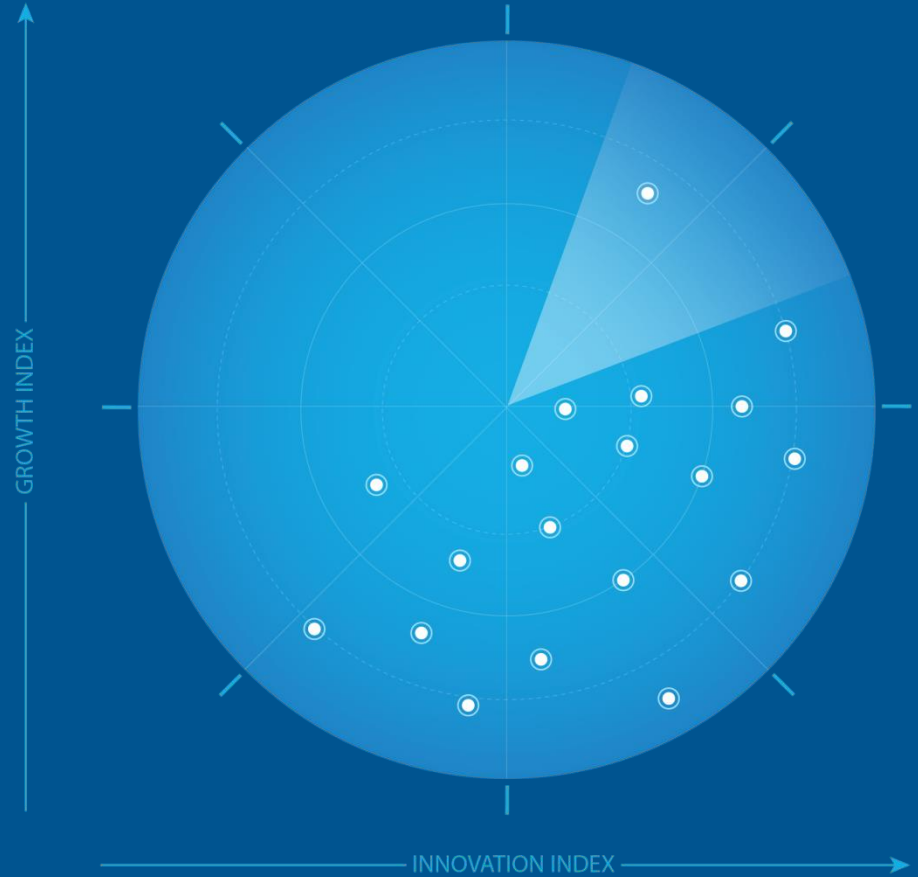


# Frost Radar™: Disaster Recovery as a Service, 2022

A Benchmarking System  
to Spark Companies to  
Action - Innovation that  
Fuels New Deal Flow and  
Growth Pipelines

Global Information &  
Communications Technologies  
Research Team at Frost & Sullivan



**K774-72**

**November 2022**

# Strategic Imperative and Growth Environment



# Strategic Imperative

- Enterprise customers struggle to implement adequate business continuity and data or application resiliency. In 2022,
  - 48% of respondents to a Frost & Sullivan survey about cloud infrastructure and service usage stated that “implementing resiliency or backup plans for apps and data” was a crucial or very important challenge.
  - 54% said that they are moving apps and data among different cloud environments to help ensure resiliency.
  - 55% stated that they do so to reduce security issues.
- Disaster recovery as a service (DRaaS) solutions use software to replicate workloads, data, and user settings (when applicable) to a provider’s cloud. In the event of a disaster, data and applications housed in that cloud are spun up as a secondary production site and remain operational until the customer’s primary site resumes operations and failback can occur. It typically provides faster recovery points and times than other modes of backup and recovery.
- Government regulations surrounding data handling and privacy continue to affect how businesses around the world handle corporate data. Many companies replicate critical data using DRaaS for compliance purposes. Moving apps to the cloud (whether for production or backup) also can improve both availability and performance.
  - 37% of Frost & Sullivan survey respondents stated that moving apps and data to the cloud improved their compliance assurance.
  - 41% stated that moving apps and data to the cloud helped improve app availability.

