource.com](http://www.isoutsource.com)

## Microsoft Server Product Portfolio

For more information about the Microsoft server product portfolio, go to: [www.microsoft.com/servers/default.aspx](http://www.microsoft.com/servers/default.aspx)

For more information about Microsoft Exchange Hosted Services, go to: [www.microsoft.com/exchange](http://www.microsoft.com/exchange)

## Software and Services

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