Source: Frost & Sullivan

# Strategic Imperative (continued)

- Outages occur for a variety of reasons, including hardware failure, natural disaster, or cyberattacks or ransomware. In the face of a technology outage, DRaaS offers businesses a quick recovery solution to resume normal business operations with minimal disruption.
- DRaaS is a vital service for enterprises, especially because of the increase in cyber threats (particularly ransomware), as they seek simple-to-deploy services that allow them to easily recover data without paying ransom to cyber criminals.
- According to the [Verizon Data Breach Investigations Report \(DBIR\)](#), ransomware incidents increased 13% in 2021 and a total of 25% over the last five years. Of those, approximately 40% of incidents led to a payout for the criminal actor.
- DRaaS enables businesses to replicate workloads and data that may be a ransomware target, such as sensitive customer financial or healthcare data, into secure, cloud-based facilities that can be easily recovered, often in minutes, should a business be subjected to an attack.
- For businesses that want or require the added security, some DRaaS providers are offering immutable storage for replicated DRaaS data. Immutable storage contains a meta file immutability policy that states whether or how a particular file can be edited, if at all. Most immutable storage ensures that data is stored in a form that cannot be edited in any way or removed from the storage medium so that replicated data remains pristine and available in the event that it is needed to recover from a cyberattack.

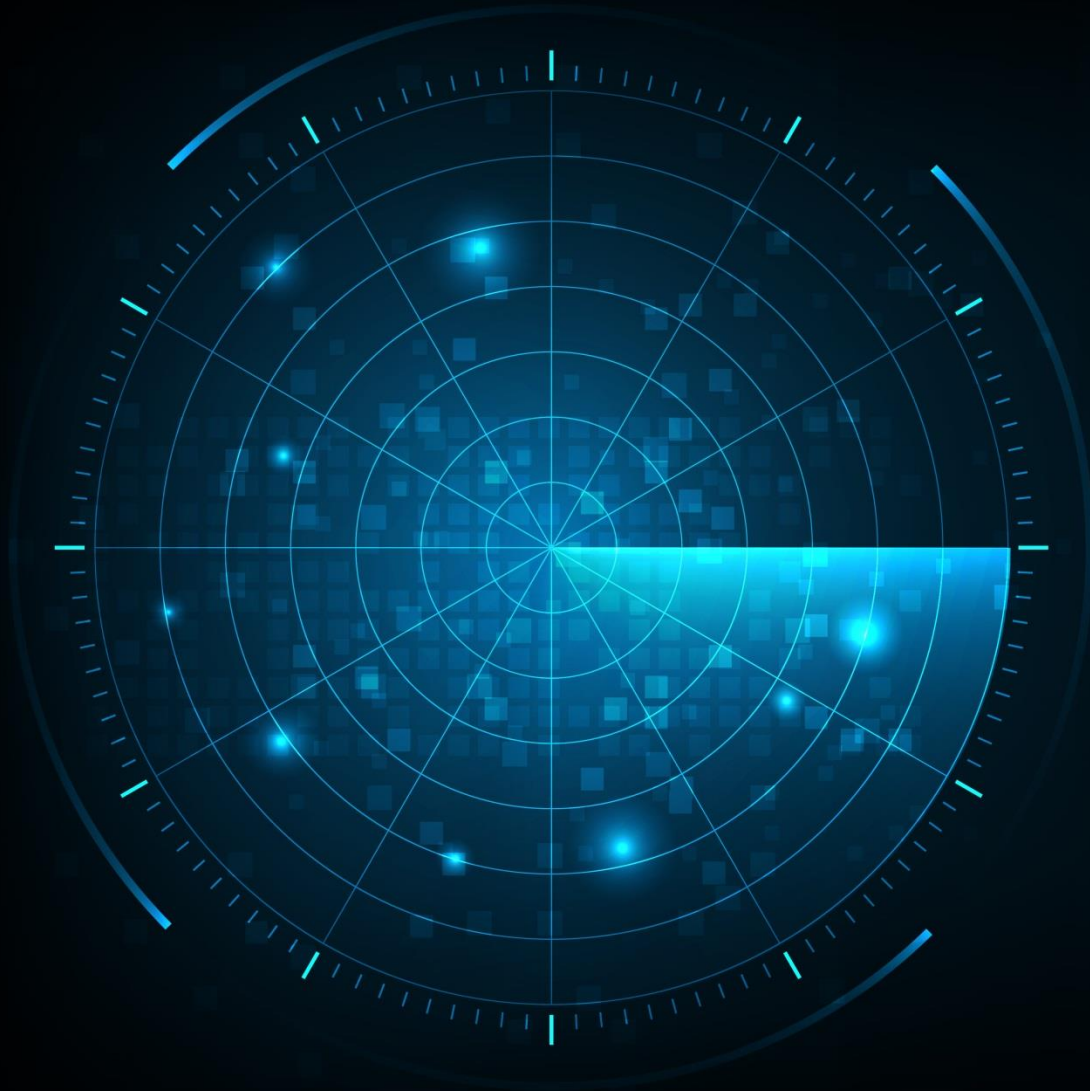
Source: Frost & Sullivan



# Growth Environment

- The DRaaS market has matured since its inception in 2014, yet it is still changing and growing each year. Merger and acquisition activity has increased in the last three years as companies in adjacent spaces seek to provide a more comprehensive suite of security and data management/protection services to customers and therefore acquire DRaaS companies or technologies rather than reinvent the wheel. Several market leaders, including Carbonite, iLand, and Sungard Availability Services, have been acquired during this time frame.
- Some providers are integrating technologies that formerly stood alone (such as combining security, protection, and data management services) to create an “information management” category of services in the market. New technologies such as artificial intelligence (AI) and automation also are enabling providers to enhance DRaaS solutions.
- Providers are either embedding or bundling adjacent services, such as zero trust security and immutable storage, along with their DRaaS services.
- Global systems integrators and managed service providers (MSPs) are showing more interest in DRaaS. Some MSPs that specialize in DRaaS report that they are reselling DRaaS services to other types of resellers, such as value-added resellers, particularly those without an established niche in DRaaS. These relationships are creating new go-to-market channels and increasing revenues for DRaaS providers of all types.
- Among Frost & Sullivan survey respondents, 39% said that one of the main benefits of using a third-party MSP is improved disaster recovery and business continuity for managed workloads.

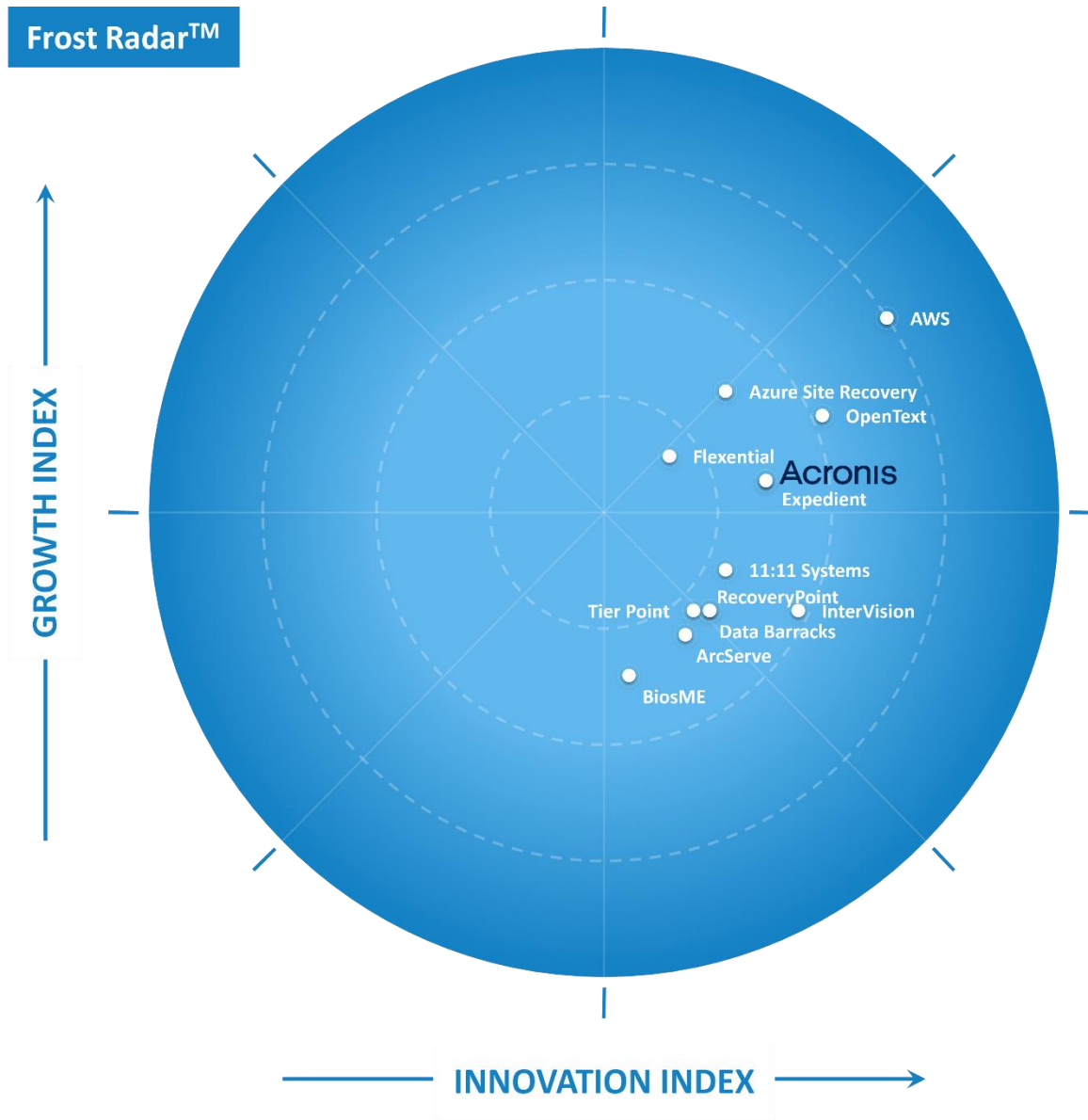
Source: Frost & Sullivan



**Frost Radar™**

**Disaster Recovery as a  
Service**

# Frost Radar™: Disaster Recovery as a Service



Source: Frost & Sullivan

# Frost Radar™: Competitive Environment

- Frost & Sullivan considers DRaaS providers to be either technology providers that offer a DRaaS solution that includes both the software platform and a cloud backup environment or MSPs that partner with technology providers to bring DRaaS offers to market.
- This Frost Radar™ only covers providers that offer a stand-alone DRaaS service rather than technology platform providers that only offer a platform but do not offer a replication environment. The broader DRaaS ecosystem includes smaller MSPs that do not or cannot provide widespread protection across a variety of infrastructures, including on-premises servers and public, private, and bare-metal cloud. Providers were chosen for this Frost Radar™ based on their breadth of support for a variety of infrastructures in addition to their innovation execution and growth capabilities.
- Most providers included here offer software-based services that use either agent-based or agentless technology to replicate workloads. Appliance-based services, while still available from some providers, are seen in market less frequently.
- Most services now offer one hour recovery time objective (RTO) and 30-minute recovery point objective (RPO) or less<sup>1</sup>.
- Security and encryption in transit and at rest are table stakes for DRaaS services. Automation of failover and failback is increasingly seen as a key part of market-leading services.

Key: <sup>1</sup>RTO is the targeted interval between when an outage or disaster occurs and when the environment must be back up and running. This includes the time it takes to detect the failure, prepare the backup site, initialize the failed components, and perform any network configuration to reroute requests to the backup environment. RPO is the targeted maximum amount of time that an organization can tolerate between instances of mirroring of its data. In other words, the RPO is the amount of time between instances of data being backed up in a recovery solution.

Source: Frost & Sullivan



# **Companies to Action**

**Companies to Be Considered First for  
Investment, Partnerships, or Benchmarking**

## INNOVATION

- A leader in the disaster recovery space, Acronis has spent the last two years enhancing its Cyber Protect Cloud backup and recovery service through both organic product innovation and acquisitions. Most notably, Acronis has created a library of add-on “packs” that can enhance the core Cyber Protect service based on a customer or service provider’s specific needs.
- Enhanced packs are available for security, disaster recovery, backup, email security, file share and sync, and data loss prevention.
- The advanced disaster recovery pack offers multiple network support, including IPsec multisite VPN support and the ability to support individual endpoints over 5G.
- For service providers, Acronis has added custom DNS configurations for recovery cloud services, enabling easier support for multiple end-user customers.

## GROWTH

- Acronis revenue has grown 260% year-over-year from 2021, and it continues to add private funding to its balance sheet based on the strength of its products and services.
- The Acronis licensing is simple and attractive: customers pay a competitive rate per gigabyte or workload protected.
- Acronis also is investing heavily in growing its partner ecosystem, with a robust engagement and incentive program that will continue incentivize increased sales in its partner channel. Of note, the company extended its partnership with ZDNet in March 2022.
- The company also has begun adding technologies to its service through acquisitions such as Synapsys (2021), CyberLynx and DeviceLock (2020), and 5nine (2019), each of which comes with a new base of customers to add to the Acronis portfolio.

## FROST PERSPECTIVE

- Acronis offers less support for public cloud as a recovery target. Enhanced public cloud capabilities would make the company more attractive to enterprise customers.
- With its increased focus on and a significant portion of sales generated in its partner channel, this leaves important service capabilities, such security and support, as the responsibility of the MSP. Creating levels of support and security that MSPs are expected to meet as Acronis partners would help standardize the customer experience, regardless of which partner provides the service.

Source: Frost & Sullivan

# Strategic Insights



# Strategic Insights

1

Businesses continue to grapple with efficient and effective backup and recovery across the complete IT environment. DRaaS is a popular service to help businesses protect their data, improve application availability, and minimize the effects of outages.

2

As threats from cybercrime (particularly ransomware) grow, DRaaS services provide critical protection when prevention fails. DRaaS enables businesses to quickly and easily replicate and restore data and applications to a cloud-based environment in minutes, without paying ransom fees to criminals. It ensures business continuity in the face of a growing threat.

3

As businesses look at their application and data management in a more strategic and holistic way, they will seek more comprehensive services that comprise backup and recovery, security, and even IT infrastructure and data management from a single provider or even in a single solution. As such, Frost & Sullivan expects continued convergence in the DRaaS market as this functionality is embraced as one portion of a larger business solution.

Source: Frost & Sullivan





**Next Steps:  
Leveraging the  
Frost Radar™ to  
Empower Key  
Stakeholders**



# Significance of Being on the Frost Radar™

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Companies plotted on the Frost Radar™ are the leaders in the industry for growth, innovation, or both. They are instrumental in advancing the industry into the future.

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## GROWTH POTENTIAL

Your organization has significant future growth potential, which makes it a Company to Action.

## BEST PRACTICES

Your organization is well positioned to shape Growth Pipeline™ best practices in your industry.

## COMPETITIVE INTENSITY

Your organization is one of the key drivers of competitive intensity in the growth environment.

## CUSTOMER VALUE

Your organization has demonstrated the ability to significantly enhance its customer value proposition.

## PARTNER POTENTIAL

Your organization is top of mind for customers, investors, value chain partners, and future talent as a significant value provider.

Source: Frost & Sullivan

# Frost Radar™ Analytics



# Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

## VERTICAL AXIS

**Growth Index (GI)** is a measure of a company's growth performance and track record, along with its ability to develop and execute a fully aligned growth strategy and vision; a robust growth pipeline™ system; and effective market, competitor, and end-user focused sales and marketing strategies.

## GROWTH INDEX ELEMENTS

- **GI1: MARKET SHARE (PREVIOUS 3 YEARS)**  
This is a comparison of a company's market share relative to its competitors in a given market space for the previous 3 years.
- **GI2: REVENUE GROWTH (PREVIOUS 3 YEARS)**  
This is a look at a company's revenue growth rate for the previous 3 years in the market/industry/category that forms the context for the given Frost Radar™.
- **GI3: GROWTH PIPELINE™**  
This is an evaluation of the strength and leverage of a company's growth pipeline™ system to continuously capture, analyze, and prioritize its universe of growth opportunities.
- **GI4: VISION AND STRATEGY**  
This is an assessment of how well a company's growth strategy is aligned with its vision. Are the investments that a company is making in new products and markets consistent with the stated vision?
- **GI5: SALES AND MARKETING**  
This is a measure of the effectiveness of a company's sales and marketing efforts in helping it drive demand and achieve its growth objectives.

# Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

## HORIZONTAL AXIS

**Innovation Index (II)** is a measure of a company's ability to develop products/services/solutions (with a clear understanding of disruptive Mega Trends) that are globally applicable, are able to evolve and expand to serve multiple markets, and are aligned to customers' changing needs.

## INNOVATION INDEX ELEMENTS

- **II1: INNOVATION SCALABILITY**  
This determines whether an organization's innovations are globally scalable and applicable in both developing and mature markets, and also in adjacent and non-adjacent industry verticals.
- **II2: RESEARCH AND DEVELOPMENT**  
This is a measure of the efficacy of a company's R&D strategy, as determined by the size of its R&D investment and how it feeds the innovation pipeline.
- **II3: PRODUCT PORTFOLIO**  
This is a measure of a company's product portfolio, focusing on the relative contribution of new products to its annual revenue.
- **II4: MEGA TRENDS LEVERAGE**  
This is an assessment of a company's proactive leverage of evolving, long-term opportunities and new business models, as the foundation of its innovation pipeline. An explanation of Mega Trends can be found [here](#).
- **II5: CUSTOMER ALIGNMENT**  
This evaluates the applicability of a company's products/services/solutions to current and potential customers, as well as how its innovation strategy is influenced by evolving customer needs.

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